

POSITIVE POST-BREXIT POSITIONING FOR CHANNEL ISLANDS

02 NOVEMBER 2016

Professional services and financial organisations on the Channel Islands of Guernsey and Jersey have responded positively to a survey about post-Brexit business conditions with 80% of respondents, who have begun reviewing the vote's future impact on their operations, anticipating new growth or opportunity of which their organisations could take advantage.

EY surveyed organisations across the Channel Islands for the report, including asset managers, banks, fiduciaries, insurers and professional services firms, to obtain a greater understanding of the impact the UK's decision to leave the EU will have on the islands' organisations. The sample also included non-financial services businesses and the public sector.

Guernsey Finance Chief Executive Dominic Wheatley said: "EY's report demonstrates what we have been saying since the UK's vote to leave the EU, which is that Guernsey is well-positioned as a financial centre of stability where it is business as usual in this period of change.

"We already have an established third country relationship with the EU due to the fact that over a considerable number of years Guernsey has been able to demonstrate equivalence to EU standards. Our most recent fund statistics also evidence confidence in Guernsey's offering, with the total value of funds business in Guernsey increasing by £27.2 billion (12.3%) for the year ending 30 June 2016."

While many acknowledged that opportunity does not come without threat, nearly three-quarters (73%) of island firms have already begun reviews and planning for the likely impact of Brexit on their operations. The survey was commissioned in order to prompt businesses to begin scenario planning so they are best positioned to leverage the opportunities offered by Brexit.

“

"EY's report demonstrates what we have been saying since the UK's vote to leave the EU, which is that Guernsey is well-positioned as a financial centre of stability where it is business as usual in this period of change."

Guernsey Finance Chief Executive Dominic Wheatley

”

Nearly a quarter of respondents (23%) said that they expected an increase in fundraising through Channel Islands structures. One respondent was quoted as saying, while there is uncertainty around the UK's position, the Channel Islands should market themselves as a 'certain and stable option'.

The majority of Channel Islands organisations surveyed said the UK should have voted to remain in the EU (78% in Guernsey).

Guernsey as an independent dependency of the UK Crown outside of the EU, did not have a say in the vote. Guernsey was, is, and will continue to be self-governing. Its finance industry is regulated, governed and operated to the highest international standards and includes more than 800 investment funds, 150 licensed fiduciaries, and

800 licensed insurance vehicles.

EY's Channel Islands Managing Partner Andrew Dann said: "For the islands' continued success it is essential that strategic, business and operational models are assessed and evaluated on the basis that the UK will leave the EU definitively within the next three years.

"However, it's positive to see Channel Islands organisations already recognising the opportunities post Brexit. We hope this report will be a prompt for other organisations to begin scenario planning, so they are best positioned to leverage the opportunities and mitigate any threats as a result of the Brexit vote. Businesses should recognise that whilst they see opportunities their competitors do too."

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

