

UKOTA Annual Report to Political Council

25th November 2013



PREPARED BY MEMBERS OF THE ASSOCIATION

Chairman: Government of Bermuda London Office, 6 Arlington St., London, SW1A 1RE

Tel: +44 207 518 9900; fax +44 207 518 9901 email: londonoffice@gov.bm

Members: Anguilla • Bermuda • British Virgin Islands • Cayman Islands • Falkland Islands • Gibraltar •
Montserrat • Pitcairn • St Helena • Tristan Da Cunha • Turks & Caicos Islands

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1. Foreword

Following the Political Council meeting on 4th December 2012, there was a clear indication that the organization should focus on being more effective for the benefit of the Governments of the Overseas Territories and its people.

It was agreed by the Political Council in that meeting to increase the role of UKOTA with required resources to set up and run a Secretariat.

A significant expansion with a permanent resource in the form of a small Secretariat to support the work of the Association on a daily basis. The agreement was for a secretariat to be formulated with a few people created in the mould of a think tank like Policy Network. The Secretariat would administer UKOTA and its duties to include; a review and analysis on global policy, economic trends and providing policy recommendations to the Territories on areas of common and mutual interest; identify key issues which are of common interest on the international stage to develop relevant policy recommendations; liaise with international institutions on issues of shared mutual interest; data collection across the Territories; coordinate shared ideas and best practices; focus on analysis and policy mandated by the Political Council.

It was noted that some Territories were financially unable to commit to any additional costs. That position has been considered in the review process.

2. History of the Association

The United Kingdom Overseas Territories Association (UKOTA) exists to promote the interests of the Territories and the co-operation between them. Specifically UKOTA demonstrates the collective and individual partnerships between the Territories and HM Government.

The Association was formed following the successful conference, "Dependent Territories - Progress through Partnership", in November 1993. The conference was co-sponsored by the Governments of Gibraltar and the Falkland Islands, with representatives from other Overseas Territory Governments forming part of the steering group that oversaw the organisation of the conference.

The conference provided an opportunity to look at Overseas Territories and the relationship between them and the UK. The delegates examined a wide range of topics of critical importance to Overseas Territories, including constitutional status, the relevance of the idea of nationhood, political stability and the promotion of economic growth. Representatives of all the UK territories attended, as did representatives from Dutch, French and Australian territories. The Keynote speech was given by the then Foreign Secretary, Rt Hon Douglas Hurd MP.

In February 1998 a second successful conference was organised, "The Dependent Territories in the 21st Century". Over 300 people attended the conference, including senior delegations from all the UK's Territories, a significant presence from Whitehall and the British Parliament, and a large number of journalists with camera crews from as far afield as China and Mexico.

The Rt. Hon. Robin Cook MP, the then Foreign Secretary, gave the Keynote speech. He took the opportunity to announce that the conclusions of the FCO review of the Overseas Territories would be presented in a White Paper, which was subsequently published in March 1999. The White Paper set out the modern partnership approach to the relationship between the Territories and HMG. Amongst the recommendations was the change of name from "Dependent Territories" to "Overseas Territories"; the right of all the citizens of the Territories to obtain full British Citizenship; and the formation of the Overseas Territories Consultative Council – when the leaders of the Territories meet annually with representatives from HMG.

The Association provides a forum for the exchange of ideas and discussion of relevant issues of common interest. It develops relationships with HMG, the European Union, the Commonwealth and other appropriate organisations and institutions. UKOTA has developed relationships with key opinion formers in politics and the media. Links with Parliament have been strengthened with the formation of the All-Party Parliamentary Group for Overseas Territories.

3. Annual General Meeting

Thursday 31st January 2013 UKOTA held its AGM at the Gibraltar London Office. Results of an election for officers are as follows:

1. Chairman: Kimberley Durrant, UK Representative for the Government of Bermuda
2. Secretariat: The Cayman Islands Government Office
3. Treasurer: Kedrick Malone, UK Representative for the Government of BVI

4. Constitutional Review / Strategy

Following the December 2012 Political Council UKOTA members held discussions on Constitutional Review in a special meeting on 1st March 2013. Within this meeting it was decided that all Constitutional talks will now form part of the original UKOTA meeting as opposed to a separate special meeting (with three members) as indicated by the Political Council. The decision was made on the basis to include all Territories in the discussion. It was agreed by all members that a deadline for Constitutional Review by February 2013 was unrealistic, particularly as it was a challenge to agree the process for the Review.

