

**Statement by Premier Hon. Alden McLaughlin, MBE, JP, MLA to the
House concerning report on JMC 2013
13 December, 2013**

Protocol

Two weeks ago I led a delegation to London to attend the Joint Ministerial Council (JMC) along with the Minister for Financial Services and the Environment, the Hon. Wayne Panton and supported by JMC Sherpa, Jennifer Ahearn, Cabinet Secretary, Samuel Rose and Chief Officer Eric Bush.

In addition to attending the JMC, we took the opportunity while in London to arrange a series of meetings to promote the Cayman Islands both in terms of business and reputation. I am pleased to report that we were successful in all our endeavours and the Cayman Islands is held in new found respect for delivering quality and excellence in a wide range of activities from Financial Services to Tourism.

In the build up to the JMC, the Foreign and Commonwealth Office anticipated that some NGOs who are hostile to financial services would mount a public relations campaign on public registers of beneficial ownership while dismissing all the positive things the OTs do. All the Territories supplied material to a new Facebook page – The UK Overseas Territories Family – and an FCO official has said that Cayman had supplied the best material. I commend our Government Information Services, Department of Tourism, London Office along with the Governor's Office who worked hard on that and I recommend that all Members have a look at the pages.

Just as we arrived in London, Cayman's ratings were published by the Global Forum at the conclusion of its meeting in Jakarta. The Cayman Islands received a rating of largely compliant; this is the same rating as that of the UK, Germany, Italy, and the USA and we continue to prove that our standards as an International Financial Services Centre are as good as, or better than, that of much larger countries. Mr. Duncan Nicol, Director of our Tax Information Authority, was elected as a Vice Chairman of the Peer Review Group and Cayman retained its position on the Steering Group. As Minister Panton has noted, all of this acknowledges the value and role that the Cayman Islands bring to the table.

I have to add that we, the entire country, greatly appreciate the hard work and dedication by all concerned across the public and private sector

for helping to keep us at the forefront of international business, including international compliance standards and best practices.

Not only are we getting the substance right, but we are also getting the presentation right.

Members would not be surprised; therefore, that Cayman was asked to lead the discussion in the opening session of the JMC on economic diversification and attracting investment.

In my speech I said that collectively our reputations as OTs and CDs received a welcomed boost earlier this year in September when Prime Minister David Cameron made a robust declaration, stating what we in Cayman have known for a long time; that it is no longer fair to refer to any of the Overseas Territories as tax havens.

I reminded those present, including the FCO, that we are in fact an important part of the global financial infrastructure and deserve fair treatment and the ability to fairly compete for business. We appreciate that we must look to diversify our economies, but financial services will remain, and must remain, a key part of our economic engine in those territories where this matters.

The UK White Paper entitled “Security, Success and Sustainability” speaks to the UK’s commitment to the on-going economic success and development of the Overseas Territories. This commitment confirms that economic success is as important to the UK as it is to all of us. Indeed, I recognised the support that Minister Mark Simmonds has given us in his role as UK Minister with responsibility for the OTs.

But Madam Speaker, while we do need the support of the UK, it is up to the Government and people of the Cayman Islands to build on and diversify our current key industries while seeking out new types of business to help further diversify our economy. We recognise that diversity in economies, as in nature, creates strength and is essential for helping sustain our way of life going forward.

A diverse economy – one that is based on a wide range of profitable sectors – plays a key role in a sustainable economy. Economic diversification also plays an important role in providing resilience and flexibility in economies and encourages new development in other sectors of the economy. This has benefits for the employment of our people as well as greater stability for government revenues.

Madam Speaker, this Government is committed to economic diversification, whether via Medical and Sports Tourism; new financial services products; the potential that new IT and Health related businesses could bring; to potential new businesses, including green businesses that may emerge as we move forward to protecting our environment and solving the problem with the George Town dump and moving towards recycling and possible waste to energy. And Madam Speaker, we believe that the efforts that we make towards revitalising the George Town City Centre will also bring new economic development in the years to come. We will continue to support responsible, larger scale developments such as the billion dollar planned community known as Camana Bay developed by the Dart Group and Dr. Devi Shetty's Health City.

