

Justice Committee

Oral evidence: [Constitutional relationship with the Crown Dependencies](#), HC 1388

Tuesday 23 May 2023

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Members present: Sir Robert Neill (Chair); Janet Daby; Maria Eagle; Edward Timpson.

Questions 1 - 56

Witnesses

I: Hon Alfred Cannan MHK, Chief Minister, Government of the Isle of Man; Deputy Jonathan Le Tocq, Minister for External Relations, Government of Guernsey; and Deputy Philip Ozouf, Minister for External Relations, Government of Jersey.

Written evidence from witnesses:

- Government of Guernsey ([RCD0001](#))
- Government of Jersey ([RCD0002](#))
- Government of the Isle of Man ([RCD0003](#))

Examination of witnesses

Witnesses: Hon Alfred Cannan, Deputy Jonathan Le Tocq and Deputy Philip Ozouf.

Q1 Chair: Welcome to this session of the Justice Committee looking at the constitutional relationship with the Crown dependencies and the role of the Ministry of Justice in facilitating and overseeing it.

We are grateful to the three Ministers for coming to join us today. We will come to you shortly, but first we must deal with our formalities. I am a non-practising barrister and a former consultant to a law firm. I am a member of the all-party parliamentary groups for the Channel Islands and the Isle of Man.

Maria Eagle: I am a non-practising solicitor.

Edward Timpson: I am a former Solicitor General with a practising certificate at the Bar and former chair of CAFCASS and former chair of the national Child Safeguarding Practice Review Panel. My brother is chair of the Prison Reform Trust.

Q2 Chair: May I ask our witnesses to introduce themselves, and then we shall get straight to questions?

Hon Alfred Cannan: I am Chief Minister Cannan from the Isle of Man.

Deputy Philip Ozouf: I am Minister for External Relations from the Government of Jersey.

Deputy Jonathan Le Tocq: I am Minister for External Relations and Constitutional Affairs for the Government of Guernsey.

Q3 Chair: It is very good to see you all again. I thank you for the helpful written submissions that your Governments have made.

How would you describe the role of the Ministry of Justice and its responsibilities for the Crown dependencies, as you perceive them? A lot of people probably do not know that it exists, so I shall be interested in your take on how it works.

Hon Alfred Cannan: The MOJ plays a pretty critical role in communicating with the islands. We see it as that central point, not only in communicating but in ensuring that other Whitehall Departments are aware of their responsibilities to the island.

It is important that the Ministry of Justice has a full understanding of the constitutional relationships between the United Kingdom and the Crown dependencies. Fundamentally, our view is that they play a key role in ensuring we are being properly represented in various Whitehall Departments when it comes to direct relationship matters or even indirect relationship matters. They play a pretty key supporting role—almost an advisory position on constitutional matters.



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Q4 Chair: Leaving aside the Ministry of Justice, do you think that the constitutional relationship is well understood?

Hon Alfred Cannan: It is fair to say that it is an ongoing matter for us to ensure that that constitutional relationship has been properly represented across Whitehall. The Ministry of Justice has demonstrated to us a good, positive interaction in recent years. To be fair, across Whitehall there has been more engagement post Brexit.

That relationship and those dynamics have been changing, but it is always a necessity that we properly represent our position and make everybody aware of how we see our role in the British family, particularly post Brexit and particularly when we are dealing with a new world where free trade agreements and international relationships are evolving and developing perhaps with different emphasis.

There is quite a lot of work to be done in that respect and it is an ongoing matter. It is incumbent on us all to make sure we are properly versed in understanding how that is working and the interaction of the Crown dependencies' economies. Social interaction with the United Kingdom is kept to the fore.

Deputy Jonathan Le Tocq: There is, particularly in the era in which we live, a nuance. The Ministry of Justice is there not to advocate our policies but to ensure that the UK Government, where constitutionally responsible for representing our position, are able to do so with full comprehension of what they are, and to do so efficiently and effectively. The Ministry of Justice's primary role is in helping us to be understood in that way.

Specifically to your question, that involves continual change, particularly when Ministers of State change regularly and when staff change. It is a never-ending job, like painting the Eiffel Tower. We must continually do that: once we have finished, we start again.

Q5 Chair: You are a little less prone to those reshuffles in the Crown dependencies, by comparison.

Deputy Philip Ozouf: We had an election in Jersey last June. I have been part of the Government for a number of years, although I took a three-year break.

It is welcome that the Justice Committee continues to be interested in the Crown dependencies. It is worth noting—I am sure my colleagues will agree—that previous Justice Committee reports have made a real difference. They have been thoughtful and have made recommendations. They have helped in the constitutional evolution, as the Lord Chancellor must respond officially, so we look forward to this engagement hugely.

We are peculiars of the Crown. The Ministry of Justice acts as a Minister of the Crown. The High Court said that the King and late Queen acted as if they were the Duke of Normandy—not “is”; it is the subjunctive “were”. That is quite important and it differentiates us from other territories and



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overseas territories. That is an important role of the Lord Chancellor. The Lord Chancellor's role in the Privy Council is empowered by the monarch to exercise the UK's constitutional responsibilities, which of course have been restated over a number of years.

The dock, if you like—the primary interchange between the Insular Governments—is the Ministry of Justice. It is an important one, and maybe we shall go on to talk about exactly how the relationship is going.

Q6 Chair: You mentioned in your written evidence that you had limited direct interaction with the previous Lord Chancellor. How many times did you meet him?

Deputy Philip Ozouf: I was elected last July. I know that there have been some reshuffles. We didn't meet him at all. I must say that we were extremely impressed that within a matter of days—two weeks ago—we met the right hon. Alex Chalk in one of these Committee rooms. We had a very positive discussion. The Chief Minister of Jersey and other Ministers from the Crown dependencies were there.

We advanced the view that it is important and helpful to have regular dialogue with the Lord Chancellor. No doubt we will go on to talk about the importance of Mike Freer, the Minister given particular responsibility. It was incredibly helpful that we met the Lord Chancellor.

Q7 Chair: That is helpful. Does anybody disagree or have anything to add?

Deputy Jonathan Le Tocq: I do not disagree, but I emphasise the point I made. We have had four Ministers with responsibility for the Crown dependencies in three years. It has been good that Mike Freer has continued as Minister for some time. That helps us in resourcing and timing.

Q8 Chair: Chief Minister, your predecessor talked about a good level of access at official and political level. What is your view?

Hon Alfred Cannan: The situation continues to develop, particularly in a post-Brexit environment. There have been a lot of changes. I am sure we will come on to some of the specific negotiations, but when requested there has been good access. We have seen the Ministry of Justice—Mike Freer and others—take a real interest in ensuring we are properly represented.

We have had to push that on occasions, but I go back to the point I made in response to your questioning. We have to continue to develop relationships and create understanding of the role that Crown dependencies play, not just from a constitutional perspective. I am a big supporter of ensuring we are part of the economic success story moving forward, and we have a position to play in that, which, alongside the constitutional elements, is part of the understanding that we need to ensure is maintained in our developing relationships with the various Whitehall Departments.



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Q9 Maria Eagle: The Committee has noted previously that the MOJ's Crown dependencies branch has historically struggled with a lack of resources. What is your assessment of the current level of resourcing within the branch? Does it appear to have enough clout and capacity to do the work that needs doing?

Hon Alfred Cannan: It is perhaps always a difficult assessment to make. For all of us, resources are quite stretched, particularly post covid. One would always like to see perhaps more staff availability in addressing those issues.

