

**WRITTEN QUESTION TO THE CHIEF MINISTER BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

**ANSWER TO BE TABLED ON TUESDAY 21st OCTOBER 2008**

**Question**

What response, if any, has been received from the governments of major European banking centres to the Island's request to extend any savings guarantees to the £196 billion held in Jersey?

What realistic prospect is there of getting such guarantees for the commitment of European tax payers' money without damaging breaches of privacy?

**Answer**

Neither I nor my Ministers nor the Jersey Financial Services Commission have ever suggested asking European Countries to extend their savings guarantees to cover the money that is held in Jersey. We have said that our confidence is based on the strength of Banks in Jersey who are systemic banks in the top 500 and our very clear expectation that they will be supported by their home country.

The actions of the UK and the other EU countries has confirmed our belief that the best guarantee of the deposits held in Jersey branches and subsidiaries lies in the strength of their parent banks and in the degree of support extended to those banks by the governments of their respective jurisdictions. Where that support has been forthcoming, as in the manner of the United Kingdom Government whereby the parent banks have been strengthened through re-capitalisation and liquidity support, the established commercial relationship between the parent banks and their Jersey branches or subsidiaries can be relied upon to safeguard depositors.

The approach adopted by the United Kingdom Government is being followed by many other jurisdictions including those of the parent banks of all systemically important parent banks of branches and subsidiaries in Jersey.

The Jersey Financial Services Commission is in regular contact with the European regulators responsible for the parent banks of the Jersey branches and subsidiaries. They are monitoring any developments and there is a direct line to Ministers in relation to advice and any necessary action. We stand ready to approach the governments of the major European banking centres if this is seen to be necessary. To-date however the very positive response by the governments of the major European banking centres to the current financial crisis, from which Jersey bank depositors will benefit, has meant that such approaches are not called for.

As we are not asking for European money to support our banks there is no question of any changes to the structure of the client banking relationship.