Madam Speaker, the JMC agenda also included a session on International Financial Services Regulation. This session would be attended by a Treasury Minister and I was keen that the financial services territories should get a chance early on to set out all the good things we had done, are doing and will continue to do - of our own free will - because it is good for our business, rather than have the UK Minister tell us what more he wanted.

I was also concerned that the Territories with financial serving sectors should present a united front and I considered the message we delivered to be more important than the messenger. Accordingly, Cayman drafted a speaking note and circulated it to the Territories with financial services sectors. With a couple of small amendments, the other Territories agreed to it and asked me to deliver it. I thank my fellow Leaders from the other OTs who supported the points I made.

The key message I made to the UK Treasury Minister was that financial business is global and regulation of it must also be global; it must be universal and apply to all. The Territories cannot be asked to do things unilaterally that our competitors will never agree to do.

I told the Treasury Minister that the Overseas Territories have a long history of complying with international standards and taking action appropriate to each unique Territory;

The OTs' continued commitment has been demonstrated through the support provided to the UK's G8 agenda:

We have requested the extension of the OECD's Multilateral Convention on Mutual Administrative Assistance in Tax Matters, which was acknowledged by the OECD as an "important development" in its news release of 21st November 2013.

We have published our Action Plans to Prevent the Misuse of Companies and Legal Arrangements, and; the consultation on our Action Plans is under way for some Territories and others will follow in due course.

This polite but firm defence of our interests was supported by the other Territories and, because we were united on the line Cayman had initiated, we were able to get the right language in the final Communiqué.

The Communiqué.

We then finalised and agreed the Communiqué, a copy of which is attached to this statement, and I can tell the House that parts of the final Communiqué are radically different from the initial draft. Over the last few weeks Cayman officials here and in London have been insisting on changes to the language of it so that the Cayman position was properly represented. I am pleased to say that much of the language in the financial services section of the final Communiqué was drafted by Cayman.

Our advice on the proper wording is listened to because we walk the walk and not just talk the talk. Thus the Communiqué says that Territories will consult on beneficial ownership and, even before the document was agreed, Cayman had issued our consultation document. Madam Speaker, I stress the word consultation. We have no pre-conceived ideas and we will not be pressured by anyone into taking action that is not in the best interests of Cayman.

I assure the House that this Government will take action that suits the Cayman context, after we have had a full and proper consultation.

The Communiqué also talks about exchange of information and while we were in London Minister Panton signed a TIEA with Malta and Poland and he signed the FATCA agreement at the United States Embassy.

Discussions between the Cayman Islands and the US on FATCA have spanned nearly three years, and I congratulate both countries' negotiation teams for ensuring that these agreements fulfill not only the

letter of FATCA, but also the spirit of global efforts on transparency and exchange of tax information - which is to vigorously fight tax evasion.

Thus in addition to talking the talk at the JMC we were walking the walk in carrying out commitments that enhance Cayman's reputation as a jurisdiction of choice.

Whether it is in the OECD, amongst other British OTs or in the United Kingdom Government we are actively engaged, we are influential and we are recognised.

We met again at the Cayman stand at what the FCO termed The Business Event in Lancaster House where I and Charles Kirkconnell of Cayman Enterprise City explained the concept of the diversification activities on which we were embarked to scores of interested UK business leaders and investors. The Minister is very keen to promote alternative businesses in the OTs and was impressed by both CEC and Cayman Health City.

The evening before the Business Event I attended and spoke at a special briefing session laid on by CEC for potential customers. Again there was considerable interest from companies that may want to expand from the UK into the USA but want that safe, secure, English speaking, people friendly, cosmopolitan country, close to America but not in it. I thank CEC for the work it did in the UK during JMC week.