I do not think it is solely about the MOJ; it is the interaction with other Departments. We have made representations at political level, but it is harder for me to give you a clear picture how they have been undertaken through the staffing resource network or civil service available to follow up on those political desires.

It is important to recognise that we have had good engagement recently; it has not always been smooth sailing. The Ministry of Justice has tried its best to give us equal weight of hearing and understanding, and has sought to ensure we are properly represented with other Departments.

Deputy Philip Ozouf: We cannot underestimate the importance of political engagement at the highest level. There is, I guess, a tone from the top. We would appreciate more senior, official level engagement within the Ministry of Justice. I am not sure we have had access to directors—I will come on to the team—and to the director general and permanent secretary it has been very limited; only on extraordinary occasions has there been access, if anything at all.

Undoubtedly, the Crown dependencies unit has seen contraction in recent years. We are aware that the team is very overworked, with all the other important matters they must deal with. There is a number of vacancies in the Department, which means that the pressure of work becomes difficult for those individuals. We commend them for the work that they do; they work really hard in trying to deal with a big agenda.

Staffing is obviously a matter for the Ministry of Justice. We advance the view, very respectfully—it is not a matter for us—that if vacancies can be filled, it will certainly help our work.

Partly as a result of one of the Select Committee's previous reports, we in Jersey have set up a London office, which is staffed. We have invested in it since 2013. The London office is resourced to manage that and assist with the significant volume of work, and to have interactions with officials and access to parliamentarians, Ministers, etc. I cannot speak for colleagues, but we find that works well for Jersey.

Deputy Jonathan Le Tocq: I have nothing much to add to what my colleagues have said, except to underline the fact that I have been in this



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post for 10 years now. At officer level, generally things are very good. There are regular contact meetings, and that is good to see in place.

I agree that at a higher, director level we could do with seeing some more, particularly in the busy period post Brexit and with the trade deals, which we will no doubt come on to later.

At the political level, I remind Members of the comments I made before.

Q10 Maria Eagle: Do you receive the information that you need from the Crown dependencies branch in a timely fashion? Are your own external relations teams sufficiently resourced to manage the volume of work that is coming at you from it and other Government Departments?

Deputy Jonathan Le Tocq: We recognise that resourcing is a problem everywhere, and it is for us. We are the smallest Crown dependency and we have to deal with matters for the other islands in our bailiwick—Alderney and Sark. It often is more complex, for those reasons, but we tripled the size of our team since before the Brexit period. We work very closely with Jersey. Obviously, we work with the Isle of Man as well, but on probably 90% of issues we are aligned with Jersey, so we try to make economies of time and resource in that way.

We recognise that Ministry of Justice staff are under pressure. As Deputy Ozouf said, we are not responsible for its resourcing, but over the time I have been involved I can certainly see reductions. As a result, we are having to do more. This is perfectly okay, but in certain areas it makes it more difficult for the constitutional position to be upheld effectively and expeditiously.

Deputy Philip Ozouf: I think that the supplementary point that we would wish to make is that there is a current workload—there is a conveyor belt of current work. We have invested significantly in external relations, both within Jersey and our joint office in Brussels, and now have an individual in the British embassy in Paris.

We want to make it easy for the UK to advance our interests because we very much see it as a win-win: advantage for the UK and advantage for our islands. We can give you some statistics on why we think we are of value and why the relationship is worth investing in, because it is a competitive world.

You have three loyal and friendly Crown dependencies that work collaboratively and well with the UK. We are non-partisan: we do not prefer one party over the other. It is up to the people of the UK to elect whoever they elect to Parliament. We will work with whomsoever, so we do a lot of work on that basis.

The opportunity presents itself in this rapidly changing world, post Brexit and covid, almost to have the chance of a forward look. It is not just the conveyor belt or the ringing phone about the problems now. It is: what



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can we do better together in future? Because of the resource constraints, maybe that doesn't happen, but it is an opportunity.

Chair: That is very helpful.

Q11 Edward Timpson: May I take us on to your relationships with Government Departments other than the Ministry of Justice?

Before doing so, may I say that I have had the pleasure of visiting Jersey and Guernsey and look forward to, I hope, visiting the Isle of Man in the near future? Although there will be an overlap in some of the issues you want to raise with the UK Government through those relationships, you will have your own unique needs and interests to be recognised as part of those conversations.

Will you say a little about how you are treated as Crown dependencies? How often does it become a homogeneous conversation? Are the UK Government able to reflect back to you, particularly in relation to your constitutional status and against your individual requirements, what would help to advance that relationship for each of you?

Hon Alfred Cannan: I think we have seen much clearer understanding of the issues you are highlighting in and around the free trade agreements, particularly with the CPTPP, and the positioning that certainly Guernsey and the Isle of Man felt we were in: we had put a lot of effort into an all-inclusive goods and services position, and not to achieve that was disappointing. We feel there is much mutual value to be had on the services side.

We had to do a lot of work with the MOJ to try to support greater understanding of our positioning with the Department for Business and Trade. That is when you see the value of having that understanding at the Ministry of Justice, to be able to represent our position in stronger terms to other Whitehall Departments that do not appear to have taken full consideration of our position and of the relationship we have with the United Kingdom.

It comes down to all of us continuing to promote that understanding of the mutual relationship we have—the constitutional position, but also the economic position. Quite a lot certainly needs to be done to continue to enhance that.

In this post-Brexit world, we are talking to more Departments—to the Department for Business and Trade and to agriculture and fisheries. There is more to be done—there are more negotiations to be had—to have clarity of sight of everybody's positioning around the Crown dependencies, respecting that positioning; understanding the constitutional position and rights that we are working hard to protect and develop is critical. We do need a champion in Whitehall for that, and the Ministry of Justice is very much our champion in having to resolve or understand why other Departments may not see us or put forward the position we want them to.



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Deputy Jonathan Le Tocq: I will come on to trade later, if I may, because that is a bigger issue.

In my experience, understanding and relationships with other Government Departments improved dramatically during the run-up to the UK's withdrawal from the EU and the covid pandemic. I cannot say which had the biggest effect, but during that period we had a sharp increase in direct contact with Government Departments and intentional opportunity.

We had a Minister in the form of the Paymaster General—at the time, Penny Mordaunt—who championed our cause. During that period, Guernsey managed to come to a new reciprocal health agreement, which we had been trying to do for over 10 years with the UK. That was a major success for tourism and social connections between the islands and on education, in respect of home fees being charged for our students in the UK, which had not been the case for around 20 years.

That was all able to be achieved in a much more understanding, swifter and effective way. We do not have that connection now, so there is a little concern there—certainly on my part—but I would like to say that we should be able to build on the success of that, because it saved a lot of time and, from our point of view, there was greater understanding of the issues and risks and the potential for working more collaboratively together.

Deputy Philip Ozouf: We are competitors, but we are very much joined together. We know that it is easier for UK Departments when we have even a nuanced position or one that is the same. We work hard with colleagues in Guernsey and the Isle of Man to come up with a common position, as has recently been announced on tax.

Covid taught us a lot. Experience of the positive engagement that we had—advanced, no doubt, through Ministry of Justice channels—meant we were able to roll out vaccines in a timely way. That was incredibly important to the covid recovery plan, and we should not forget the fantastic work that we did. We had a reciprocal health agreement some years earlier than Guernsey.