In the following meeting held 1st May 2013 it was decided the Chairman was to draft an outline for long-term strategic plan to bring the efficiency of the organization forward alongside exploring the terms of reference to incorporate a secretariat and to reform the constitution if necessary.

An outline strategy and communications strategy has been completed. The process of that strategy review meant the Chairman engaged with other organizations and relevant association to learn their best practice in developing a strategy and enquiring the requirements for establishing a secretariat. The Chairman has liaised with the Director of the Commonwealth Foundation; meetings and presentation by the British Irish Council; meetings with the Legatum Institute and looked at both structures of the Commonwealth Secretariat and CARICOM.

The Association re-established three main Sub-Committees

5. Public Relations

Chaired by Janice Panton, UK Representative for the Government of Montserrat

Following a long approach to redesign the website Members agreed to engage a web design firm. Following a tender process Superfantastic was engaged by the Association as approved in a meeting held 20th March. Superfantastic held a branding workshop with members on the 5th June. On 29th July the final branding document representing UKOTA's visual identity, image and website rebranding was presented. Due to unforeseen circumstances the existing website was terminated with the intention to have a brand new site in the beginning of 2014.



Following much deliberation it was agreed on 20th March to use social media within guidelines. It was agreed that any posting to social media would require a pre-approval by Janice Panton and the Chairman. Immediate use of twitter was authorized.

In view of the increased pressure from NGOs on tax and transparency and environment members have been encouraged to highlight the work of the Territory Governments and people.

6. Financial Services Working Group

Chaired by Kedrick Malone, UK Representative for the Government of BVI

The Financial Services Working Group met at BVI House in London on 14 February. The Working Group discussed emerging regulatory issues in the European Union (EU) and the related activities undertaken by British Overseas Territories in the Overseas Countries and Territories Association (OCTA).

Members reflected on the Financial Services Partnership Working Party (Financial Services PWP), which did not meet in 2012 or 2011 on account of Overseas Countries and Territories (OCTs) governments' preference to address EU related financial services matters on a bilateral basis, given the different sectoral focuses of their financial services industries.

The Political Declarations signed at OCTA Ministerial Conferences in 2011 and 2012 called for the Financial Services PWP mechanism to be maintained and teleconferencing, video conferencing and other communication technology used in the future to facilitate meetings between EU and OCT technical experts. Members also emphasised the importance of OCT technical experts being present for such meetings, as opposed to diplomatic representatives, if such meetings are to facilitate meaning exchange.

It was agreed OT Representatives would each need to consult with their home government to determine if there is interest in a Financial Services PWP in 2013. This was considered particularly important as OCTs face a number of common regulatory issues related to the EU that could potentially be discussed collectively in such a forum. It was also thought that due regard should be given to the jurisdiction of different OCT regulatory authorities in handling tax versus financial services matters.

A trilateral meeting between the United Kingdom (UK), European Commission (Commission) and UK OT Leaders at the 11th OCT-EU Forum in Ilulissat, Greenland where OT concerns about the draft Overseas Association Decision's (OAD's) financial services provisions were discussed. Subsequently, OCTs registered their concerns directly with Member States for consideration and representation in negotiations in the European Council's (Council's) ACP Working Group.

There was a need for the European Commission to review the evolving constitutional relationship between the OCTs and their Member States with a view to differentiating treatment between them where necessary. Members also discussed the need to explore a UKOTA Representative Office in Brussels for OTs with significant financial services industries.

OT Representatives established a direct relationship with the UK Representation Office in Brussels and explored links with the British Embassy in the United States (US).

Members affirmed the need to strengthen communication between OT Representative Offices and home governments in order to raise Representatives' awareness of the regulatory issues of greatest interest and concern to OTs and ongoing communication and existing communication channels between OT regulatory authorities and EU regulatory authorities and among OCT regulatory authorities themselves. This was considered essential in accurately representing OCTs' positions on regulatory matters in the EU where necessary.