Our officials also attended some discussions on health and criminal justice matters. One of the best innovations of the former Minister Henry Bellingham and continued by Minister Simmonds is the chance for our officials to engage directly with officials from other UK Government departments and share best practice and ideas. Time is too precious for everyone to re-invent the wheel and these informal discussion sessions are very productive.

Madam Speaker, you will be aware that shortly after the Election, Cayman had a visit from some United Kingdom Members of Parliament who serve on their Environmental Audit Committee. They were here for five days on an official evidence-gathering visit. They asked some searching questions, especially about the lack of a National Conservation Law.

Their report has been written but they decided to delay publication of it so that they could have an informal discussion with Territory Ministers

while we were in London. Minister Panton met the Committee and set out what this Government is doing and will continue to do to protect our environment. As I said, their report had been written before Minister Panton met them and this was not an evidence session.

Regardless of what their report says, we are here this week to pass the National Conservation Law; a law that has been foundering for more than 10 years. As Minister Panton has said, "the time is now".

Protecting the environment was one of the key messages I delivered in a keynote speech to a Cayman dinner of 70 guests and stakeholders from the worlds of finance, tourism, environment and government.

However, I began by setting out our overall Government strategy. I said that we need to be innovative, agile, and competitive in order to attract inward investment and encourage local investment to make this happen. Our strategy is to foster an environment that facilitates private sector economic growth, employ prudent fiscal management within the public sector, further develop an educated and work-ready populace, and continue the development and modernization of Cayman's infrastructure.

These four components of our strategy complement each other. Also, our fiscal policy will result in the Government improving its net financial position; supporting economic growth; creating employment opportunities and building infrastructure to serve the next generation of Caymanians.

I said that the economic health of the Cayman Islands drives all aspects of Caymanian society. It affects the amount of revenue the Government earns as well as the level of services it provides, the number of people with jobs, crime levels and residents' overall quality of life. We have therefore identified the economy as a central and core policy priority, and will seek to ensure sustained economic activity for the long term by building on what Cayman has, while encouraging additional private sector growth. We are working with tourism industry partners to grow the numbers of both cruise and stay-over visitors in a smart and sustainable way.

We know we have to support small businesses by reducing taxes and bureaucratic hurdles while also providing entrepreneurs with access to training on how to successfully manage their businesses.

Turning to Financial Services, I assured them that we are also committed to maintaining and strengthening our financial services industry, which is the foundation of our economic success.

The Cayman Islands has been among the vanguard of the global financial services industry for more than 40 years. I reminded them that a country only enters into this company when its legislative and regulatory framework is strong enough to withstand international scrutiny, and yet flexible enough to provide industry with the products and services it needs to attract sound business.

Indeed, we have built our reputation as a jurisdiction of stability and integrity because of the collaboration between Government and industry. Although this partnership has existed for decades, I said that my Government recently strengthened it by signing an MoU with Cayman Finance, the primary body that represents our financial services industry.

I pointed to the Exempted Limited Partnership Bill and the amended Insurance Law as pieces of legislation that were the result of collaboration between Government and industry, and our financial services framework is stronger as a result.

I told them that while Cayman has had more than its fair share of scrutiny over the decades, the pressure has made us into a more brilliant diamond. As proof of that I quoted three recent examples. I said Cayman was named as a vice chair of the Peer Review Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes. We also retained our membership in the Forum's Steering Group.

These two examples speak volumes about what the forum's 121 members think about Cayman's contributions to the global discussion on tax and transparency.

My third example is the Global Forum ratings of member countries' legislative and regulatory frameworks. On the 10 elements that were assessed, Cayman was rated compliant in eight, and largely compliant in two. Our overall assessment was that of largely compliant.

I am proud of the work that has been done, and proud of the role that Cayman will continue to perform in developing globally accepted standards.

For example, the OECD/Council of Europe Convention on Mutual Assistance in Tax Matters was extended to Cayman this month and will come into effect on 1 January 2014.

