

INSIDE BREXIT

GUERNSEY'S RESPONSE



Stability, continuity and excellence



Guernsey's constitutional relationship with the United Kingdom will be unaffected by Brexit. Guernsey was, is, and will continue to be self-governing



The island's trading relationships with the UK for both goods and services will remain unchanged



Guernsey's constitutional relationship with the European Union will be unaffected by the result of the referendum. Guernsey was, is, and will continue to be outside of the EU



The island's trading relationships with the EU for services (including financial services) are ensured through third country provisions and will remain unchanged



The government of Guernsey is committed to maintaining the substance of the island's existing relationship with both the UK and the EU



Guernsey has a well established reputation as a financial services centre. Its standards of regulation, tax transparency, AML and CFT have been evaluated and endorsed by the EU, OECD and other international bodies

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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.

Dominic Wheatley, CEO, Guernsey Finance

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Stable

Guernsey has a long and distinguished history of self-determination and international cooperation. This is enhanced by work done during the previous months and years to prepare for a situation where the United Kingdom might seek to leave the European Union.

Guernsey should be seen as an island of stability during this period of uncertainty. The island has an established 'third country' relationship with the EU and there is no reason to suggest that existing market access rights will be impacted.

“ 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.

Gavin St. Pier, Chief Minister, Guernsey



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Continuity

Guernsey is working closely with the UK government and others in order to ensure that any changes in the UK-EU relationship can be managed in a way that does not undermine continuity and stability in Guernsey's relationship with the UK or the EU.

On Monday 27 June, the Prime Minister confirmed in his statement to the House of Commons, that the Crown Dependencies would need to be consulted - and this early recognition of our position is to be welcomed.

“ 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.

Lyndon Trott, Guernsey Finance Chairman and Deputy Chief Minister, Guernsey



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Guernsey also has strong relationships with the EU and its Member States as a third country in its own right, rather than as a dependency of the United Kingdom. In that respect, Guernsey's government is supported by the Channel Islands Brussels Office in building relationships with EU Member States.

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GUERNSEY'S RELATIONSHIP WITH...

...the UK

Guernsey is self-governing but has a close relationship with the UK as a Crown Dependency. This relationship is wholly outside of the UK's relationship with the EU. We would expect therefore that the withdrawal of the UK from the EU should have no impact on the island's relationship with the UK.

Guernsey's finance centre is complementary to and plays a positive role in the UK economy.

International Capital Flows, a 2015 report by KPMG, revealed that Guernsey investment funds facilitate £25 billion of overseas investment to the UK from global investors. Guernsey also facilitates access for UK investors investing £27 billion into global assets.

Our constitutional relationship with the UK will remain unchanged after Brexit. Guernsey was, is, and will continue to be independent of the UK. Similarly, the island's trading relationships with the UK for both goods and services will remain unchanged.

...Europe

The relationship of Guernsey's finance industry is one of mutual respect and mutual benefit.

In 2015, KPMG estimated Guernsey investment funds facilitated approximately £51 billion of overseas investment to the EU from global investors. Further, Guernsey acted as a conduit for £53 billion of overseas investment by European investors.

Although not within the EU, some EU legislation applies to Guernsey. The island secures access to the European single market for financial services via third country provisions included within European directives, granted after the island demonstrates equivalence to EU standards.

Guernsey abides by an array of EU legislation under these third country provisions including the Alternative Investment Fund Managers Directive (AIFMD).

In July 2015, The European Securities and Markets Authority (ESMA) announced its recommendation to grant Guernsey a third country passport, which will allow local investment funds to conduct pan-European marketing.

With the above in mind, Guernsey's finance industry can expect its relationship with the EU to continue largely unaffected by the result of the referendum.

...other organisations

Guernsey has a well established reputation as a financial services centre. Its standards of regulation, tax transparency, AML and CFT have been scrutinised and endorsed by the OECD, IMF and MONEYVAL.

Guernsey will remain fully committed to maintaining our business and regulatory environment to the highest global standards.

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Guernsey is a 'safe haven'
amid Brexit uncertainty

Guernsey well placed to
minimise impact of Brexit