

# MOVING FROM ATTACK TO DEFENCE

20 DECEMBER 2018

Guernsey Finance Chief Executive Dominic Wheatley makes the case for the defence of specialist global financial centres.

One of the challenges of promoting an offshore financial services centre is consistently attempting to address the general lack of understanding of the role of finance, and the wide-ranging benefits that society gets from financial services.

That challenge encompasses both media and politicians, and is a recurrent theme in my speeches and articles.

The primary role of specialist centres such as Guernsey lies in facilitating international capital flows, providing efficient mechanisms for the consolidation of international capital to provide investment into infrastructure and industry, and insurance against risks around the world. This capital provides jobs, it builds housing, schools and hospitals, it secures people's pension income for later life, it provides mortgages to buy their houses and credit to help manage their cash flow.

I am frustrated that a number of high-profile aid charities, media, lobby groups and politicians campaign against international finance and the centres where it is conducted, when the biggest alleviation of poverty has come from the globalisation of business and the effect of market forces generating employment opportunities around the world over the past 25 years.

And we need, step by step, to be part of the education that corrects this.

There also needs to be education of why flows of capital are important, and why and how independent and neutral finance centres are needed to facilitate these flows.

We must make it clear that we are extremely good at what we do, we offer a lot of value, and that we are compliant. We are quite a long way ahead of mainstream financial centres in many areas.

I am very confident that Guernsey's standards on business substance will be positively recognised shortly by the European Union, following their Code Group's review of our tax regime. I am very proud of our record in combating harmful tax practices in other ways too, most recently as an enthusiastic early adopter of CRS.

I am proud of our record as a leader in the development and implementation of modern standards of AML as part of the global fight against money laundering, corruption and terrorism.

And I am proud of our world-leading financial regulation helping to control systemic risk in capital markets and delivering effective protection to the customers of financial services.

But above all I am proud of our contribution to the world. Of how our funds invest in hospitals, schools and housing in the UK and elsewhere. Of how our pension longevity structures and investment funds secure the long-term financial well-being of millions of workers. Of how our insurance industry provides the insurance that helps rebuild shattered communities and lives after major catastrophes. Of how our angel investor community backs new innovation and start-up businesses that are creating the economy of tomorrow. Of how our private equity funds create and develop businesses that provide thousands of jobs.

We are confident of what we do, why we do it for global good, and are able and prepared to make a robust defence for ourselves, based on the enormous positive effect of our industry on economies, communities and people around the world.

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.

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