And in April, we committed to joining the UK, France, Germany, Italy and Spain, in the G5 pilot on multilateral automatic exchange of tax information. This commitment complements our engagement since 2005 in the EU Savings Directive.

I was able to tell all the guests from the financial services industry at the dinner that, just the day before, Cayman issued its public consultation paper on beneficial ownership. The paper reflects that beneficial ownership data has been collected and furthermore, updated, in Cayman for more than a decade; and that in April this year the Global Forum recognised that information relating to beneficial owners continues to be readily available to appropriate authorities in the 32 jurisdictions with which we have bilateral agreements.

I concluded the part of my speech on financial services by stressing that we all must ensure that transparency delivers benefits for rich economies and developing countries alike, and that we maintain confidence in the fairness and effectiveness of our tax systems and in the operation of global markets. Tackling tax evasion and fraud is a global responsibility in which Cayman will continue to play our full part.

Turning to tourism I reminded the guests that we are constantly looking for ways to improve our tourism product. We are working to improve the experience for both our cruise and stay over visitors through upgrades at the cruise port and our airports.

A goal of this Government is to deliver the best possible product for the people of the Cayman Islands and the Islands' tourism industry. We are addressing the sustainability of air and cruise transport to the Cayman Islands, while developing more tourism opportunities for our people.

There were also experts on the environment present as guests. I said that while we embrace economic development and welcome visitors to our Islands, we are very much aware of the need to protect our environment.

I reminded everyone present that Cayman created our now famous system of marine parks 26 years ago, 24 years ahead of the UK; we have rescued our Blue Iguana from near extinction and each year we add more

green turtle stock to the oceans. That demonstrates our lasting commitment to protecting our wonderful bio-diversity.

In Cayman we recognise that we must do all that we can to protect the environment on all three Islands to ensure that we preserve paradise for future generations of residents and tourists alike.

Madam Speaker, I have quoted large parts of that speech to the House because it was the first time in many years that a Cayman Premier had set out in London in a keynote address our overall strategy for the growth, development and preservation of these Islands.

I also met with all other Territory Leaders in the UKOTA Political Council where we approved a strategy to enhance the UKOTA Secretariat.

We, as Premiers and Chief Ministers, were more united at this Joint Ministerial Council because we had had a pre-meeting in Gibraltar in September. I thank Chief Minister Fabian Picardo for arranging that event. I believe that a meeting of all Territory Leaders before we meet with the FCO is vital and I believe that we should meet earlier in the year so that we can determine the agenda and tell the FCO in good time what we want to discuss. Accordingly Madam Speaker, I extended an invitation to all OT Leaders to meet in Cayman next June for next year's pre-JMC meeting so that they can experience for themselves what the world's friendliest country is like.

I would also like to thank Her Excellency, the Governor, for her diligence in attending so many meetings with us. She never once intruded on our business but her presence and the interest she shows augurs well for Cayman and her term of office. She has also added her support and expertise in areas of key concern to us.

I also want to thank all the officials of the Cayman Islands Government for the work they did and not just the Chief Officers who supported Minister Panton and me in London. There has never been a JMC or OTCC before with so many meetings that required briefing papers. At conferences like this, one has to be armed with information on a very wide range of subjects just in case someone else raises it. We had all the information we required and it was not wasted. I believe that we deployed it sensibly and to good effect.

I think the whole House will see, Madam Speaker, that we had a packed official programme and that we added other meetings and events all

designed to advance the cause of Cayman. Advancing that cause is easier now because we now have their attention. Cayman's financial and tourism products have long been recognised as excellent, but the same could not be said of our politics.

That has now changed with my government;

in London, the FCO listened and we got the changes we wanted to the Communiqué;

we were asked to lead discussions in the opening session;

That is the hall-mark of my government – diplomacy and dialogue delivering results; not diatribe and discord.