The Working Group agreed to pursue the following actions in 2013:

- Ascertain from OT governments whether:
 - o their regulatory authorities are in communication with EU regulatory authorities
 - o their regulatory authorities are in communication with other OTs about regulatory matters; and whether
 - o they are regularly consulted by the EU or UK on EU regulatory initiatives with potential or direct impact on OTs financial services industries in advance of their adoption;
- Prepare a general financial services briefing document for transmission to home governments (BVI)
- Monitor regulatory developments emerging from the EU and share among OTs.
- Request that the OCT Task Force organise a regulatory policy briefing for OTs.
- Recommend the OCTA Executive Committee (ExCo) solicit Dr. Flora Goudappel to provide a legal analysis of the financial services provisions of the draft OAD.
- Engage OTs with smaller financial services industries or interest in financial services on EU related financial services matters.

In early November UK Representatives with a financial services sector from Anguilla, Bermuda, BVI and Cayman held frank discussions with NGO's involved in the campaign on Tax Justice. That meeting resulted in understanding there was a need for greater communication on the side of the NGOs prior to campaigning. It was agreed that UK Representatives through the Chairman would engage with the NGOs where necessary and as directed by their Governments.

7. Environment:

Chaired by Kedell Worboys, UK Representative for the St Helena Government

Work carried out this year are as follows:

1. Extinction Risk Assessment' for the UK Overseas Territories
This ground-breaking work will, for the first time ever, compile complete lists of the species which are present in each OT and, most crucially, identify which species are know to be at risk of extinction and which species' populations have never been assessed and thus could be most at risk of disappearing forever. It is hoped that this project will therefore be very useful in directing limited environmental resources and in enabling OT Environment Departments and OT NGOs to access further financial support by systematically demonstrating their urgent biodiversity needs. We are working closely with OT Governments and NGOs in its compilation.

2. UK Preparations for 2nd IPBES Plenary

The goal of IPBES is to strengthen the science-policy interface for biodiversity and ecosystem services for the conservation and sustainable use of biodiversity, long-term human wellbeing and sustainable development. IPBES is intended to support other existing international agreements through the provision of a robust evidence base and related capacity building.

3. LIFE Nature, Environment and Information projects with DEFRA

4. Coordination of OT involvement in the Environment Audit Committee Evidence Session on Sustainability in the UK Overseas Territories

5. Continued engagement with environment organizations on behalf of the OTs such as DEFRA, JNCC, RSPB etc.

8. JMC Engagement

Following a Political Council Resolution at the JMC December 2012 to ensure that UKOTA was involved in the JMC process, UK based Representatives have been active in the process alongside FCO officials. Most Representatives also share the position of Sherpa.

It was encouraged that this process continue on JMC engagement.

9. Tripartite Meeting with the Commonwealth and FCO

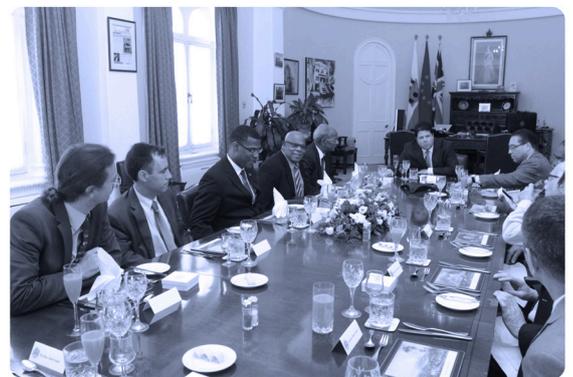
As stipulated suggested in the 2012 Political Council UKOTA members held a tripartite meeting between the Commonwealth Secretariat, FCO and representatives of the Overseas Territories and Crown Dependencies: 25 October 2013.

Representatives of the Overseas Territories, the Crown Dependencies and the FCO met with representatives of the Commonwealth Secretariat with the aim of clarifying and strengthening the links between these jurisdictions and the Commonwealth.

The FCO gave an overview of recent exchanges concerning the Commonwealth and the Overseas Territories, including the Commonwealth Secretary General's attendance at the Overseas Territories Joint Ministerial Council (JMC) in December 2012. The FCO recorded its desire, and that of the Territories and Crown Dependencies, to have some form of associate or observer status in the Commonwealth for the Territories and Crown Dependencies; but noted that this was a longer-term aim.

