

UKOTA Annual Report to Political Council

1st December 2014



1. Foreword

The United Kingdom Overseas Territories Association (UKOTA) exists to promote both the interests of the Territories and cooperation between them, whilst also working to insure the good collective and individual relationship between Territories and the United Kingdom Government. The Association's work is governed by regular meetings of the Representatives of the Overseas Territories who are based in the United Kingdom. Territory Representatives who are not based in the United Kingdom are also able to join in the deliberations by telephone link.



This year marks the 20th anniversary of the founding of the Association. To mark this event a reception was held in the Commonwealth Parliamentary Association Rooms in Westminster Hall, Houses of Parliament, in November. Distinguished guests included the Deputy Speaker of the House of Commons, The Rt Hon Lindsay Hoyle MP, and many members of both Houses of Parliament. Two

former Ministers with responsibility for the Overseas Territories also joined the gathering.

2. The Annual General Meeting and UKOTA Secretariat

UKOTA's Annual General Meeting was held on 12th February 2014 in the London Office of The Government of St Helena. Officers were elected as follows:

Chairman: Albert Poggio GMH OBE, UK Representative for HM Government of Gibraltar

Secretary: Charles Parchment, UK Representative (Acting) for Cayman Islands Government

Treasurer: Dorothea Hodge, UK Representative for Government of Anguilla

Further discussion was given to the post of Secretary and to the provision of a Secretariat for UKOTA. Consequently, in June 2014, UKOTA unanimously welcomed Edwina O'Mahony, Government Affairs Coordinator for HM Government of



Gibraltar in London, to take on the duties of the Secretary and to provide a Secretariat. This was in accordance with the offer initially made by Chief Minister of Gibraltar.

Initially, this appointment will endure up and until the end of 2015. However, it is hoped that HM Government of Gibraltar will, if the Political Council approves, be prepared to extend this facility for another 2 years. It cannot be overstated how important it is to the work and effectiveness of UKOTA to have a dedicated official servicing its meetings and coordinating its work amongst members, as well as with officials in the Foreign and Commonwealth Office and other Whitehall departments. It remains a longer term aspiration of UKOTA to have its own independent and separately funded Secretariat. However, for the foreseeable future, this must remain an aspiration when in consideration of conflicting priorities and the severe financial constraints and pressures upon all the Territories.

3. Change of Representatives in London

UKOTA would like to place on record their gratitude to The Rt Hon the Lord Blencathra, former UK Representative for Cayman Islands Government, and Mr Kedrick Malone, former UK Representative for Government of the British Virgin Islands, who have both retired from their respective posts in the past year. Their contribution to the work of UKOTA was considerable and enduring. In their stead we have welcomed Mr Charles Parchment, UK Representative (Acting) for Cayman Islands Government, and Mr Benito Wheatley, UK Representative (Acting) for Government of the British Virgin Islands. At the end of the year we will bid farewell to our colleague, Mr Chris Bates, who will be retiring from his role as UK Representative for Tristan Da Cunha. Chris has given outstanding service to UKOTA and we wish him well in his retirement.

4. Membership

In 2014 we were pleased to welcome back the Turks & Caicos Islands as an active member of UKOTA, as well as welcoming the Pitcairn Islands. In the meeting of 25th September 2014, the request of the Ascension Islands to join UKOTA as a full member was welcomed and, after acceptance by this Political Council, will become formal members at the AGM to be held on 12th February 2015.

5. The Work of UKOTA

Throughout the year UKOTA and the individual Territories' Representatives have been actively engaged in dialogue with members of both the House of Commons

and House of Lords, across all political parties, regarding many matters relating to the Overseas Territories, collectively or individually. UKOTA work closely with the All-Party British Overseas Territories Group and many other relevant All Party Parliamentary Groups, whilst also monitoring legislation and debates and, on occasion, helping to shape those very debates.

In addition, UKOTA has an ongoing duty to liaise, not just with the Foreign & Commonwealth Office, but also with many other government departments and agencies, across the whole spectrum of Overseas Territories' interests. UKOTA deals with a wide variety of individuals and NGOs pertaining to matters of finance, constitutional development and environmental policy amongst others. Indeed, by way of example, elsewhere in this Report, we refer to our very productive meeting with the Royal Society for the Protection of Birds (RSPB).



UKOTA is vigilant in safeguarding the reputational interests of all the Overseas Territories, whether that be in the press and media, with individuals or the countless numbers of NGOs whose interests cover the OTs.