Why did this all matter? I said earlier that we are of benefit to the UK. I have the figures for 2021. We believe that independent research supports around £62 billion of UK GDP every year. I cannot speak for colleagues, but the capital intermediated by Jersey through its well-regulated capital warehouse—we will come on to how well regulated we are, perhaps in a bit—supports an estimated 950,000 jobs. That capital has choices. As it is coming through the Crown dependencies—in this case, Jersey—that is going to benefit the UK to a greater extent than other countries. That is why we are British Jersey and are proud to do that: it is a win-win—despite the fact that there are sometimes challenges. I will come on to fishing in a minute.

Q12 **Edward Timpson:** We are getting closer to that pond, I think.



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I was interested in what was said about the Cabinet Office and Paymaster General. The Ministry of Justice is the key relationship, but the Cabinet Office has the advantage of having overview and stretch across Whitehall. Will you say a little more about your relationship with the Cabinet Office—what contact there is and how much there could still be as a way of driving some of the challenges you face through other key Government Departments via the Cabinet Office rather than always through the Ministry of Justice?

Deputy Jonathan Le Tocq: I will start on that as I raised it. From my experience, while the Ministry of Justice remains that connection because of the Lord Chancellor's position, the Privy Council and the connection to His Majesty in Council, and all those sorts of things, at that time we saw the benefits of the Cabinet Office being able to deal with things very quickly right across Whitehall Departments. When we needed that—it was an emergency—it made a lot of sense, but we also saw the benefits that could accrue.

All three of us have struggled in having access to the Treasury when we need to discuss things. That changed during that period. We now do not have that at ministerial level. There is still contact at official level, but it makes a huge difference when there is a Minister whose responsibility is directly to ensure that our interests are taken seriously by Government Departments.

Q13 **Edward Timpson:** Is that echoed by others?

Hon Alfred Cannan: To be honest, I had not given a huge amount of thought to that change of emphasis, but I can certainly see some common sense in taking a broader view in this post-Brexit environment, where there is much more interaction with other Departments across Whitehall. We are talking about developing the mutual economic success of the Crown dependencies and the United Kingdom. It is therefore something, I guess, that perhaps needs a broader focus, but also a greater understanding. If that can be delivered by the Cabinet Office, I would absolutely welcome that change of emphasis.

Nevertheless, there are peculiarities, and the constitutional position. The Ministry of Justice is perhaps still well placed in dealing with changes to legislation, and the interactions with the islands and the uniqueness of our position, and the full understanding of the parliamentary process that we follow—again, as Philip says, that can be nuanced in all the different islands and across the Crown dependencies—is important.

There is still a need for that really hard technical and legal understanding, but I would welcome a broader discussion around how we can play a much greater role in driving forward the British economy post Brexit and the relevant international agreements that need to be signed and looked at.



Deputy Philip Ozouf: It is perhaps worth noting that it was a precursor to your Committee that set out—that caused—the development of the 2007 framework for developing the international identity of Jersey. That had a number of recommendations for entrustments, which were then given to Jersey—I will not speak for my colleagues; the issue of entrustments is perhaps one that we can come on to.

We have said before—and we shall no doubt come on to some other topics, such as beneficial ownership registers—that in many ways we are part of the solution; we are not the problem. We are small, nimble and fast-moving, so we can do things quicker and faster, and sometimes in a way that is helpful, in terms of learning, for other places—particularly other small states and, dare I say it, on occasion, the UK as well.

Looking forward to the exciting changes in the world, to net zero, we are very much looking forward to being members of COP28 and to good relationships with the Gulf. Maybe we will talk about that in the terms of the trade agreements.

Q14 **Edward Timpson:** Finally, in relation to trade agreements, we now have a new, re-formed Department—the Department for Business and Trade. How has that affected your engagement on international trade issues, since its creation? Is it good, bad or indifferent?

Deputy Jonathan Le Tocq: In some ways, it has been good to see that amalgamation. In other ways, from our point of view, it has taken some time for the dust to settle. One example is finding a Minister to replace Greg Hands, who was previously responsible for our interests in trade agreements. We have yet to meet that Minister, but there are some dates lined up, now; so we are over three months into a fast-moving set of future agreements, which are already under way. That has been disappointing, but we hope to make steps forward.

One of the difficulties, here, has been—I will use the example of the CPTPP—that right from the start we said we wanted to be fully involved in both the goods and services chapters. That was understood. We were efficient in dealing with issues of compliance, and responding to requests for information about how we would respond and be compliant with various chapters, but right at the end there was a stall in taking things forward, and for some time we could not work out what the problem was.

We now know that it was a number of deadlines that the UK had set itself. Our concerns could not be represented as effectively as possible. That put on a huge amount of pressure, bearing in mind that we were not in the room for negotiations, and did not know what the questions or issues were, particularly.

To be frank, if it had not been for some bilateral talks that we had, informally, with the Canadians, for example, they would not have realised quite where we were and exactly how we could progress in the timeframes we were given.



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We were able, thanks to the help of Minister Hands, at the time, to have face-to-face formal meetings with the negotiators on the other side. That helped to resolve some issues. We came to a conclusion that that is not where we wanted to be, because there will be a delay in our accession to the services chapters—and we are, all three of us, service industry jurisdictions. I think that is often misunderstood. We are not primarily tourism and milking cows. That is a misunderstanding that sometimes comes up. Perhaps that is what we were 100 years ago, but it is not our industry today.

That was of concern to us, and it will be of concern if that becomes the normal work process for future negotiations. From Guernsey's point of view—my colleagues can speak for themselves, but I think they would say something similar—it is of concern at the moment, even though there were some improvements right at the end. I am sorry for the lengthy response, but it is important for us.

Hon Alfred Cannan: Very briefly, there is not much I can add to that, except that there has been some positive language coming out from the DBT, and an acknowledgment that we should be included, all in, in the agreements from day one.

The CPTPP has been a benchmark for finding out where everybody really stood, and the reasons for the late notice that we were not going to come in for services. We have at least had a more positive acknowledgment about future free trade agreements, and I hope that the position will start to change.

Deputy Philip Ozouf: May I add two points on that? The CPTPP agreement was different in the sense that the UK was effectively trying to join an existing trade bloc, which is different from some of the other trade deals. That itself presented a problem. There were challenges in the real-time communication about how that negotiation was going, as ministerial colleagues have explained.

I think we take learning from that, because CPTPP was different, and Jersey's position was slightly different. We entirely backed our colleagues in the Isle of Man and Guernsey and shared their disappointment at not being able to achieve the objectives that they had spent a lot of legislative time advancing, such as their IP legislation. Some of this could have been avoided with the benefit of hindsight, with involvement in the negotiations right from the start. It is a little bit uncomfortable for a jurisdiction that looks to the UK to look after its international interests to have to hear about what is going on from another party.

We have very good relations with the Gulf. As you may know, we have different geographical spreads and interests, and the Gulf is incredibly important for us. We and our officials would seek early involvement in the timetable, requirements and aspirations of the trade deal. I was listening to the radio this morning about the GCC negotiation. It is the first time that I have heard it spoken about on the news. The earlier that the new



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Department brings in the Crown dependencies to find out what is likely to be on the agenda and how we can benefit—and it is a win-win benefit that we can take from these agreements—the better. If we leave it to the last minute, we will not achieve those, and we will get late entry, if we get entry at all, which is completely unacceptable to us. We believe that we are genuinely better together with the GCC and the UK, on that. There is absolutely no doubt about it.

