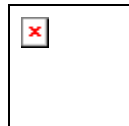


**DRAFT THE ROYAL BANK OF SCOTLAND INTERNATIONAL LIMITED (JERSEY) LAW 200- (P.61/2001):
REPORT**

**Presented to the States on 17th April 2001
by the Finance and Economics Committee**



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Report

The Royal Bank of Scotland International (“RBSI”) which is incorporated in Jersey and has its head office in Jersey carries on business in Jersey, Guernsey and the Isle of Man through a number of branches of the Bank. NatWest Offshore Limited (“NWO”) is an Isle of Man incorporated Bank with Branches in Jersey, Guernsey and the Isle of Man. It also trades in the Isle of Man as the Isle of Man Bank and it is the note issuer in the Island. It is proposed that the banking business of NWO conducted in the name of NatWest in Jersey, Guernsey, Isle of Man and Gibraltar be transferred through private members’ legislation being passed in each of the four jurisdictions using NatWest as a trading name as well as continuing its existing business as RBSI.

NWO is also the parent company of a number of Coutts’ offshore subsidiaries, some of which are holding banking licences in the jurisdiction in which they operate. The Jersey registered entity, Coutts (Jersey) Limited, although registered under the Banking Business (Jersey) Law 1991, has no deposits and only undertakes trust business. The banking licence will be surrendered.

It has been decided that it would be expedient for the efficient and effective conduct of the banking business of RBSI that their respective banking businesses should be combined with RBSI. The most effective way of achieving this is for RBSI to acquire the banking business of NWO by means of passing of The Royal Bank of Scotland International Limited (Jersey) Law 200- which would have the effect of transferring all of the relevant business to the Jersey company.

It is also proposed that Coutts (Isle of Man) banking business be transferred from Coutts (Isle of Man) to RBSI by virtue of the passing of The Royal Bank of Scotland International Limited (Jersey) Law 200-.

In the further interest of efficient conduct of banking business, RBSI wishes to transfer the banking business of the Guernsey and the Isle of Man branches of NWO to RBSI, and is seeking to achieve this partly through the passing of The Royal Bank of Scotland International Limited (Jersey) Law 200- and partly by legislation in those two Islands.

Similar situations have arisen in the past and have been dealt with by means of an enactment.