

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT  
BY DEPUTY G.C.L. BAUDAINS OF ST. CLEMENT  
ANSWER TO BE TABLED ON TUESDAY 4th DECEMBER 2012**

**Question**

Further to my oral question of 20th November 2012, could the Minister advise, in relation to the recent appointment of consultants at a cost of £990,000,

- a) how the decision to appoint the consultant was instigated,
- b) who made the decision,
- b) what aspects of the work could not have been provided on-Island,
- c) details of the tendering process involved?

**Answer**

Each question will be taken in turn:

**a) how the decision to appoint the consultant was instigated**

The Financial Services Advisory Board (FSAB), in considering the impact of the current global economic crisis and resulting economic and regulatory uncertainty, instigated the concept that a full jurisdictional review of Jersey's financial services sector and competitor analysis was necessary to provide a blueprint strategy for the future of the industry. Through FSAB, significant development work was undertaken into the most appropriate scope which resulted in the tendering process and the decision by the Council of Ministers, outlined below.

The Financial Services Advisory Board comprises of the Chief Minister, Treasury and Resources Minister, Economic Development Minister, Jersey Finance Limited (JFL), Jersey Financial Services Commission and the heads of financial services trade associations.

**b) who made the decision**

The Council of Ministers made the decision to support this project.

Two Ministerial Decisions executed this decision: Minister for Economic Development made the decision to supplement the grant to JFL in order to fund the research; and the Minister for Treasury and Resources made the decision to provide EDD with the associated funding from Central Reserves. Both of these Ministerial Decisions are available online at [www.gov.je](http://www.gov.je), referenced MD-E-2012-113 and MD-TR-2012-84.

**c) what aspects of the work could not have been provided on-Island,**

We have taken the proactive step of securing a world class, international perspective on our finance sector in order to secure the most valuable research possible to inform our future strategy for this vital industry. To do this required a consultancy with a global network, wider knowledge of global regulatory and economic trends, competitor information and the external perspective necessary to address the key objectives of the review, which include:

- Benchmarking Jersey with comparable financial centres
- Understanding the implications of changing global, European, and UK regulation
- Identifying potential opportunities and strategic options for Jersey as a leading international finance centre, in order to maintain and improve its competitiveness
- Defining strategy and long term vision for Jersey's financial services sector

There are only a limited number of consultancies with the global reach and expertise required to support JFL on such a complex and critical review. A large part of the review involves benchmarking Jersey against other jurisdictions, whilst engaging with practitioners, regulators and policy makers globally. This is a particular skill set that McKinsey provide, having helped develop strategies for several leading financial centres around the world.

**d) details of the tendering process involved**

It was agreed that JFL would prepare a Request for Proposal (RfP). JFL approached a number of global consultancies on the basis that they were likely to have the appropriate skills, expertise and resources. Following presentations by the short-listed companies to FSAB, it was agreed that McKinsey & Company offered the strongest proposal. This decision was then supported following a presentation to the Council of Ministers.