We should encourage the new Department's officials and make sure we look to the Ministry of Justice, who do online briefings. We do online briefings from the London office for officials who do not understand the constitutional position. We try to educate people: we are peculiar, we are different, but we are here and we are important. We would say we have constituents and people, and democracy is alive and well in our islands, and they expect the UK to abide by the constitutional conventions. There are improvements to be made in that area, but early involvement is absolutely critical and it will be incredibly important for the GCC. That can only boost trade between the UK, the Crown dependencies and the Gulf states.

Q15 Chair: Given that you had these difficulties with DBT, what was the Ministry of Justice doing to help you to resolve them? They are supposed to be the people who hold the ring, in effect. They are protectors of your interest. What was the Ministry doing to help on this?

Deputy Jonathan Le Tocq: I think they were doing their best. To be honest—we have talked about limited resources—I think they did their utmost at that time. Because of the timeframe and the deadlines that were given, we had very little notice that we were not going to be included. To try to remedy that, we had to have direct contact at ministerial level. We were able to do that, but, really, it should not have come to that, because all the information had been given in a timely manner. It just had not been processed. That was the problem.

Q16 Janet Daby: Minister Ozouf and Minister Le Tocq, at the Committee's hearing in 2021 you identified several legacy issues from Brexit, including tensions with the EU over fishing rights. I understand that you wanted to speak about this anyway. To what extent do you expect these tensions to be resolved by the "extent and nature" fishing licence permits?

Deputy Philip Ozouf: I am very pleased to report to the Committee that the new Government in Jersey placed a high priority on this. I was not elected for the three years; I stood down from politics and looked on with exasperation at what had been going on.

As of today, we have successfully de-escalated. There was no need for the Prime Minister to call in a warship to protect us from invading Norman fishing vessels. We have worked really well with our French counterparts. I went across to France. I am a French speaker. We explained to the French, "Nous sommes des cousins." We fished in these waters over many years and it is by that close co-operation, working with DEFRA with



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our regional contacts—Jersey and Guernsey have a joint office in Caen in Normandy—that we basically got there.

Touch wood, there are always issues that arise, but I have not had one complaint. I know a lot of the fishermen. I can see the French coast from where I live. I have Norman ancestry. I have a lot of friends in Normandy and they would not be shy to pick up the phone to say if there was a problem.

We have dealt with “extent and nature”. It was a very difficult issue. We have been commended by Commissioner Sinkevičius in Brussels—Jonathan and I were in Brussels last week. I think people were very surprised at how well we de-escalated it and dealt with it. Doing the right thing is always the right thing.

There were some demands from the French, in terms of the amount of effort they had carried out. We are going to work with our French colleagues. We have fished these waters for centuries together. We are going to use our French friends and French contacts to deal with all the net zero, and there are issues about the need to protect species.

We have one other problem, which is a dwindling fishing community in Jersey. One part of that is the really difficult paperwork required for catching and landing fish in France. I shall not give you my example, involving the difference in the paperwork and other things for two lobsters, one fished by a French fisher and one by a Jersey fishing boat, but the amount of paperwork is excruciating. We must have some constructive engagement. There is a willingness in France to devolve some of the responsibilities from Paris to the regional authorities, which we get on very well with. It is quite positive, constructive engagement.

The good news is that our fish and lobsters are a product that is in demand in France, and across Europe. So are our oysters. We think that there is a market there, but it is the paperwork, and the unintended consequence of Brexit, that is causing serious issues.

I do not think—touch wood—that you will see another warship on the news defending us from Norman fishermen. We are both very good friends with them and have dealt with it. The new Government under the leadership of the Chief Minister have done that extremely well, with good humour, good joint working and a positive aspiration for net zero in the future, and the need to replace boats.

- Q17 **Janet Daby:** That sounds very positive, with a mature attitude and approach. There is a concern about the bureaucracy, though, and you not having enough fishermen, or fisherpeople, to do the work going forward.

Deputy Philip Ozouf: It’s the confidence.

- Q18 **Janet Daby:** Are you having the right conversations with the right Department?



Deputy Philip Ozouf: Well, we have to try to deal with the issue of paperwork, and you have to think about the way the vessels themselves have to go to net zero. There is a lot of technology available in France, and in the UK, but we have to deal with that. We are also after a border inspection post, and are in discussions with the French Government about that.

We need to get a solution to this. I do not say that our friends in the other islands do not have them, but a lot of the lobsters eaten off French plates are our much-loved lobsters from Jersey waters.

Q19 **Janet Daby:** Sounds good. Mr Le Tocq?

Deputy Jonathan Le Tocq: I do not really have anything else to add to that, thank you.

Q20 **Janet Daby:** Thank you. The Home Office recently agreed to a pilot scheme to allow French day trippers to travel to the Channel Islands with national identity cards instead of passports. Has there been any early evidence to suggest that the scheme is being effective in increasing French tourist numbers to your jurisdictions?

Deputy Philip Ozouf: That one is again for Jersey. We have rolled out the pilot in Jersey and the early indications are that it is working extremely well. It may not be well known that only 52% of French individuals have passports, and when they go up to Normandy and Brittany people tend not to take their passport. Then they think, "How about going to les îles Anglo-Normandes or les îles de la Manche," and they cannot go; but they have their identity cards.

We can do it constitutionally—we are part of the CTA and we could make that decision ourselves, but we would not. We would always liaise with our Home Office counterparts. Walking up King Street, our main high street, yesterday, it was a joy, as a Francophile, to hear the babble of French to a much greater extent. We will get some figures on it.

The important thing about that is that, if we had not made a change, we would have lost the vital ferry link between Normandy and Jersey, which serves the other islands as well, and would have compromised our ability to have ferry services from Saint-Malo. It is incredibly important.

May we suggest that it is an example where we have shown a pilot that works? We count them in and count them out. There are no issues of migration. We had Home Office officials over yesterday. They were very welcome. They were quite impressed with what they saw, as I understand it. We look forward to continuing with that, because we can be safe and secure without a passport.

Q21 **Janet Daby:** Very good. No doubt they are enjoying the lobsters as well.

Deputy Philip Ozouf: I am sure they are. It is also a benefit for our local tourism industry. While we are a trade and services jurisdiction, we



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have industries such as agriculture and fisheries that are vital to the way the island looks, and we need to look after them. I know that they are economically small, but they certainly get a lot of public interest and they are vital to our way of life. I speak as a farmer's son.

Deputy Jonathan Le Tocq: Guernsey has a similar pilot scheme in place. It is important for us, for all the reasons that my colleague from Jersey has given, and it is of concern because geographically we are the closest part of the British Isles to France. A good number of tourists—particularly when they come to Guernsey—want to visit the Maison de Victor Hugo, because he lived in Guernsey and wrote “Les Misérables” there. Tens of thousands would normally do that, but they used to be able to do it on their ID card, and can no longer. They can come for a day trip under this pilot scheme, and I would like to think that once its risks have been assessed we could extend it to something longer, because I believe the risks are quite minimal, particularly as Ireland is part of the common travel area and still part of the EU and people from France can travel there on their ID cards.

Q22 **Chair:** How long does the pilot scheme run for?

Deputy Philip Ozouf: Six months. We would like to see it extended for more than just one day, though. We would like to have it for overnight, so they can enjoy a nice lobster evening meal, together with all the other brilliant food we have.

Q23 **Chair:** You could do 48 hours—something like that.

Deputy Philip Ozouf: Yes.

Q24 **Janet Daby:** Where are you in the pilot scheme?

