

STATES OF JERSEY



JERSEY FINANCIAL SERVICES COMMISSION: APPOINTMENT OF COMMISSIONER

Lodged au Greffe on 6th April 2010
by the Minister for Economic Development

STATES GREFFE

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 to appoint Lord Eatwell of Stratton St. Margaret as a Commissioner of the Jersey Financial Services Commission with effect from the day after the States debate for a period of 3 years.

MINISTER FOR ECONOMIC DEVELOPMENT

REPORT

The appointment of Commissioners to the Jersey Financial Services Commission (the “Commission”) is dealt with in Article 3 and 4 of the Financial Services Commission (Jersey) Law 1998 (the “Commission Law”).

Paragraph (1) of Article 3 reads as follows –

- “(1) The Commission shall consist of –
- (a) a Chairman; and
 - (b) not less than 6 other Commissioners.”

Paragraph (2) reads as follows –

- “(2) The States shall appoint –
- (a) the Commissioners from persons nominated by the Minister; and
 - (b) a Commissioner nominated by the Minister to be Chairman of the Commission,
- and the appointments shall be debated *in camera*.”

Paragraph (3) states -

- “(3) 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 or 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.”

A vacancy for a Commissioner has arisen following the resignation of Alastair Clark in October 2009, in order to become senior advisor on financial sector and financial stability at Her Majesty’s Treasury.

To ensure a proper balance on the Board of Commissioners (the “**Board**”), the Commission decided to seek a Commissioner of appropriate standing from outside the Island to fill the vacancy. The Board undertook a search of persons who would both fit the criteria and be prepared to join the Board.

In undertaking the search, the Board had in mind the following criteria –

- reputation for integrity;
- stature within the United Kingdom finance industry;

- senior management experience in the finance industry, preferably at board level; and
- experience of financial regulation in the United Kingdom.

Following an extensive search, Lord Eatwell of Stratton St. Margaret, the President of Queens' College, Cambridge, was approached and signified his interest in the position of Commissioner.

The Board of Commissioners met with Lord Eatwell in February 2010 and concluded that he met the specified criteria for the vacancy. In March 2010, the Board of Commissioners decided that he was a suitable candidate to fill the vacancy created by the resignation of Alastair Clark. The Board recommended Lord Eatwell to the Minister.

Given that the Commission were seeking a candidate of appropriate standing from outside the Island to fill the vacancy and were able to approach Lord Eatwell directly, rather than endorsing the selection process, the Jersey Appointments Commission (“JAC”) has recognised the assessment of the Board of Commissioners that Lord Eatwell comfortably exceeds the specified criteria for appointment as a Commissioner.

The Minister for Economic Development accepts the recommendation of the Board of Commissioners and nominates Lord Eatwell of Stratton St. Margaret to be a Commissioner.

Lord Eatwell of Stratton St. Margaret

Lord Eatwell is Professor of Financial Policy at the University of Cambridge and, for a number of years, his work has focussed on issues of financial regulation. He leads a work stream within the Centre for Financial Analysis and Policy (CFAP, a research centre he directs) on financial regulatory issues.

In 1998, Lord Eatwell played a pivotal role in analysing the problem of systemic risk in financial markets, which led in due course to the creation of the Financial Stability Forum (now the Financial Stability Board).

In 1997 Lord Eatwell was nominated by the Board of LIFFE as a Director and Independent Member of the Board of the Securities and Futures Authority (the “SFA”), a role in which he served until 2002. Whilst a member of the Board of the SFA, he served on the Enforcement Committee and the Capital Committee (deputy chairman). He was also a member of the Wind-up Committee of the SFA, dealing with a wide range of residual regulatory matters from 2001 to mid-2002.

In December 2001, Lord Eatwell joined the Regulatory Decisions Committee of the Financial Services Authority, serving until 2006.

In addition to this work as a regulator, Lord Eatwell has acted on an adviser on regulatory matters to the Bank for International Settlements, the Banking Committee of the US Senate, the European Parliament and the Hong Kong Monetary Authority.