Furthermore, much time is taken with the Foreign & Commonwealth Office and other departments and agencies of HM Government in respect of those matters that have arisen from the deliberations of the last Joint Ministerial



Council (JMC) in London. UKOTA complement the work of the Territories' Sherpas in the planning of the meeting of the Heads of Government for the Pre-JMC, held this year in the Cayman Islands, and the JMC itself. This year, the work undertaken by UKOTA has been more extensive and assertive than ever before. The Representatives have had many meetings on the preparation of the detail of the JMC Draft Communiqué in order to ensure that it more adequately reflects the work of the JMC and the aspiration of Territory Governments and the JMC Agenda itself. UKOTA has, in the face of much resistance from the FCO, resolved that there must be a substantive part of the JMC agenda that allows opportunity for discussion on the payment of United Kingdom pensions in Overseas Territories and the crisis state of the harbour on Tristan Da Cunha.

Consular Relations Act 1968

UKOTA continue to seek an increase in the privileges and facilities for the Overseas Territories UK Representatives and their Offices that reflects both the Territories' status and importance.

The Commonwealth

UKOTA continues to press both the Commonwealth Secretariat and the Foreign & Commonwealth Office in an effort to enhance the relationship and status of the Overseas Territories in the institutions and meetings of the Commonwealth. In particular, UKOTA specifically made representations about the status of the OT's Sports Ministers attending the 7th Commonwealth Sports Ministers meeting in Glasgow during the Commonwealth Games.

6. Small Business Enterprise and Employment Bill

UKOTA have closely monitored the progress of legislation currently going through Parliament which provides for a public register of beneficial ownership in the United Kingdom.

Simultaneously, UKOTA have been working with the Foreign & Commonwealth Office in respect of the Draft Communiqué for the 2014 JMC. The objective has been to reserve for the Heads of Government of the Overseas Territories themselves the opportunity to examine and respond to the various arguments and pressures being advanced by the United Kingdom Government and HM Treasury for the enactment of comparable legislation on Beneficial Ownership in each of the Overseas Territories with a banking and financial services sector.



7. Public Relations and the website

Chaired by UK Representative for the Government of Montserrat.

The Committee welcomed the support received this year from the Secretariat and are pleased to advise that the new UKOTA website, www.ukota.org, was launched on 4th November 2014 to coincide with the 20th Anniversary of the Association. The new website provides visitors to the site with a full and comprehensive understanding of the Association and its work, as well as of the individual Territories themselves. The website also includes a direct link to UKOTA's twitter feed and will serve to aid the continuing work to raise the profile of the Association and its work. Moving forward, the website will be maintained by the UKOTA Secretariat, in conjunction with Janice Panton, Chair of the website sub-committee, alongside the incumbent UKOTA Chair.

We were also able to publish the UKOTA newsletter in September enabling these to be disseminated at the annual conferences held by Conservative, Labour and Liberal Democrat parties.

8. Financial Services Working Group

Chaired by UK Representative for the Government of the British Virgin Islands. On 22nd January 2014, members of the UKOTA Financial Services Working Group participated in a Partnership Working Party (PWP1) on Financial Services in Brussels organised by the European Commission (Commission) and the Overseas Countries and Territories Association (OCTA). The Working Group had earlier consulted on the need for the meeting and endorsed Territories' participation. The meeting brought together technical experts from various Overseas Countries and Territories (OCTs) and the Commission (i.e. DG TAXUD and DG MARKT) to discuss OCT financial services jurisdictions in relation to the European Union's (EU) 4th Anti-Money Laundering Directive, EU Savings Directive and EU Action Plan to Strengthen the Fight against Tax Fraud and Tax Evasion. Among other things, the meeting discussed the challenges and complexities of the OCTs being categorised by the EU as third countries in its financial services related directives. In particular, the OCTs expressed a clear concern about the EU not having accurate information about OCT jurisdictions on account of relying on third-parties as opposed to the competent authorities of the OCTs themselves. The main recommendation coming out of the meeting was that the OCTs and EU could establish a consultation mechanism between the OCTs and Commission on financial services related matters.

