
STATES OF JERSEY



APPOINTMENT OF JERSEY RESOLUTION AUTHORITY MEMBERS

Presented to the States on 9th November 2021
by the Minister for External Relations and Financial Services

STATES GREFFE

REPORT

Background

[R.116-2021](#) informed the States of the Minister for External Relations and Financial Services' intention to appoint Mr Mike Mitchell as the Chair of the Jersey Resolution Authority ("the Authority"). Mr Mitchell has subsequently been appointed as Chair Designate, in anticipation of the Authority being formally established. This will be subject to a Commencement Act coming into law, to be lodged later this year.

R.116-2021 noted:

"When the financial crisis broke in 2008, like most jurisdictions Jersey did not have a formal regime for dealing with failing banks. Most of the actions that ensued were taken in large home jurisdictions of the banks that failed, notably consisting of bail-outs in the UK. Since then, Jersey, like other jurisdictions, has developed a bank resolution regime to address this gap. The Jersey resolution regime provides the tools needed to allow banks to fail orderly, along with a framework for assisting other jurisdictions when resolving banks with branches or subsidiaries in Jersey.

The Bank (Recovery and Resolution) Law 2017 ("the Resolution Law") was passed in late 2017 but is not yet in force. It largely follows the format of the EU's Bank Recovery and Resolution Directive 1 (BRRD), which remains largely aligned with the UK regime. The Resolution Law provides for the creation of the Jersey Resolution Authority, which is needed in order to carry out various functions of a public body under the Resolution Law.

The Jersey Resolution Authority will be a new authority which will, in accordance with the Resolution Law, make preparations to facilitate, and where necessary administer, the resolution of banks. The Authority will play a key role in upholding Jersey's status as a leading international finance centre by reducing the risk of financial loss due to bank failure. It will work closely with the JFSC, with whom it is envisaged many of its functions will be carried out in partnership.

The Board is to be comprised of the following members (each a "Member", together the "Members"):

- An independent Chair
- An independent Member (the "Independent Member")
- A Jersey Financial Services Commission ("JFSC") proposed by the JFSC Chair
- The JFSC Director General

This representation is designed to ensure that the Authority is an independent authority with an appropriate degree of operational alignment with the JFSC. It is anticipated that the Chair and Independent Member will carry out additional oversight responsibilities in respect of the operational aspects of the Authority, whilst the JFSC Commissioner and Director General bring representation from the JFSC's broader functions. Notwithstanding, all Members will be responsible for the statutory and corporate governance standards that appropriately apply to the Authority. They will all take their positions as Members of the Authority with responsibility for its independent governance and oversight.

Independent Member

Ms Katherine Hitchins

There was open competition for position of Independent Member in line with the Jersey Appointments Commission's Guidelines. The advertisement was shared with local financial services and business trade associations, including through members of Jersey Finance and the Jersey Institute of Directors. It was also distributed on LinkedIn.

The recruitment process was chaired by the Chair Designate of the Authority. Other members of the recruitment panel were Ms Monique O'Keefe (Vice Chair, JFSC, and proposed Member of the Authority), and Mr James Roberts (Associate Director of Financial Services, Government of Jersey).

The recruitment process was successful in attracting a number of high-calibre candidates. 14 candidates applied for the position. The panel met to consider the applications, and following a shortlisting exercise 3 candidates were invited for interview, 2 of whom were female and 1 of whom was male.

Following the interviews, the Panel made a unanimous recommendation to the Minister for External Relations and Financial Services, Senator Ian Gorst, to appoint Ms Katherine Hitchins as an Independent Member. In making the recommendation for appointment, the selection panel carefully considered the merits of all the candidates and their professional backgrounds, expertise in the subject matter, and qualifications to be the Independent Member of the Authority's board.

The appointment is proposed to be made for a period of 5 years.