Deputy Philip Ozouf: It started on 22 April and we immediately saw a massive increase. We saw Manche Iles Express report on their first weekend that their ferries running between Granville and Jersey were 80% full and then 90% full in the week of 23 April. We are seeing very good bookings for July and August, and I cannot tell you how important that is for our tourism and the hospitality industry. It is hugely important.

Q25 **Janet Daby:** Finally, are there any remaining legacy issues resulting from Brexit that you are all seeking to resolve?

Hon Alfred Cannan: No. Just to support the fisheries issue, it is not as complex as it is in the Channel Islands, but I am really pleased to report that DEFRA has been engaging fully, and we have seen some real progress in relation to Manx territorial waters. We are continuing to negotiate with it; but quotas have been increased for us and we are really pleased with the engagement with DEFRA.

Deputy Jonathan Le Tocq: I was going to say that the UK published its target border operating model recently—last month, I think—and we need to look at that and ensure that our own model has controls proportional to our size, and in terms of the nature of our imports and



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future regulation. That work is ongoing, because obviously we want to work with the UK. If we are to be included in some single trade window, that needs to be done.

Another thing is that we are looking with interest at what the UK Government intend to do about EU legislation that remains on the statute books, and how that might affect us in certain ways. We are due to have meetings on that with the relevant UK Government bodies soon. Our legislation can be a little more complicated because we have Guernsey, Alderney and Sark as jurisdictions, so we need to make sure we are all compliant.

Deputy Philip Ozouf: The one thing I would say is that we have a particularly acute recruitment crisis in Jersey. Previously, in the single market, we could draw on labour from the entire European Union without work permits. We have the ability to set our own work permits. Although it is through the portal of the UK, decisions are made in Jersey. We can make our own work permit rules.

That is not to say that in any way the numbers will be a problem for the UK, in terms of nationality, etc., but we have a cost of living crisis, and it is not made easier by a shortage of labour.

A number of people of settled status are not remaining. These are the problems. The post-covid world has seen a reduction in worker numbers, whether in Auckland, Sydney, Paris, Frankfurt, Latvia or London, but it is particularly acute in Jersey, and that is a great concern for us. This was an unintended consequence of Brexit in regard to most of our skilled workers whom we need to come and work in Jersey. Only 50% of people who live in Jersey were born there, although everyone is a Jersey person as far as I am concerned and there is no differentiation. We have a particular recruitment crisis that we are dealing with and it is not helping our cost of living issues.

Dealing with the Government priorities of housing and healthcare, and the fact that we have an ageing society, in all these things we need to look to the future, which is why we need this positive dialogue with the United Kingdom about how to deal with common problems.

Q26 **Chair:** Does that relate to approaches to visas, for example?

Deputy Philip Ozouf: You have to get the work permit, which is then linked to the employer. Then you get the visa, which the UK systems are very good at. They have been slow when there were lots of Ukrainians and other people going through the system, and I understand and absolutely respect that; but there have been some particular recruitment problems. We are seeing some really difficult inflationary cost of living pressures. That is the nature of a small market, as well; but you need labour, and you need skilled labour.

Q27 **Chair:** Would you want to be able to have your own work permit or visa scheme?



Deputy Philip Ozouf: We do; we can do that and we need to work harder on it. Again, it is a resource issue—but it is particularly acute.

Q28 **Chair:** Do you have the same issues in the Isle of Man?

Hon Alfred Cannan: Absolutely, and, again, that is actually a common point of discussion at the moment—pathways for skilled workers. We are just at that policy stage of reflecting on how we might approach the immigration issue with the United Kingdom, and look at whether some specific pathways are applicable to our skills shortages, which could be put into place with some form of Isle of Man pathway or visa. It is difficult and requires a lot of negotiation because, clearly, the point of entry is the UK; it is the UK border.

Q29 **Maria Eagle:** To return briefly to the issues around the CPTPP, it is a bit embarrassing that you had to talk to other parties to find out what on earth was going on. I would have thought that it was pretty embarrassing to the UK Government. Presumably you do not want it to happen again, so I wonder whether you have any suggestions about how a UK Government can approach future negotiations differently—obviously, as you have set out, the one you described was perhaps a bit different from future negotiations—to try to get your interests better represented, as should happen, and avoid a repetition of such issues. There will be a lot more negotiations and you do not want to have to talk to other parties about what is going on to get your interests represented again, do you?

Hon Alfred Cannan: Absolutely. It was clear towards the end of the CPTPP that the positioning that we had assumed was being taken was not being taken. That resulted in a flurry of activity and a call for, perhaps, closer representation or a more positive presence in and around those negotiations—even if we were effectively in a side room.

We appreciate, of course, that the main point of the negotiation is the United Kingdom and its interests, but, nevertheless, being part of that, as we have explained this afternoon, is key for all parties.

On reflection, we could play a more direct role in having representation. It does not have to be from all three CDs. We could certainly work to streamline that by having a joint representation, if you like, to work alongside.

The critical point goes back to some of the points that were raised earlier, in making sure that negotiators understand the position properly. We are there to answer questions, really, and clarify any areas of confusion that may arise from either side, or any party involved directly in those negotiations. That is certainly something that I feel we could work together to achieve.

Q30 **Maria Eagle:** Has there been a positive response from the UK Government? Did they recognise that this was a bit of a mess?



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Hon Alfred Cannan: We had to raise it. We had some positive political engagement towards the end of the period. It was unfortunate that we had to raise it in the way we did, but we got that positive engagement, and we have now had an acknowledgment that goods and services is the ideal position. We have an acknowledgment that that may happen at a later date when potentially it comes to the CPTPP.

I cannot talk about the live negotiations, but we have now learned enough to be in a better position when it comes to these negotiations. Some form of representation, either in an advisory role or directly with the engagement teams, would potentially assist in getting a better outcome.

Deputy Philip Ozouf: We were in a slightly different position. The Isle of Man and Guernsey were ready. They had all their IP legislation and the previous Jersey Government did not do that. We are accelerating that so that we are all on the same page. We have been working very hard between us to do that.

There has to be an understanding. That was why I made the comments about early interaction. We have our own democratic processes to go through as Ministers. We have different types of bilateral agreements and sometimes our Assemblies and Parliaments have an involvement in that. We are trying to explain all the different types of constitutional arrangements that we have and the way they are extended with our consent.

We have our own processes to go through as well, and the quicker we know about these things the better. We have stood shoulder to shoulder with our Guernsey and Isle of Man colleagues, because if we had been put in the same position as they were we would have been pretty unhappy. I think that there are some constructive lessons to be learned, but it shows that, even though our business interests can be slightly different, you will find us speaking—I hope—from a joint position. Where we can get a joint position we know how much easier it is for your negotiators, but they have to understand and communicate early.

Deputy Jonathan Le Tocq: With regard to Guernsey, in answer to your question there are two particular ways in which it can be improved in future. One is early engagement and early sight of the scope of it and the issues, particularly where we have to consider whether Alderney and Sark are included in part of this. It can look confusing to those who do not understand the size of these islands and what they do and do not do. That is the first point: early engagement.

The second point is to emphasise the Chief Minister's point. We saw that right at the end because of all the pressure we put on the CPTPP in getting involved in the room. Even if there was some way in which we could be represented in negotiations early on by one of our officials being present to answer particular questions or to deal with particular issues—



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perhaps when that is being focused on in those areas—it would help us and save an inordinate amount of time and pressure.

To a certain degree, this did affect the CPTPP. The Department wanted to treat us as one homogeneous bloc, but at that time Jersey did not want to be part of that and could not do so. Therefore, we could not be treated as one homogeneous bloc.