So there is now a new found respect for the Cayman Islands Government. We too are seen as professional.

When someone said of Winston Churchill that he had the heart of a Lion, he said that the nation and the people were the Lion and he was merely privileged to give the roar. I am not comparing myself to Churchill; of course not. But the analogy is the same; Cayman, our people, our businesses, our products are recognised for their excellence around the world – so I do not have to roar when I defend them overseas.

I commend this statement to the House.

**Overseas Territories Joint Ministerial Council
London, 26 November 2013**

Communiqué

We, the political leaders and representatives of the UK and the Overseas Territories, met at Church House in London on 26 November.

We welcome new elected leaders and representatives of Ascension, Bermuda, Cayman Islands, Falkland Islands and St Helena.

At our first meeting last year we re-affirmed our commitment to a shared vision for the Territories as vibrant and flourishing communities, proudly retaining aspects of British identity and generating wider opportunities for their people, as set out in the 2012 White Paper *The Overseas Territories: Success, Security and Sustainability*. We agreed an ambitious agenda encompassing eight priority issues and detailed action points. Progress has been made and we are continuing to work together to deliver results across the board.

We believe that the global economy is changing quickly, creating both uncertainty and opportunities for us all. At this, our second meeting, we focused on action to support economic diversification, jobs and economic growth.

Economic Diversification

The Territories are small, open and dynamic economies that offer exciting opportunities for investment and for trade. Most Territories rely heavily on one or two economic sectors. The Territories have vital interests in financial services, tourism, agriculture and fishing. We recognise the importance of continuing to develop these sectors and of reducing vulnerability through economic diversification. We recognise, and are determined to address, the risks that climate change can create, in particular to tourism, agriculture, fisheries and aquaculture.

The Territories have attractive offers to potential investors, including stable legal systems based on common law; the English language; educated workforces; links with growing and emerging markets; and the entrepreneurial spirit of island peoples. Territory Governments are committed to creating world class business environments; investing in human capital; attracting creative individuals and investors; and improving vital public infrastructure. Investment should benefit both the investor and the territory, providing sustainable employment and revenues. The UK Government is committed to providing necessary support and advice where it is requested. We are working in partnership to support and promote investment and trade, including improved market access worldwide. We look forward to the business event at Lancaster House in London on 28 November that will showcase opportunities in the Territories.

We resolve to work together as priorities on:

- promoting globally the investment and trade opportunities in the Territories, including through cooperation between Territory investment agencies, UK Trade and Investment (UKTI) teams and UK Embassies, High Commissions and other Posts;
- informing UK companies of investment opportunities in the Territories and encouraging them to explore the opportunities;
- promoting Territory exports and service industries, including in emerging markets and in countries where the Territories are not currently recognised;
- exploring further opportunities to boost inter-Territory trade and investment and the sharing of best practice;
- publishing Territory investment policies setting out clearly the offer to inward investors;

- commissioning independent advice on enhancing competitiveness, strengthening resilience and reducing vulnerability;
- promoting entrepreneurship and the development of small businesses, including through the Caribbean regional EU-funded Small and Medium-sized Enterprises project.

Employment and Education

Education and training is vital to help people realise their individual and collective potential. We recognise the importance of education and training in a well-functioning, modern economy. Territory Governments are pursuing a range of policies to support individuals, employers and communities, in partnership with local employers. Most Territories provide grants for tuition and living expenses to enable students to study at colleges and universities overseas. The UK Government encourages students to study in the UK. Higher education students from the Territories are eligible for the home fee rate providing they are studying at English universities and have been living in the EEA, Switzerland or the Overseas Territories for the three years prior to the first academic year of the course.

We believe that additional priority should be given to vocational education. The UK will continue to support the Territories in this area. Citizens of the Overseas Territories can access adult vocational education in England subject to the three year residency rule and meeting the criteria as set out in the Skills Funding Agency rules.

