

STATES OF JERSEY



FINANCIAL SERVICES COMPENSATION SCHEME (P.150/2008): COMMENTS

**Presented to the States on 3rd December 2008
by the Minister for Economic Development**

STATES GREFFE

COMMENTS

In response to the global financial turbulence, I announced an urgent and comprehensive review by OXERA, to determine what kind of scheme would best suit Jersey for the long term. The review is now underway and due to report in the New Year.

This is a highly complex subject. The review will take account of developments from other jurisdictions, including the UK and the scheme that was passed by the Guernsey States last week. Members will be aware that schemes in other jurisdictions are changing almost on a weekly basis. For this reason, much of the information provided in the projet with regard to the UK's scheme is now out of date.

It is clearly important for Jersey depositors, the Island's financial services industry, and the Island as whole, that we propose a scheme that is appropriate for Jersey and not one simply copied from another jurisdiction.

Once the review is complete, the new Council of Ministers will present proposals to the States as soon as is reasonably possible. It is anticipated that this will be before July 2009.

An additional aspect to consider will be the findings of the Foot Review on Crown Dependencies and British Overseas Territories which will also look at Depositor Protection.

Accordingly, I accept the proposition that a deposit compensation scheme is brought to the States before July 2009. However, a commitment cannot be given as to the detail or scope of the scheme as to do so would prejudge the review and the consultation that will also be required.