It will always be the case that we will have particular interests. We are small and we are not the same things. A large chunk of it is the same, but there will be other areas where it is not quite the same. I believe that constitutionally the UK Government are duty-bound to represent those interests, even if they are not homogeneous.

Deputy Philip Ozouf: The last point I make is the same one I made to the Lord Chancellor's Department. We have not yet met the Minister. We welcome the appointment of the Minister of State, but that did take some time; but from the get-go this is a new competence of the UK in meeting the Secretary of State. We do not want to take up a lot of people's time. We want to get ourselves on the radar in a constructive and positive way and meet the director general, permanent secretary, Minister and Minister of State to brief them on what we are trying to achieve, which is a positive win-win situation.

Q31 **Chair:** It is quite possible that, for some of these treaties—Canada may be an exception, and you eventually spoke to them—a lot of them may not be aware of the position of the Crown dependencies. There is an obligation on the British Government to say there are such things and they have to have them included.

Deputy Philip Ozouf: There are no votes in Jersey in terms of the UK because we have our own democracy, but there is value in Jersey and the other Crown dependencies that we treat very seriously. We call ourselves British Jersey, and what benefits us benefits the UK. Doing the right thing is always the right thing. Maybe we will touch on Ukraine and the fact that we have been shoulder to shoulder with the United Kingdom on the war in Ukraine. That has a link with beneficial ownership registers.

Q32 **Chair:** That brings us to a couple of issues around UK legislation on the Crown dependencies. I suspect that a lot of people, including some people in this House, have not always realised that the UK Parliament cannot constitutionally legislate in relation to Crown dependencies, which are different from the overseas territories in that regard. Do you think that is well enough understood sometimes?

Deputy Jonathan Le Tocq: No, I do not. Sadly, this is increasingly an issue not only for Members of the House of Commons but sometimes the Government. We had a situation with the Fisheries Act 2020, when a permissive extent clause was included without our consent.

Q33 **Chair:** Normally, that is done with your consent.



Deputy Jonathan Le Tocq: Exactly.

Q34 **Chair:** It might request a permissive extent clause.

Deputy Jonathan Le Tocq: Yes. It goes against the international framework position that we agreed over 15 years ago, but also against the constitutional development that had been in place for hundreds of years.

That was of concern to us. It is just a permissive extent clause. That does not mean it will necessarily be enacted, but if it was enacted it could cause unnecessary constitutional problems. Certainly, as far as Guernsey and Jersey are concerned, it would have to be debated by Assemblies and almost certainly they would not want to do that. There is no need because, as we have done on a regular basis, we would legislate appropriately for ourselves in those circumstances.

A similar issue has now occurred with the Illegal Migration Bill. If I may take that as an example, one of our concerns, particularly in Guernsey, is that this has been picked up politically and, therefore, is a live issue. Initially, we were consulted on a draft of the Bill and we were able to make our comments and say we would be happy to be included in a permissive extent clause, but when it was published it was significantly different from the draft we had seen. It seemed that the attitude was that the earlier consultation was sufficient and there was no need for further consultation.

That is not the case, because significant parts of the final Bill, which is still going through Parliament, are of great concern to us. If that becomes the norm, that is a constitutional issue about which we would have grave reservations.

Q35 **Chair:** Breaking that down, were the consultations at official level rather than ministerial level?

Deputy Jonathan Le Tocq: It was at official level at that time.

Q36 **Chair:** Was that with the Home Office or MOJ?

Deputy Jonathan Le Tocq: It was with the Home Office, but via the MOJ in the normal way. It should have continued further; it just stopped at that point.

Q37 **Chair:** Out of interest—it is potentially being debated at the moment—what are your areas of concern in relation to the Illegal Migration Bill and the permissive extent clause?

Deputy Jonathan Le Tocq: It is where it deals particularly with issues that are bigger for the UK, but they are not issues for us. As a result, for the UK to include a clause that would extend it to us would very likely cause Guernsey not to want to register that as a law, or to be part of that. That will cause a constitutional problem.



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Q38 **Chair:** Small boats is not an issue for the Channel Islands, as I understand it.

Deputy Jonathan Le Tocq: No, and it never has been. If you travel to the Channel Islands and see the seas around us, no one in their right mind would try to cross in that way. That is why we have not had that, and that was why to begin with we were happy with the consultation and how it looked, but when it was published it included these things, which we really do not want to include.

Q39 **Chair:** For the Isle of Man it is wholly irrelevant, is it not?

Hon Alfred Cannan: Pretty much. Occasionally, there are bits and pieces, but, thankfully, we have had very few disputes with the UK Government in recent years.

We support permissive extent clauses in the right circumstances, and they can be very helpful. Occasionally, these things flare up, sometimes more often from the tabling of clauses in private Members' Bills or to try to change things perhaps on the Floor after the Government have brought forward their view.

I have to say that, aside from the issue Guernsey has talked about, we are relatively happy that the positions are being properly respected at the moment.

Q40 **Chair:** Is it proposed to have a permissive extent clause to apply the Illegal Migration Bill to the Isle of Man?

Hon Alfred Cannan: Yes.

Q41 **Chair:** But you do not have any illegal migration.

Hon Alfred Cannan: I know, but I do not think we see any fundamental issues with its application.

Q42 **Chair:** It is less of a problem for you. Does it have some practical problems for the Channel Islands in the way that it does not perhaps for the Isle of Man?

Deputy Jonathan Le Tocq: It could do. I think it is more a political and constitutional issue from our point of view.

Q43 **Chair:** As for the principle of the thing, in the case of fisheries there was an attempt to impose a permissive extent clause without your agreement. As I understand it, constitutionally and in theory the states could refuse to register it.

Deputy Jonathan Le Tocq: Absolutely. It would have to be debated. There would be huge risks that the Assembly refuse to register it and in debate it would not be sent forward, which would put us in a very difficult constitutional position, totally unnecessarily. That is my main argument.

Q44 **Chair:** Were you able to work out why that had happened in relation to



fisheries, for example?

Deputy Jonathan Le Tocq: I am afraid not. My take on it is that it was deemed to be not a big deal because it was only a permissive extent clause and we would not need to enact it, but we have another issue. Even if in the circumstances, the Assembly in Guernsey were to register it, it is very likely that Sark or Alderney might not, and then you would still be in the same position.

Q45 **Chair:** I am trying to drill down into what the MOJ was trying to do to help you in that. Surely, it is their obligation to try to get the UK policy Department to understand that there is a problem. What were they doing to achieve that?

Deputy Jonathan Le Tocq: They were certainly representing our interests, but it is to do with timing. Chair, you will know, because you spoke very strongly in the debate on it, as did Members in the House of Lords when it went to that place, that it became such an immediate issue that we had to lobby directly.

Q46 **Chair:** Frankly, it was not a situation that should have occurred.

Deputy Jonathan Le Tocq: Not at all. There was no need at all. I do not see the risk at all in the situation that caused that.

As the Chief Minister has said, generally speaking we are happy with permissive extent clauses. The system can work well. When we want the UK to legislate for us or to be included in legislation, we will ask, because we have already resolved that and dealt with the necessary democratic process in our islands.

Q47 **Chair:** Coming to the other point referred to by Chief Minister Cannan, there are some instances where private Members' Bills have sought to legislate for the Crown dependencies. The obvious issue was around public registers of beneficial ownership. The attempt to legislate for the CDs was dropped, because it was constitutionally impossible.