Biography, Katherine Hitchins, Independent Member

With 20 years' experience in finance and law, Jersey-resident Katherine has worked for multiple international investment banks throughout her career including J.P. Morgan, where she was an Executive Director in Singapore, and a Director of Lehman Brothers in London.

Before coming to Jersey, Katherine was a Partner and Head of Department for a Channel Island law firm. Katherine originally began her career as a banking lawyer with Ashurst in London and is currently General Counsel for the Polygon Group.

She is also currently a non-executive director for Schroders' offshore private banking group.

JFSC representatives

Article 5(1)(a) of the Bank (Recovery and Resolution) Law 2017 states that a representative of the JFSC shall be a Member of the Authority. Whilst the Authority will be independent, many of its operational functions will sit within the JFSC. This will include employees working for the Authority working within the JFSC, and the Director General of the JFSC sitting on the Board of the Authority. The appointment of the Director General of the JFSC is therefore *ex officio*, in that the occupier of that post shall sit on the Authority. This also ensures that should a bank with operations in Jersey come under stress, there is full structural engagement between the JFSC and the Jersey Resolution Authority at the most senior level.

It is also recognised that a time of bank failure the JFSC Director General is likely to be under significant pressure, and there may be broader market disruption that warrants their attention. As such, an additional JFSC Commissioner is on the Authority to provide further JFSC input and strategic alignment at the highest level.

Both the Appointments of Ms Jill Britton and Ms Monique O’Keefe are made for a maximum of 5 years, or when they cease to occupy their position at the JFSC, whichever is earliest.

Biography, Ms Jill Britton, in her capacity as JFSC Director General

Jill Britton is the Interim Director General at the JFSC.

In her role, Jill is responsible for leading the JFSC in its day-to-day operations as both regulator and registry, and ensuring the organisations delivers their strategic priorities. Jill was the Executive Director of Supervision between May 2016 and September 2021. In this role, she was responsible for overseeing the regulation of Jersey’s financial services industry and the supervision of other sectors for anti-money laundering and terrorist financing. She initially worked in the JFSC’s Supervision team from 2002 to 2004.

Jill has over 25 years’ experience in the financial services industry in the UK, Jersey and Asia, having specialised in compliance and operational risk management for global banking organisations. She was the Chief Risk Officer for Coutts Asia between 2009 and 2011 and the Head of Operational Risk for South East Asia at Standard Chartered between 2011 and 2013. At the end of 2013 she became the Head of Risk and then Head of Compliance for UBS AG in Jersey.

Jill is passionate about learning and development and mentors a number of talented women to support them in fulfilling their potential. Jill holds a BA (Hons) in Financial Services.

Biography, Ms Monique O’Keefe, in her capacity as a JFSC Commissioner

Monique O’Keefe joined the Board of Commissioners in September 2017 and became Deputy Chair in April 2021.

Monique has over 25 years’ experience in finance, law and governance in the UK, US and Australia. She is currently a Non-executive Director on two listed boards, as well as holding other governance positions on a select number of private funds. She is also the co-founder of investment consultancy business, Kairos Wealth Limited.

Prior to moving to Jersey, Monique was working in structured finance at Merrill Lynch and Goldman Sachs in London and New York, and previously as a structured finance lawyer at Clifford Chance in London.

States of Jersey (Appointment Procedures) (Jersey) Law 2018

In accordance with Article 2 of the States of Jersey (Appointment Procedures) (Jersey) Law 2018, the Minister gives 2 weeks’ notice to the States Assembly of his intention to make these appointments.

Financial and Resource Implications

The Authority will be funded by levies on banks. The Members are remunerated £10,000 per year, which an additional £5,000 payable to the Independent member recognising the additional practical involvement and time commitment that the role brings. The JFSC Director General will not be remunerated for the Authority role.

On an ongoing basis remuneration will be funded through bank levies. A limited amount of initial funding is planned to be met by the Government of Jersey, which is not expected to exceed 4 months remuneration, which would incur a maximum amount of £8,333