Efficient public employment services support a well functioning labour market and help to prevent long-term unemployment. They can also help signpost people to relevant training and education. We believe that employment services need to work closely with employers and their business associations as well as those seeking work, in particular the young unemployed. Territory Governments are, as appropriate, working to strengthen employment services.

Nationality and immigration are difficult and sensitive issues. Most of the people of the Territories have some form of British nationality which is regulated by the UK Government. Territory Governments are responsible for the formulation and implementation of immigration policies. We recognise that this creates mutual obligations and responsibilities. We believe that immigration enriches our cultures and strengthens our economies. International talent can help grow economies and create local employment. But at the same time, we must control immigration to protect our interests. Territory Governments therefore aim to simplify and improve immigration law and policy, and to enforce this efficiently and effectively. An important priority is to enable the recruitment from overseas of highly skilled professionals and other workers who cannot be recruited locally, in a way that balances the interests of local people and businesses and minimises risks for the UK.

We resolve to work together as priorities on:

- exploring further how the people of the Territories can access vocational training in all parts of the UK and in other Territories;
- sharing good practice on workforce planning, skills training and addressing the specific needs of young people, older people and the disabled;
- developing efficient and professional public employment services;
- developing immigration policies that take into account the interests of local people and businesses, and minimise risks for the UK.

Our links with the wider world

The UK Government is responsible for the external relations of the Overseas Territories but encourages Territory Governments to play an active role in building productive links with the wider world. The UK Government supports Territory Governments to engage with international partners and to strengthen Territory business around the world.

We welcome the enhanced trade opportunities offered by the **European Union** in the new Overseas Association Decision and the continued financial support from the European Development Fund. The Overseas Association Decision provides for quota and tariff free access to the European single market for Territory goods and services. The Territories and their citizens can also take advantage of other EU funding streams including those for environment and education mobility. There is a strong partnership based on the three key pillars of enhancing competitiveness; strengthening resilience; and promoting cooperation and integration between the Territories, other partners and neighbours. We welcome the fact that Bermuda has now joined the Overseas Association Decision.

We greatly value the opportunities that the Territories have to participate in the work of the **Commonwealth**. We welcome enhanced contacts with the Commonwealth Secretariat as a first step to strengthen the Territories' engagement with the Commonwealth. The UK Government will work with the Commonwealth Secretariat to inform the Territories about forthcoming meetings and further Commonwealth programmes from which they might benefit. Territory Governments are ready and willing to contribute their expertise and ideas to the Commonwealth family. We remain interested in some form of associate or observer membership status for the Overseas Territories in the Commonwealth but acknowledge that this is a longer-term ambition.

We resolve to work together as priorities on:

- strengthening Territory engagement with international partners with support from the UK's network of diplomatic posts;
- making full and effective use of new trade opportunities with the EU and increased EU funding streams including the European Development Fund and its regional programmes;
- encouraging the Commonwealth Secretariat and the chairs of Commonwealth fora to invite the Territories directly to participate in relevant meetings and programmes, particularly the Commonwealth small states meetings.

Green energy and Environment

We wish to ensure that the rich environmental assets of the Territories, which include an estimated 90% of the biodiversity found within the UK and the Territories combined, are cherished. We recognise that the people of the Territories have a strong commitment to protecting their natural environments on which many livelihoods depend.

The Territories are blessed with an abundance of natural energy sources that, with the application of new technology and targeted investment, could reduce reliance on fossil fuel imports to meet their energy needs. We believe that green energy should be a greater priority. Territory Governments recognise the challenges of regulating monopoly energy providers and that fuel imports leave them vulnerable to price fluctuations.

We are making significant progress on the ambitious environmental agenda we set ourselves last year. Territory Governments are determined to advance this work actively to ensure that progress is maintained.