Hon Alfred Cannan: I hope that the track record of the Crown dependencies is that we are absolutely open to proper negotiation on these issues. Our fundamental concern on beneficial ownership and everything else has always been to make sure we have a proper level playing field so that we are not being detrimentally impacted from an economic perspective.

We made a commitment in 2019 on beneficial ownership registers and access to them. Alongside the Channel Islands, work has been progressing to take that forward. We are absolutely on schedule in the preparations needed and the data and information gathered on the central register. Law enforcement commitments have been absolutely made for 24 hours, at short notice, in the event of terrorism or serious crime. That information is being relayed, and we continue to work with national security authorities to make sure that any law enforcement



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information is delivered, and vis-à-vis the relevant tax agencies, where applicable.

As you know, in November 2022 we got a ruling from the European Court of Justice declaring invalid the part of the European Union's anti-money laundering directive that allowed public access to registers. We are now in the position of just determining what that actually means from a legal perspective and how that is going to impact our position.

Q48 Chair: You took a position on a European standard, which effectively the European Court has now struck down.

Hon Alfred Cannan: Yes. We are having King's counsel investigate that and are working with our colleagues in the Channel Islands to get a proper understanding of what it actually means, but in terms of the fundamentals I can assure you that that central register is working, albeit behind the scenes, and, where appropriate, we are getting that information out to whoever needs it.

Q49 Chair: That is access to law enforcement agencies.

Hon Alfred Cannan: Law enforcement agencies and relevant tax agencies, where applicable.

Deputy Philip Ozouf: Can I put on the record that I did not come in to support my colleague from Guernsey on the permissive extent clauses? I would wish to add my support to Guernsey on that.

I was at the trooping of the colour when all the Crown dependencies, Treasury Ministers and Chief Ministers were brought together and the UK announced its beneficial ownership register. We said at the time that it ought to be a beneficial ownership register. Since 1985, we have had a regulated beneficial ownership register; it is vetted and verified and has a huge nexus of information on it.

As I said earlier, if ever we have been tested on whether or not we really know the true owners of companies, it is not just the directors; it is not just the people who say who they are; it is all the intelligence that is behind it. I think that Jersey stands ahead of most jurisdictions.

There has not been more Russian money in Jersey than in other places. Our finance industry is a little bit different, so the type of businesses we have might have had some more, but there is Russian money everywhere. We are incredibly proud of the speed and scale of the turnaround in sanctions that we have been able to apply to frozen money.

There is also a court process that I am not allowed to talk about, but billions have been frozen. If we were ever to be tested on whether we really knew, it is not just a tick box or self-declaration. You have been debating in the House of Commons the economic crime Bill. The UK cannot legislate for us, but we will always do the right thing. We will work



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with the UK to improve standards. Your law enforcement agencies can now get information within minutes, or less than an hour. We have been giving information to the UK, which has given it more information about people who are trying to evade Russian sanctions.

I was not around at the time the commitment was given, but obviously that continues. We await the importance of a level playing field and a global standard.

The ECJ judgment did not have any surprises for us. If you want to deal with anti-money laundering and counteracting the financing of terrorism, it is not by unvetted and unverified beneficial ownership that you will find out that information. I think we have proven that.

Therefore, there is an issue about the media and public access, but there is no global standard yet. Europe seems to be in a bit of a pickle, but we are continuing to do our action plan that was published in advance of Lough Erne. We continue to do all that we said we would do in terms of our beneficial ownership register. It is of huge importance to us; it is massively reputationally important to us; and it is available for the people who need to know to take the action they need to take—and that is also on tax evasion.

On the exchange of information with other countries and tax, all islands are exemplary in the way we are doing it. We do not have the image that we might have had if we had been sitting here 20 years ago; we have moved on, and now we are in a post-Brexit and post-covid world where we think we are better together.

Q50 Edward Timpson: May I turn to another aspect of the constitutional relationship that you have with the UK, which I think you mentioned earlier: letters of entrustment? It might help those listening or watching this session if someone gave a quick explanation of them. Who would like to take up that mantle?

Deputy Jonathan Le Tocq: I am very happy to do so.

I chaired a constitutional investigation committee in Guernsey during the time I was Chief Minister. It reported at the end of the term in 2016. Among a number of different proposals for changes in legislative process was a proposal that we should be able to increase the level of entrustment appropriately for our international interests.

What had happened post the setting up of the international identity framework in 2007-08 was that the Crown dependencies had been given the right to sign international tax information exchange agreements and double taxation agreements with other sovereign states. We have done that numerous times.

That has been extended somewhat. For example, Jersey has a bilateral investment agreement. Guernsey has been able to negotiate social security agreements with Latvia, for example, which has been quite



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useful, but the Bailiwick of Guernsey wants to see that developed further. We think that would be of assistance to both the UK Government and us where our interests align on particular areas of entrustment. We would need that to be able to open the door to talk directly, as opposed to via the UK. Obviously, because we are small, sometimes it is a matter of doing things in a timely and expeditious manner. Does that answer your question?

Q51 **Edward Timpson:** That is very helpful.

Deputy Philip Ozouf: Ultimately, on entrustment, the documents that are negotiated have to be advanced to the UK and signed off. An entrustment is not just a delegation and you can do what you want; you still have to come back to the UK.

We think that some progress has been made, but if we look back to the reports your predecessor Committee made in 2006, 2007 and 2008, I am not sure we have made particular progress in the areas we could have done for our interests, providing they align with UK interests, which we would do. However, I think there is fertile ground for raising awareness of what entrustment can do. They are used in other countries; they are used for other devolved Administrations, Crown dependencies, or whatever their particular title is.

This is part of the future-proofing; it is about what the relationship between Jersey, Guernsey and the Isle of Man and the UK will look like in 10 years' time. We can evolve our international personality, as we are doing, in parallel with you in the United Kingdom, and the letters of entrustment mean we can negotiate bilateral interests and investment treaties, which basically are helping a number of African countries in different and good ways to raise money.

There are a number of things we can do, but it is not well understood. Perhaps the Justice Committee report can highlight that as an important objective, as it has done so helpfully before in raising issues when we have had a chance to speak to you and MPs. It has been very helpful. I think there is fertile ground for further letters of entrustment. I do not know whether the Isle of Man's Chief Minister agrees.

Hon Alfred Cannan: It is not something we have actively engaged in. We have the ability in relation to letters of entrustment, but for us at the moment perhaps we are sharing slightly different relationships with our customs agreements with the UK and health agreements. I do not think we have the need at the moment to use letters of entrustment, but that is probably because of the slightly different relationships that we have with the UK.

Deputy Jonathan Le Tocq: Perhaps I may make a comment on the back of that. It would not affect, for example, areas like defence and security. Obviously, we would not be looking to extend that or deal with human rights restrictions, or any of those sorts of things.



However, there is a model elsewhere Guernsey has looked at. The Faroes and Denmark seem to be the closest to a Crown dependency, in that their relationship is with the Crown. They have a more general entrustment to negotiate treaties where the issue is not one for Denmark but is more for the Faroes.

That has interested us. It does not mean we would use it all the time, but some of the matters are to do with timeliness. Therefore, to help the UK it would be better from our point of view if we did that. As I said, it is a resolution of how a Parliament ought to investigate it, and that is one thing we want to do now.

Q52 Edward Timpson: You said that sometimes these are not very well understood. Were you referring to the UK Government? If so, as we sit here today, what appetite do you sense is there within the UK Government for exploring the range and improvement of the process of drawing up these entrustments, as well as more general entrustments where early negotiation can take place? Do you see that happening in the current climate?

