

**STATEMENT TO BE MADE BY THE MINISTER FOR EXTERNAL RELATIONS
ON TUESDAY 15th JANUARY 2019**

Brexit Preparations

Today we find ourselves at a critical juncture in the progress of the United Kingdom's preparations for Brexit.

As every Member will know, this evening the U.K. Parliament will vote on whether to accept the finalised E.U. Withdrawal Agreement, accompanied by a political declaration on the future relationship between the United Kingdom and the European Union.

It is therefore appropriate that I take this opportunity to update the Assembly on the work of the Ministry of External Relations, and the wider Government of Jersey, to prepare the Island for the impacts of Brexit.

Today I will present Report R.5/2019 to the Assembly, setting out the political developments from the referendum to date, the steps taken by the Government to protect and promote Jersey's interests during the negotiations, and the implications for Jersey over the coming weeks and months.

It will also provide an update on the Island's Brexit readiness preparations in the event of 'no deal' scenario occurring on 29th March 2019.

This is the fifth formal report to the Assembly since the referendum in June 2016, and meets our ongoing commitment to update Members.

I am not under any illusions about the complexities of the present debate over the 'meaningful vote' within the U.K. Parliament and the potential ramifications for Jersey.

If the meaningful vote is lost by the U.K. government, the next steps by either the government or Parliamentarians are far from clear.

If the vote is won, the need for implementing legislation in Parliament means that the deal negotiated by the Prime Minister is not yet secured.

In either event, therefore, Jersey must continue to prepare itself for a range of scenarios including a hard Brexit, a negotiated deal and a potential general election or second referendum.

The Prime Minister herself has said the likelihood has increased either for no Brexit, or no deal with the European Union.

It is prudent therefore that the Government of Jersey's Brexit planning has been developed on the basis of a 'Day One No Deal' (D1ND) or 'hard Brexit' scenario, since the U.K. referendum on E.U. membership took place in June 2016.

We are aware of the potential risks to the Island presented by a hard Brexit and have engaged in contingency planning to ensure that all Government Departments are prepared for and able to manage those risks, and businesses and the public have the information they need through the provision of technical advice.

In March 2018, the previous States Assembly passed the European Union Repeal and Amendment (Jersey) Law.

That legislation ensures that this Assembly has the ability to make necessary changes to the Island's E.U.-related legislation either through Regulations or by delegating power to Ministers to make Orders.

It guarantees that, even in the event of a hard Brexit, the Island can make prompt legislative changes, where necessary, to ensure the continued operability of our laws.

At the same time, we have recognised the importance of continuing to work closely with the UK government, to prepare for withdrawal under a range of negotiated scenarios, and to seek a positive outcome for our future relationship with the EU.

This has included regular ministerial meetings between the Ministerial representatives of the Crown Dependencies and Robin Walker MP, Minister at the Department for Exiting the European Union (DExEU), as well as engagement at the British Irish Council and other political and diplomatic meetings.

I have also met with Chris Heaton-Harris, who has been given Ministerial responsibility within DExEU for Day One No Deal preparations.

Without exception, the Ministers I have met have made clear their commitment to representing the interests of Jersey and the other Crown Dependencies in the forthcoming negotiations. That commitment was confirmed in writing by Lord Keen, Minister of State for Justice with responsibility for the Crown Dependencies, in November of last year.

We have also continued our direct engagement with E.U. institutions and Member States, recently meeting with the French, Romanian and Latvian Ambassadors to the E.U. in Brussels, as well as the French, Polish, German and Italian Ambassadors in London within the last two months. I will be travelling to Paris and Brussels next week to meet with key stakeholders and interlocutors.

Our Brexit Programme has expanded and now covers work across six core workstreams, as well as a seventh, contingency-focused, workstream.

This work continues through regular roundtable meetings with U.K. departments. Indeed, contact with the U.K. on these and wider policy areas impacted by Brexit is occurring on a more than daily basis.

On customs, importantly, we have successfully concluded a Jersey-U.K. customs arrangements, building on our long established position under Royal Charters and providing a modern relationship to guarantee the seamless flow of trade in goods, including essential supplies, between Jersey and the U.K. from Brexit Day.

