

BUSINESS

Chinese bank in the process of establishing a branch in Jersey

By business editor
Harry McRandle

hmcandle@jerseyeveningpost.com

A CHINESE bank is in 'advanced discussions' about setting up a branch in Jersey, it has been revealed.

The Island's financial regulator has been in talks with the unnamed institution that is understood to be a major player in banking in the huge Far Eastern nation.

The news emerged during an address that Jersey Financial Services Commission director general John Harris gave to a conference about growing business between the Island and Hong Kong and China.

Mr Harris said at the event at La Mare Wine Estate: 'We are in advanced discussions with a Chinese bank about the issuing of a banking licence and we are hopeful of securing it.'

He said that there had been 'good conversations' and added: 'It would certainly be a big pin in the map for Jersey in China if it goes ahead.'

Mr Harris was giving the regulatory background to the relationship between the Island and the Asian territories at the event entitled 'Hong Kong, Your Gateway to China'.

He said that the first Chinese company registered in Jersey in 1994 and a third of the Chinese companies that have listed on the London Stock Exchange have done so through Jersey.

The commission has already signed memorandums of understanding with the China Banking Regulatory Commission and the Hong Kong Securities and Futures Commission.

He said that as a result of agreements reached, Jersey companies have been able to list on the Hong Kong Stock Exchange since 2009 and that Russian aluminium business UC Rusal was the first Jersey company to list.

It was later said that the giant mining business wanted to have a financial presence in Hong Kong to be close to its regional customers.

He said that Jersey signed a tax in-



formation exchange agreement with China in 2010 and a double taxation agreement with Hong Kong in 2012.

Mr Harris said that he was hopeful further agreements would be reached with the China Banking Regulatory Commission in the next few months.

He said that during talks he held with the CBRC, he was asked how many people the Jersey Financial Services Commission employed.

'I told them that it was 122, and I naturally asked them how many people are employed by CBRC. The answer was a staggering 125,000. It gives you an idea of the scale of the place,' he said.

Mr Harris said, on a general point, that he was not concerned about the global expansion of China interests.

'Some people seem to think that they will take Europe's lunch but I don't see it like that,' he said.

Meanwhile, Jersey Finance's head of global business development, Richard Corrigan, said that the organisation was looking at expanding its regional presence.

The finance industry promotional body has had an office in Hong Kong for four years and is now looking at using the China-Britain Business Council's Launchpad service to give it representation in Shanghai.

Mr Corrigan said that the business links were already considerable as a number of Island firms have offices in the region including Mourant Ozannes, Ogier, Sanne Group and TME.

The panel (above, from left: John Barclay of Primasia Corporate Services, Rongrong Huo of HSBC London, John Harris and Richard Corrigan) and the audience (below) at the event. Pictures: TONY PIKE (01907588/01907344)



Hong Kong and China vital for Jersey's future

DOING business with Hong Kong and China will be invaluable to Jersey's future success, according to Economic Development Minister Alan Maclean.

The Senator told an audience of about 100 at an event at La Mare Wine Estate on Monday that developing trading opportunities with high growth jurisdictions like Hong Kong and China was essential if the Island wants to diversify its economy and see continued growth.

In order to drive initiatives forward, Senator Maclean told the audience that Chief Minister Ian Gorst will lead a delegation to Beijing, Shanghai, Hangzhou and Hong Kong in a fortnight's time.

Senator Maclean was speaking at an event entitled 'Hong Kong, Your Gateway to China' organised by Locate Jersey in conjunction with the China-Britain Business Council (CBBC) and Invest Hong Kong.

The Senator outlined that the inward investment agency Locate Jersey had agreed to use the CBBC's Launchpad service with the appointment of a full-time representative in Beijing.

He said that Jersey Finance had opened an office in Hong Kong back in 2009, the same year that the Hong Kong Stock Exchange approved the listing of Jersey companies on its exchange.

He said that there had been numerous trade and regulatory meetings as well as delegations visiting each other.

'We will continue to supplement our permanent presence in Beijing with regular government and business del-



Senator Alan Maclean (01907336)

egations to enhance our relationships and contacts in the region,' he said.

He said that he was confident that through continued visits, regional representation and partnerships that mutually beneficial trade and cultural opportunities could be gained.

He also said that he was looking forward to attending the reciprocal event in Hong Kong later this year entitled 'Jersey, Your Gateway to Europe'.

Invest Hong Kong director general Simon Galpin said that there were opportunities for lawyers, accountants and consultancy firms to help Chinese regional businesses go global. 'We need people like you to help take them to the next step,' he said.

Mr Galpin said: 'Jersey punches well above its weight, not in only in

Hong Kong but right across China'.

He said that increasingly Hong Kong was becoming a location where global corporations were basing their headquarters.

He said that major firms and their executives were attracted to the former British colony as it offered a predictable tax regime, a trustworthy judicial system and a safe environment with low levels of crime.

Lise Bertelsen, the executive director of the CBBC said there were real business opportunities in the region. 'If you are not doing business in China, then why not?' she asked.

She said that China was a very diverse country. 'It is more like a continent rather than a country with different languages, cultures and people,' she said.

Although she said that salaries in the major cities were now approaching European levels, she said that there were business opportunities in what she described as 'tier two, three and four' cities.

She said that everyone across the world was selling to China and the Chinese have an expectation that foreign will be of high quality. 'If you have got high quality product, they will try it,' she said.

She said that the Chinese were now travelling around the world in huge numbers and this may present some opportunities for Jersey as a tourism perspective.

'Tourism is the next big thing, they want to go and see interesting places,' she said.

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Viberts - Jersey Lawyers
Email jersey.lawyer@viberts.com
Call 01534 888666 www.viberts.com