We resolve to work together as priorities on:

- increasing the use of renewable energy sources, including enabling production and removing barriers to use;
- establishing workshops in order to assist Territory Governments in capacity-building, technical assistance and renewable energy financing;
- promoting the development of, and investment in, sustainable fishing industries, particularly in Territories where potential resources are underutilised or illegally exploited;
- publishing road maps by end of May 2014 setting out plans to implement our environmental commitments and demonstrating our contribution to the UKOT Biodiversity Strategy;

- ensuring the continuation of relevant funding programmes for Overseas Territories environment, conservation, biodiversity and climate-related projects.

International Financial Services Regulation

The Territories include some of the world's leading financial centres and play a significant role in the global economy and driving global economic growth. We reiterate our commitment to creating a fair, responsible and effectively-regulated global business environment. As the world economy recovers, we must make sure openness delivers benefits for advanced, emerging and developing economies alike. Tackling tax evasion and fraud is a global responsibility in which the UK and the Territories will continue to play a full part.

Those Territories which host international financial centres have delivered on the commitments made in advance of the G8 Summit at Lough Erne:

- each of these Territories has published an action plan setting out the steps that they will take to ensure the collection and availability of complete company ownership information and are launching or have launched consultations on the question of establishing a central registry of beneficial ownership and whether this information should be publicly available;
- the extension of the Multilateral Convention on Mutual Administrative Assistance on Tax Matters to each of these Territories has been notified to the Council of Europe, which will allow more countries to benefit quickly from greater levels of tax information exchange and will be particularly beneficial for developing countries; and
- each of these Territories has agreed to play an active part in the pilot initiative on automatic tax information exchange launched by the UK, France, Germany, Italy and Spain.

The UK and the Territories are committed to continuing to work together to promote the application of high international standards. Financial business is global and we call on all jurisdictions to play their full part in developing and applying international standards. We therefore welcome the G20's agreement at the St Petersburg Summit to take forward international standards on transparency of company ownership and the agreement to move to automatic tax information exchange.

We resolve to work together as priorities on:

- explaining the contribution of well-regulated international financial centres to the global economy;
- promoting the application of high regulatory standards to deliver conditions in which legitimate financial services business can flourish;
- discussing evolving standards in the provision of financial services and actively engaging with international standard setting bodies;
- challenging other jurisdictions to match our commitments to transparency and tax information exchange.

Governance

We have high ambitions to be among the best places to do business in the world. We recognise that in an increasingly competitive global market it is important for governments to provide high quality services to businesses and individuals while meeting high standards of integrity, accountability and transparency. Economic growth depends on maintaining sustainable public finances and efficient regulatory regimes. We recognise the need for public services to adapt to changing demands and to harness the potential of new technology.

We welcome and support the work of the Heads of Public Service of the Territories, who met in London on 7-8 October. We encourage the full engagement of the Crown Dependencies in this network. We support the objective of increasing secondments between our administrations and the proposed

initiatives to share experience, including on e-government, public sector reform and restructuring, recruitment and personnel management.

The rule of law and an independent judiciary are vital to economic success. We are committed to continuing to modernise our legal systems and to adopting appropriate international standards. We welcome and support the work of the network of Attorneys General, who met in the Falkland Islands from 12-14 November. We welcome the full engagement of the Crown Dependencies in this group. We support the work of Attorneys General to initiate effective measures, including legislation where necessary, in areas of disparity to ensure full compliance with existing international obligations.

We resolve to work together as priorities on:

- engaging in peer review processes to improve regulation and get rid of red-tape, and further strengthen procurement, public financial management frameworks and codes of conduct and integrity;
- increasing secondments between the Territories and the UK where appropriate including through reviewing the effectiveness of the UK Government's Jubilee Programme;
- strengthening the work of audit bodies and public accounts committees or their equivalents, with the support of the UK National Audit Office;
- extending to the Territories international treaties on tackling corruption, bribery and the financing of terrorism and of organised crime (the UN Convention Against Corruption; the OECD Anti Bribery Convention; the UN Convention on Suppression of Financing of Terrorism; and the UN Convention on Transnational Organised Crime);
- fulfilling our commitment to extension of the core human rights conventions¹ where these have not been extended already.