Philip Ozouf: We have a very positive working relationship with the UK and counterparts, especially the Ministry of Justice Crown dependencies, to which we should give a shout out—it is short-staffed and does an amazing job, so we thank it for that publicly, and we are grateful for the work that it does—but it is arguable that the entrustment process is less well developed across Whitehall more widely.

Given that the Ministry of Justice may seek the input of a range of Departments, particularly HM Treasury and the FCDO, before a decision over an entrustment may be taken—sometimes it takes an excruciating time—more productive engagement between the Department and the Government of Jersey would help to address the issues by increasing our understanding of international objectives and activities.

It is all part of future-proofing. It is all part of where we look going forward. I do not think there is a great deal of awareness about entrustments and the processes.

Entrustment has to be signed off by the UK. If we do the negotiation and it comes back to the UK, and it does not fulfil some sort of international or other obligation that the UK has, it is not going to get passed. We would not do it in the first place. We are trying to advance our interests, which is sometimes advantaging the UK as well, and particularly the City of London. In a more globalised, fast-moving, technology world, that is going to be very important.

It is worth saying that, as far as the letter of entrustment that we had from the UAE is concerned, we put labour rights in the bilateral investment treaty. We did a model bilateral investment treaty that other people had not done, which put in labour protection rights.



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We can actually push at the boundaries sometimes. We are not afraid of raising human rights in the right way in line with UK foreign policy. We will raise them because we are British.

I must also commend the FCDO and the access that we get to the ambassadorial network. There are some ambassadors—from the US, France, etc.—who are very interested, and we are talking about trade negotiations and entrustments. We have noted with interest the trade deals that have been done with US states. Those are interesting. We are very happy to sign up to the Ukraine one—and quickly.

There are lots of exciting opportunities. The world is changing. The jobs of the future are going to be different, and we want to be part of that. We need strong Crown dependencies, and we need a strong Britain.

Q53 Maria Eagle: There are differences in the way in which the Isle of Man and the Channel Islands get Royal Assent. Minister Ozouf and Minister Le Tocq, you have both indicated in your written evidence that you would quite like to change the process and the way it works in the Channel Islands. What are the drawbacks to the current processes? Is it just delay caused by the timescales of Privy Council meetings?

Jonathan Le Tocq: This is a hot topic for Guernsey. I will go back tomorrow to lead, hopefully, a debate on this issue, which will produce a projet de loi, which is how our system of law works, to go to the Privy Council for approval. That would change the system to be more in line with the Isle of Man's system, which has been in place for 40 years or so.

Primarily, the benefits are that it could increase flexibility. At the moment, it is a bit of a chunky system for the modern world that we live in.

There would potentially be more convenient deadlines. At the moment, we are conditional on the Privy Council Committee for the Affairs of Guernsey and Jersey sitting. While it tends to sit quarterly, sometimes we need things done quite quickly.

The Lieutenant Governor is the King's representative in the islands. Our legislative independence is further underlined by having the process signed off on island by the King's representative.

When we have seen, particularly in recent years, the need for urgent projects for fast-moving things, it has been an issue that we might have a backlog of things going through the Privy Council committee, and therefore there is a problem in timing. It affects all those things. We would deal with the vast majority of legislation on island, and that would speed things up.

Q54 Maria Eagle: Chief Minister Cannan, are there any drawbacks to the way in which it is done on the Isle of Man?



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Alfred Cannan: Legislation may inevitably be delayed for whatever reason. We are relatively content and work closely to ensure that the legislation is presented in good order, it has gone through a proper process and there has been early engagement. I certainly have not come here today with any fundamental issues about the way the legislative process is working for us.

Philip Ozouf: We have not come to a settled position on this yet. Jersey's position is that we do not want to lose the link between the King acting as if he were the Duke of Normandy and the Privy Council. There has been an idea for a Privy Council membership to be extended to Jersey. Virtual sittings of the Privy Council can be held, as I understand it. All sorts of things can be done in the modern world.

Timing is sometimes an issue. One of the previous Justice Committee recommendations was that the Attorney General, as a result of the Lord Chancellor at the time, produce the report that goes to the Privy Council. That speeded things up.

There are further evolutions. We can evolve our processes with respect to the past. We certainly are going to be working on the official channel that deals with the Ministry of Justice and the way it interacts within our insular authorities.

The Governor is there for five years. He is the King's representative. We also have the Speaker, who is the domestic civic head. We have some streamlining to do to make it easier for the UK to communicate with us.

Maria Eagle: Fair enough.

Philip Ozouf: We will come back to you with some written evidence if that is helpful.

Maria Eagle: That would be interesting.

Chair: Yes, that would be helpful.

Q55 **Maria Eagle:** Is there anything else anybody wants to pitch in with that you have not had a chance to say to us already in respect of any of the questions? There may be a vote in a few moments, but we have a few minutes.

Jonathan Le Tocq: May I thank you? These hearings are very useful for us, and this is a timely one, for the reasons we have referred to in key areas. We value this interaction because we sometimes have struggled to get our case heard.

I will come back to a question that was asked right at the start. Sir Bob, you asked whether we are understood well enough. It is always going to be a problem for us. The more understanding we can have and the more opportunity to say, "This is how we constitutionally work," the better.



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I would underline particularly what Philip has said. The Crown dependencies are part of the British family. We provide huge input into the British economy in a number of different ways, including producing jobs, a lot of it behind the scenes. If you analyse it and look at the reports that have been done, it is of mutual benefit that we are understood and that we continue to operate in the constitutional manner that has been respected for hundreds of years.

Philip Ozouf: Increasingly, as our economies have developed, we are not subject to tax embarrassment. There will always be individuals who seek to try to identify malpractice. We have moved on a lot in nearly 25 years. Apart from the break that I took for three years, I have seen our financial services and our trading service businesses evolve massively. It is of benefit to Jersey and it is of benefit to the UK.

We look forward to developing that relationship further in the post-covid, post-Brexit world. There is the importance of access at Secretary of State level, at least awareness, not every week but just a regular dialogue, and particularly Secretaries of State who have particular agendas that are advancing our interests such as international trade issues.

I also have a plea to help the Ministry of Justice get some vacancies in because we feel it is quite overworked and understaffed, and that matters. That is a tone from the top. We understand budgetary pressures. We all know there are budgetary pressures. Jersey is fiscally prudent, and we understand spending controls and all the rest of it.

We have all done a good job, I hope, in sending a positive impact, and we really thank you for the interest and even for raising awareness among the people who watch this. You may have learned something that you might not have known about. I hope that our evidence has been helpful. Certainly, we are better together, but we are better together with the UK as well.

Alfred Cannan: Thank you very much, Chair and Committee, for your continued interest. It has been a hugely interesting discussion, I hope.

There is clearly a change of emphasis post Brexit, particularly in our relationship with the UK. This is not single-issue politics. This is not just single-issue constitutional relationships. It is hugely important. It provides the foundation.

There is so much more we can do together, I believe. To understand that more and to work more closely together would be of huge benefit to everybody.

Q56 **Chair:** Thank you very much for coming over. Thanks for your time and your evidence. I very much appreciate it. I look forward to seeing you before too long.

Philip Ozouf: We are very proud to be hosting the British-Irish Council. We are delighted that the Prime Minister went to Blackpool. We know he



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is not coming to Jersey, but the British-Irish Council is being held in Jersey, and that is a great thing.