

GUERNSEY WELL PLACED TO MINIMISE IMPACT OF BREXIT

24 JUNE 2016

Guernsey is well placed to ensure that any impact that the UK's vote to leave the EU might have on its trading relationships is minimised, and will put in place any required alternative trading agreements, Island officials have said.

They have stressed that the UK's decision to leave the EU should not impact Guernsey's historic relationship with the UK, which predates its relationship with the EU.

Guernsey is not a member of the EU and not part of the UK. Under its Protocol 3 relationship with the EU Guernsey is part of the customs territory which allows for the free movement of goods. For most purposes Guernsey is treated as a third country and outside of the EU. Guernsey has negotiated market access, or equivalence, with the EU in a number of areas, including that of financial services.

Guernsey's long standing policy has been not to seek change to its formal relationship with the EU. Guernsey was a third country to the EU before the vote, it remains a third country to the EU now, and, it will remain a third country and outside the EU when the UK eventually leaves the Union.

The majority of Guernsey's trade is through the UK and this trading relationship is not in question. However, Guernsey's Protocol 3 relationship, shared with the other Channel Islands and the Isle of Man, will fall away when the UK leaves the EU and will need to be replaced by new trade in goods arrangements - depending on the new relationship that the UK seeks with the EU.

Guernsey's Chief Minister, Deputy Gavin St Pier, said: "Following the UK decision to leave the EU in this referendum nothing will change overnight in the relationships Guernsey has with the EU, or the UK for that matter. I welcome the opportunity for debate in the States of Deliberation [Guernsey's Parliament] on how we will manage this transition to ensure Guernsey can remain the same. We will be monitoring the economic impact of this significant constitutional change for the UK and we will be engaging with business and with the Committee for Economic Development to understand this knock on effect to our economy."

Guernsey Finance Chief Executive Dominic Wheatley said: "We note the decision of the people of the UK to leave the EU. This is a historic decision and indeed a historic day. However, although the decision is clear, we have yet to see how it will be implemented and the new world that will be formed in this process. We will be monitoring developments closely to assess the impact of this on Guernsey and the financial markets in which we operate.

"What is clear is that Guernsey is robust, innovative and responsive to its markets and the international business environment. These qualities will continue to ensure that those who come to Guernsey to undertake finance business will enjoy the same excellence of service, financial security and expertise of advice and governance as they already do.

"Guernsey will remain committed to its position at the forefront of global standards of regulation, tax cooperation and transparency, and AML. This position alongside the substance and expertise of our finance industries, and the commitment and professionalism of the Guernsey Financial Services Commission and our government make us very confident that we can adapt and succeed in this new world as it evolves."

A Policy Letter will be published shortly to seek a mandate from Guernsey's elected politicians to negotiate with the UK and to protect the interests of the islands. The negotiations with the UK will aim to protect Guernsey's interest in the UK exit agreement with the EU, replace Protocol 3 in the new UK / EU relationship, safeguard the longstanding constitutional relationship with the UK and seek new opportunities as the UK establishes new trading relationships with the rest of the world.

Guernsey Finance Chairman Lyndon Trott, who also serves as Guernsey's Deputy Chief Minister with responsibility in international business affairs, said: "The most important part of our external relations has always been to protect and promote our economic interests. Whilst we have our own interests and a different

relationship with the EU, the identity framework document we signed with the UK when I was Chief Minister provides a platform on which we can work together to position Guernsey when the UK leaves the EU, in order to replace Protocol 3 and to secure new trading relationships and access to markets. The trading relationships we have are of a wide strategic importance to our economic interests. This needs to be front and centre of the work we do in the coming months."

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Dominic Wheatley, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

PO Box 655, St Peter Port,
Guernsey, GY1 3PN

+44 (0)1481 720071

INFO@WEAREGUERNSEY.COM