Security

The Territories offer visitors and investors some of the world's safest and most secure environments for holidays and business. Territory police services are proactive in tackling any serious and violent crime, especially, in some Territories, gang crimes. But the police alone cannot tackle issues which drive some people to commit crime. We therefore welcome and support initiatives to strengthen the coordination of action across government, with a view to working together to promote safer communities across all the Territories. We support strengthening of cooperation between Territories including the working groups set up by Caribbean Chiefs of Police. We remain committed to supporting joint initiatives between UK and Territory governments in improving competency and capacity in relation to crime investigation and prevention, the rule of law, court systems, alternatives to custody, prison reform, restorative justice and protecting vulnerable witnesses.

The leaders of the Territories in the Caribbean and Bermuda are delighted to have agreed a Memorandum of Understanding on reciprocal law enforcement assistance. It provides a framework for Territories to seek temporary support from each other at times of heightened need.

We acknowledge that Territories will always be vulnerable to natural disasters, principally hurricanes, volcanoes, earthquakes and tsunamis and to the risk of man-made disasters, in particular air and sea accidents and environmental disasters such as oil spills. We remain committed to working together to reduce the risk of disasters and build disaster management capacity.

¹ the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; the Convention on the Elimination of all forms of Racial Discrimination; the Convention Against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment; the Convention on the Rights of the Child; and the Convention on the Elimination of all forms of Discrimination against Women

We resolve to work together as priorities on:

- enhancing support provided by the UK Association of Chief Police Officers, UK College of Policing and the newly formed National Crime Agency;
- enhancing support for judicial and prosecution services, building upon the relationships already established with the Ministry of Justice and UK Crown Prosecution Service;
- putting in place robust and reliable extradition arrangements, including through extension of the 2003 Extradition Act;
- taking advantage of the expertise of the UK Ministry of Justice, National Offender Management Service and HM Prison Service to progress alternatives to custody, prison reform, restorative justice and protection of vulnerable witnesses;
- disaster risk reduction initiatives; robust and effective disaster preparation and response planning, including exercising and engagement with regional and international disaster response agencies.

Self-determination

We reiterate our commitment to continuing to build a modern relationship based on partnership, shared values and the principle of self-determination. The people of each Territory have the right to choose whether or not their Territory should remain a British Overseas Territory or to seek an alternative future.

We welcome the result of the March 2013 referendum in the Falkland Islands, which overwhelmingly demonstrated the Falkland Islanders' wish to remain a UK Overseas Territory. We call on all countries to accept the result of this referendum and support the Falkland Islanders as they continue to develop their home and their economy. The UK government stands ready to support any Territory that wishes to have a referendum on its future.

We will continue to support the people of Gibraltar. We urge the Spanish Government to de-escalate tensions with Gibraltar, including at the border and within British Gibraltar Territorial Waters.

The right of self-determination is enshrined in the UN Charter. We believe that the people of all Overseas Territories have a right to determine their own futures, to decide on the path they wish to take and to maintain freely their constitutional link with the UK if that is their choice. Being a British Territory entails a balance of benefits and responsibilities. We affirm a commitment to shared values, high standards of governance and building a stronger partnership. Any decision to break the constitutional link should be on the basis of the clear and constitutionally expressed wish of the people of the Territory. We believe that the UN Decolonisation Committee should delist Territories where this is their wish.

Each Territory is unique and has its own Constitution. We will continue work to complete the process of constitutional modernisations so that Territories have the greatest self-government possible.

We welcome the increasing engagement of the UK Parliament and their support for the Territories.

Next Steps

We welcome the progress reports on action points from the 2012 Council communiqué published on the Joint Ministerial Council website and express our determination to continue to work in partnership on these issues. We agree to meet in autumn 2014 to take stock of further progress and to report on that to our peoples, assemblies and parliaments.