The Commonwealth Secretariat gave a presentation (which has been circulated to all participants) on the Secretariat's organisation and its relationship with affiliated Commonwealth organisations. The Overseas Territories (OTs) and the Crown Dependencies (CDs) outlined their current level of engagement with Commonwealth organisations, primarily the Commonwealth Parliamentary Association of which most are active members. They also set out what they could contribute to the Commonwealth and its members. The areas of expertise include:

- Management and regulation of financial services,
- Countering financial crime including anti-money laundering and law enforcement
- Disaster management
- Transposition of global law and regulation into small jurisdictions
- Energy
- Sustainable fisheries



10. Schengen Agreement

At the time of the last periodical review of Regulation 539/2001 (Reg. 1932/2006), the two lists of the Regulation were completed by certain British passport-holders, only those with British Citizenship.

In accordance with the modification, British Overseas Territories Citizens (BOTC), British Overseas Citizens (BOC), British Subjects and British Protected Persons (BPP) and British Subject (BS) were put in Annex I (need a visa), with the comment that "they do not have the right of abode". According to information provided to the European Commission, BOTC citizens could apply to British citizenship (and therefore become a Union citizen). However, those, who did not become British Citizens and the other three categories, have only a tenuous link with the UK as they do not have the right of abode and are subject to immigration controls.

With the assistance of HMG a delegation of UK Representatives visited Brussels alongside officials from the FCO, OTD team and the team from the Home Office, UK Permanent Representation in Brussels in February 2013.

Meetings were held with Mariya Gabriel. MEP, EP Committee (responsible): Civil Liberties, Justice and Home Affairs (LIBE)

The feedback from meetings to include MEPs was positive on the proposal to move all British national categories to the positive list of the 539 (Common Visa List) Regulation. However, the Rapporteur flagged that there were other factors affecting how quickly this file could be agreed between the European Parliament and the Council. Specifically, this file is being linked to another 539 Regulation proposal which has proven to be quite politically sensitive as a number of Schengen Member States remain concerned about the adverse impact of Schengen visa liberalisation, with several reporting abuse, leading to additional pressure on their asylum systems. That proposal sets out a 'visa safeguard clause' which would suspend visa waiver with a third country in the event of abuse of the agreement and a 'reciprocity mechanism' which would suspend a visa waiver with a third country where that third country reimposes visas on one or more Schengen Member States.

The European Parliament and the Council have not been able to agree on a compromise text for that proposal and there is no solution on the table at the moment that satisfies them or the Commission. Nonetheless, the Presidency is continuing to work hard to try and find a solution.

It is important to note there is full HMG support. When the Rapporteur questioned UK officials why was this not addressed in consideration of British Citizenship regarding access to the Schengen Area it was advised there was an oversight by HMG in the different categories of British Nationals.

UK Rep continues to lobby with MEPs within the LIBE committee on our behalf.

It is highly recommended that Territories utilize the UK's presence in Brussels on any matters regarding UK and Territory issues. Representatives were briefed accordingly and were able to work alongside UK officials in high level meetings.

There is no timescale for the proposed amendment to be approved by the LIBE Committee. We were advised by colleagues in UK Rep it may be in June. However the LIBE Committee Rapporteur would prefer to move this on fairly quickly, noting the consideration of the aforementioned.

As of October 2013 there has been additional political hold up outside the scope of UK involvement.

11. UKOTA Financial Statement

In accordance with the UKOA Constitution the financial resources are at the disposal of the Association and will be arising out of membership fees and other contributions from Members and other sources of income to be identified from time to time and used for the financing of the Association's activities and attainments of its objectives.

Membership fees for Full Members and Associate Members shall be subject to annual budget decisions. Membership fees shall become payable at the Annual General Meeting. In addition to membership fees sponsorship will also be sought from various funding bodies.

The current annual subscription is £900. There are two Territories who are outstanding in this year's annual subscription.

The total balance of the financial statement as of 16th October 2013 is £29,461.36. UKOTA accounts for £22,153.02 and a Scholarship funding sponsored by JNCC is £7,308.34.