

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 10th MAY 2016**

Question

For what reasons the Assistant Chief Minister decided to pay the Chairman of the Jersey Bank Depositor Compensation Scheme £10,000 per annum and four other Board members £5,000 per annum when their predecessors did the job without remuneration and the Board's functions are carried out by the Chief Minister's Department until such time that a bank failure occurs and the Board takes up its duties? Would he further advise members of the number of times that the Board has met in each year since it was established in 2009?

Answer

The Jersey Bank Depositors Compensation Board was appointed by the States to take over the running of the Jersey Bank Depositors Compensation Scheme in 2011, following the development of the Banking Business (Depositors Compensation) (Jersey) Regulations 2009.

The Assistant Chief Minister found that there were two significant responsibilities which should be taken into account concerning the role: firstly, the requirement of greater discretion in triggering the scheme; and secondly the additional work involved as a result of the changing landscape of deposit insurance.

The decision as to whether to trigger the scheme in the event of a bank failure carries significant responsibility. This is coupled with the fact that under the proposed changes to the legislation that are currently being developed there will be a greater degree of subjectivity over whether to trigger the scheme.

It was accepted by the Assistant Chief Minister that the level of responsibility will increase as a result of the changes to the legal framework. It was also accepted that this heightened level of responsibility deserves some level of remuneration due to the associated risks. Finally, it was accepted that there is an increased workload for the Board because this is a fast moving area internationally.

The previous Board met on a number of occasions but not formally as a Board because the functions were not passed over to them. They met five times in 2011, 3 times in 2012 and then once a year with the Minister in 2013, 2014 and 2015. It is expected that the new Board will meet quarterly and they have already met twice in 2016.