The Financial Services Working Group met on 1st May 2014 to discuss three

issues that included the Department of Business, Innovation and Skills' (BIS) Beneficial Ownership Action Plan, OECD Action Plan on Base Erosion and Profit Shifting (BEPS) and UK Priorities for BEPs. The goal of the meeting was to identify how UK Representatives could support their governments in addressing directly related matters of concern. Richard Hay of Stikeman Elliott made a presentation in which he explained the three issues and their implications for the UK and the OTs. He highlighted, among other things, the pressure being placed on the UK Government to implement public central registers of beneficial ownership in the UK and OTs by NGOs following the UK G8 Summit in 2013. He also pointed out that the beneficial ownership regime in the OTs already met FATF standards and the objectives pursued by the UK at the UK G8 Summit. The UK Representatives agreed to reinforce to their governments the need for a robust public relations campaign to promote the success of their jurisdictions' regulatory models covering beneficial ownership.

The Financial Services Working Group on 3rd July 2014 launched consultation meetings with the UK Government on the question of beneficial ownership via meetings that have continued in the lead-up to JMC 2014. The UK Government have been represented in these meetings by Russell Phillips, Senior Policy Advisor for Economic and Financial Services at FCO; Tim Chorley, Senior Policy Adviser on Macro-Economics, Financial Regulation and Tax at the Cabinet Office; Kayley McMorrow, Asset Freezing Team at the Treasury; and Lai-Sze Lai, Policy Adviser on Beneficial Ownership at BIS.

These meetings have sought to clarify the UK Government's position on beneficial ownership coming out of the UK G8 Summit and the response of the OTs to the UK position. Among other things, the meetings have covered the UK's position on transparency within the G20, the UK's Small Business, Enterprise and Employment Bill that will require the creation of a public central registry of beneficial ownership in the UK, the OTs actions on beneficial ownership, and the language on beneficial ownership for inclusion in the JMC Communique 2014.

9. Environment

Chaired by the UK Representative for the Government of St Helena. UKOTA is particularly conscious that, as a whole, the Overseas Territories are custodians of some of the worlds' most critical ecosystems and their inherently unique flora and fauna. We continue to try and demonstrate how very seriously each and every Overseas Territory approach their responsibilities and obligations in this respect. All too often there is ignorance and wholly unjustified criticism of the Overseas Territories in this regard.

We have on one hand the need to constantly remind some NGOs and

commentators, including some Parliamentarians, that constitutionally that the responsibility for this work lies primarily with the Territories' Governments and is not a matter for HMG in London. On the other hand, it is necessary to continually remind international organisations, including HMG, NGOs and other critics, that whilst considerable resources are put into this work by the Territories, these resources are not limitless.

A sensitive issue has been the publication of the House of Commons Environmental Audit Select Committee's report, Sustainability in the United Kingdom's Overseas Territories HC332. UKOTA consider that the tone of the Select Committee's Report rather reflects a misinterpretation of the constitutional responsibility for sustainability and the problems of the allocation of scarce resources.

UKOTA is pleased to report that it has had some very useful dialogue with the Royal Society for the Protection of Birds (RSPB) over the past year, culminating in a day-long visit to their headquarters in Hertfordshire. This has undoubtedly led to a much greater mutual understanding of the complimentary roles of this particular NGO and the work of the Territory Governments. We look forward to building upon this collaboration over the coming year.

10. European Union

Chaired by the UK Representative for the Government of St Helena

Most of the Overseas Territories have an ongoing dialogue with some of the European Union institutions by virtue of their membership of OCTA, the Association of Overseas Countries and Territories in the European Union. However, some UK Overseas Territories are excluded. For example, Gibraltar does not attend OCTA by virtue of the fact that it is within the European Union. Increasingly, it is felt that there is a deficiency in these arrangements. As a result UKOTA intends over the coming year to develop more bilateral dialogue between itself and the various European Institutions.

It is also the intention of OT UK Representatives, working together with UKREP, to visit Brussels in 2015 and conduct a program of meetings with the three key institutions, i.e. the European Council, the European Commission and the European Parliament, as well as with individual UK MEPs and Parliamentary Groups.



11. UKOTA Financial Statement

In accordance with the UKOTA Constitution, financial resources are at the disposal of the Association for the execution of its activities and attainment of its objectives. Financial resources arise from membership fees and other contributions from Members.

The current annual subscription for members stands at £900. To date there are no membership payments outstanding from any member.

The total balance of accounts as of 21st November stands at £36, 179.36. Of this total, UKOTA accounts stand at £34,709.02 and scholarship funding processed by the Joint Nature Conservation Committee (JNCC) stands at £1,470.34.