



Press Statement

June 24 2016

JFSC Statement re UK EU Referendum

The Jersey Financial Services Commission (JFSC) has taken due note of the victory for the Leave campaign in the UK's In/Out EU Referendum.

The position in the immediate aftermath of the Referendum result in both the UK and the EU is somewhat fluid and uncertain, and the Jersey Government has prepared for, and is leading, the jurisdictional response in the form of the attached Statement with further supporting material to be published in the coming days (<http://www.gov.je/News/2016/Pages/EUReferendum.aspx>). This emphasises Jersey's currently strong economic position and ability to weather the current period of uncertainty arising from the outcome of the Referendum.

Jersey is already treated by the EU as a third country for determining market access to the EU for Jersey based financial services firms and it seems possible that no medium term changes will be seen in this respect. There may also be opportunities for Jersey given the relative stability we now offer in the current climate.

The statutory responsibilities of the JFSC remain the stability of the Island's regulated financial services community at individual, sectoral and systemic level, acting in the best economic and reputational interests of the Island. A major external event such as "Brexit" may have both short and longer term consequences for the Island's financial services industry to the extent that it is impacted by external political and financial market developments. In this respect, it should be noted that the JFSC does not have macro-economic management powers such as the setting of interest rates and the management of the sterling currency which are exercised in the Jersey context on our behalf by the Bank of England. The Governor of the Bank, Mark Carney, has already said this morning that it has substantial contingency plans in the event of a proposed UK exit from the EU to achieve continuing market stability and confidence in those markets that are of importance to Jersey and we are significantly dependent on a successful outcome for these plans being delivered by the Bank. (<http://www.bankofengland.co.uk/publications/Pages/news/2016/056.aspx>)

However, in addition, the JFSC will seek to monitor carefully any material local developments within individual licensed firms in Jersey in terms of financial strength, conduct of business and business strategy that may occur as a result of the Brexit decision. This may be particularly relevant when Jersey based firms operate as subsidiaries, branches or affiliates of UK or EU parents.

In general, we do not see the likelihood of significant changes in the short term nor see the period of market volatility we are currently entering as threatening the financial stability of Jersey firms.



Jersey Financial Services Commission

This Statement should be read as an initial reaction immediately following the Referendum result and will be further informed by developments as they arise. The JFSC will therefore seek to issue relevant further communications to keep interested parties as informed as possible in the current uncertain and fast moving environment.

ENDS.