

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 1ST NOVEMBER 2016**

Question

What is the risk that the Brexit vote will lead many U.K. banks to consider relocating operations to Europe in order to maintain their access through ‘passporting’ rights to the E.U.’s integrated financial system; how does third country equivalence (on which Jersey currently bases its access) compare in terms of access to full ‘passporting’ rights; and what is the likelihood that Jersey-based banks will relocate to Europe?

Answer

All banks are expected to review potential risks to their operating models on a regular basis. However, it is unlikely that UK banks will relocate operations currently carried out in Jersey to Europe. Some international banks may be making plans to increase their presence in Europe, while others are looking at consolidating operations and growing their presence in Jersey, particularly where they offer a global service from the island.

Banks in Jersey are either branches or subsidiaries of UK banks or international banks. We expect that any decision for a bank to increase its presence in Europe is not likely to have a significant impact on its presence in Jersey.

Jersey has always been a third country to Europe for the purposes of financial services and this will remain the case after the UK’s withdrawal from Europe.