

**JERSEY FINANCIAL SERVICES COMMISSION: APPOINTMENT OF COMMISSIONER**

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**Lodged au Greffe on 22nd May 2001  
by the Finance and Economics Committee**

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**STATES OF JERSEY**

**STATES GREFFE**

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## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion -**

in pursuance of Article 3 of the Financial Services Commission (Jersey) Law 1998, as amended, to appoint Dr. Frederik C. Musch as a Commissioner of the Jersey Financial Services Commission with effect from 1st July 2001 until 31st May 2004.

FINANCE AND ECONOMICS COMMITTEE

## Report

The appointment of Commissioners to the Jersey Financial Services Commission is dealt with in Article 3 of the Financial Services Commission (Jersey) Law 1998. Paragraph (1) reads as follows-

- “(1) The Commission shall consist of -
- (a) a Chairman; and
  - (b) not less than six other Commissioners.”.

Paragraph (1A) reads as follows -

“(1A) The Commissioners shall be appointed by the States from persons nominated by the Committee and such appointments shall be debated *in camera*.”.

Paragraph (2) states -

- “(2) The Commissioners shall include -
- (a) persons with experience of the type of financial services supervised by the Commission;
  - (b) regular users on their own account on behalf of others, or representatives of those users, of financial services of any kind supervised by the Commission; and
  - (c) individuals representing the public interest,

and the composition of the Commission shall be such as to secure a proper balance between the interests of persons carrying on the business of financial services, the users of such services and the interests of the public at large.”.

The Committee has considered the need to appoint an additional Commissioner to both enhance the level of experience within the Board and return its operating level to that planned before the departure of Senator Walker as Chairman (i.e. a Chairman and eight Commissioners).

Comparing the mix of Commissioners with the requirements of the Financial Services (Jersey) Law and the Edwards Report, the Committee concluded there was a case for an additional Commissioner of appropriate standing from outside the Island, preferably from non-United Kingdom Europe. The Commission currently consists of a Chairman and seven other Commissioners, with two resident in the United Kingdom. The other non-executive Commissioners have long and extensive experience of the financial services industry in Jersey either as practitioners, or in a public service capacity.

Having agreed the requirement for such a Commissioner, the Committee was firmly of the opinion that the search for a candidate should be conducted in an open and transparent manner and, to this end, engaged the services of professional search and selection agents. The process of identifying the most appropriate candidate included an advertisement in the Economist, thereby giving all potential candidates a full opportunity to apply.

As can be seen from the details below, this recruitment process has resulted in the opportunity for the Island to benefit from the wealth of experience, both as a practitioner in the finance industry and as a regulator, possessed by the nominated individual. The Finance and Economics Committee wishes to nominate the following person for appointment by the States -

### **Frederik Christiaan Musch**

Erik Musch began his career with a position in private banking in the Netherlands in 1970. In 1977 he joined the Dutch Central Bank, and from 1986 to 1992 he held the position of Deputy Executive Director and represented the Central Bank on bodies concerned with banking supervision established by the European Union, the Organisation for Economic Co-operation and Development or the Group of 10 countries.

In 1992 he was appointed Secretary General to the Basel Committee on Banking Supervision. The Committee, established by the Central Bank Governors of the Group of 10 countries in 1974, is responsible for formulating international supervisory standards and recommends statements of best practice.

In 1998 he became Associate Director with the Financial Stability Institute in Basel, a body created jointly by the Bank for

International Settlements and the Basel Committee on Banking Supervision to assist supervisors in improving and strengthening their financial systems, from which position he has recently retired.

A Curriculum Vitae is attached at the Appendix.

## CURRICULUM VITAE

Dr. Frederik C. Musch

**Nov.1998 -  
end 2000****FINANCIAL STABILITY INSTITUTE**

Bank for International Settlements, Basel.

**Associate Director**

- Strengthening financial systems worldwide.
- Banking, securities, insurance.

**1992-1998****BASEL COMMITTEE ON BANKING SUPERVISION**

Bank for International Settlements, Basel.

**Secretary General**

- International bank regulation, capital, market risk, internal models, derivatives.
- Presentations for regional groups of supervisors worldwide.
- **Chairman** of Capital Liaison Group.
- **Chairman** of Models Task Force.
- **Chairman** of Core Principles Liaison Group.

**1977-1992****DE NEDERLANSCHE BANK**

Dutch Central Bank, Amsterdam.

*1977-1979*

Monetary policy, domestic and international.

*1979-1986*

Banking supervision policy, Brussels, Basel, OECD.

*1986-1992***Deputy Executive Director**

- Member of Basel Committee on Banking Supervision.
- Member of EU Banking Advisory Committee.
- **Chairman** of EU Council group on EU Directive on large exposures for banking and securities industry.
- **Chairman** of G-10 group on liquidity of banks.

*1987-1992*      **Member of the Securities Board of the Netherlands,**  
supervising Amsterdam Stock Exchange, European Options  
Exchange and Futures Exchange, Amsterdam.

**1970-1977**      **PIERSON, HELDRING & PIERSON**  
Amsterdam

Lastly, **Department Director, Corporate Finance**

Training periods (total six months):

- *Brown Brothers Harriman & Co.*, New York (special financing and foreign exchange advisory services).
- *Northern Trust Corporation*, Chicago (corporate financial planning and credits).
- *New Court Securities*, New York (venture capital).

## **EDUCATION**

**1965-1970**      **Erasmus University, Rotterdam (Economics degree)**

Doctoral Specialisation:

- Public Finance, Macro-economics, Money Credit and Banking, Company Finance.

**1964-1965**      **De Pauw University, Indiana, USA (BA degree)**

**1962-1964**      **Nijenrode, Netherlands Foreign Training Institute**

**1995**              **Special Course:**

- Advanced Management Program, Insead, Fontainebleau, France.