On immigration, we have put in place the Jersey E.U. Settlement Scheme to meet the Government of Jersey's commitment to ensuring the rights of E.U. citizens living in Jersey after Brexit day.

Yesterday lunchtime I was pleased to host a lunch, alongside the Chief Minister, for the members of the Island's Honorary Consular corps to provide them with an update on that Scheme.

On transport, we have made legislative provision to enable the United Nations' Vienna Convention on Motor Traffic to be extended to Jersey. This is necessary to ensure that, after Brexit Day, Jersey residents can continue to drive their own vehicles and hire cars in the E.U., as well as to meet international roadworthiness standards.

In November, this assembly passed the new Sanctions and Asset Freezing Law, providing for the proper functioning of our sanctions regime post-Brexit and ensuring that we continue to robustly and comprehensively meet our international obligations.

In the months ahead, the States Assembly will be required to manage a significant volume of legislation as a result of Brexit, and discussions have taken place to ensure that Scrutiny are aware of the expected flow of legislation.

Much of this is dependent on the agreement the U.K. reaches with the E.U. We will continue to work with Scrutiny and Members to ensure that they receive regular briefings and are engaged early regarding the preparation of draft legislation.

I also wish to emphasise the importance of Jersey's continued engagement with priority Global Markets outside the E.U. – which is a critical component of the Island's overall response to Brexit.

The Ministry of External Relations will continue to drive a cross-jurisdictional approach to delivering the Government of Jersey's Global Markets strategy. We will continue to build long-term relationships with priority partners and to expand and upgrade Jersey's network of international agreements.

As I said at the outset, whilst the Government of Jersey continues to believe that a negotiated outcome on the withdrawal of the U.K. from the E.U. is in the interest of all parties, we have, nevertheless, planned on the basis of a Day One No Deal or hard Brexit.

Preparation for a 'no deal' scenario intensified following the publication of the U.K. Government White Paper on 'The future relationship between the United Kingdom and the European Union' on 12th July 2018.

This work, co-ordinated by the Brexit Unit and the joint Channel Islands Emergency Planning Office, has involved an assessment and peer-review of Departmental risks, resources, objectives and governance.

By the end of 2018 all Government departments had prepared individual Brexit Readiness Plans, setting out departmental objectives in the event of DIND, risks and mitigations, and resource requirements, agreed and peer-reviewed with me.

The individual Brexit Readiness Plans have informed the development of an overall Government of Jersey Contingency Plan, aligned with similar U.K. Government Contingency preparations, drawing the highest impact risks from departmental submissions, setting out proposed mitigations and threats to mitigating actions.

Key risks for mitigation include those relating to supply chain disruption, impacts on our critical national infrastructure and potential loss of information sharing with the E.U.

This document has recently been shared with the U.K. Government to ensure it can inform both the ongoing contingency preparations across U.K. Government and our own extensive discussions with

individual departments across Whitehall, U.K. Local Resilience Forums; transport, retail and wholesale organisations; and other Channel Island partners.

The Government of Jersey is working closely with the U.K. Government to ensure that our plans align and that, where there are U.K. dependencies, particularly those in relation to our supply chains, these are taken into account.

In response to the U.K. Government's own contingency preparations for and publications regarding D1ND, the Government of Jersey has now published over one hundred Technical Notices since the U.K. summer Parliamentary recess, advising businesses and individuals on contingency preparations.

As part of our programme of engagement on Brexit readiness planning with key stakeholders, a Brexit Business Toolkit has been co-produced with the Jersey Chamber of Commerce and Jersey Business to ensure businesses can be ready for Brexit.

Tomorrow, officials from across the Government will undertake a table-top exercise at Mount Bingham to test our key planning assumptions and to undertake a simulated 'no deal' scenario. This exercise takes place during our week of 'Ready for Brexit' stakeholder engagement which has been designed to share our work across the public and Island industries.

I would like to offer my sincere thanks to the officials working within the Ministry of External Relations and the Government of Jersey for their continued diligence, effort and commitment in undertaking the work necessary to prepare Jersey for Brexit.

Their work contributes to the stability that is a hallmark of Jersey, and that makes the Island an increasingly attractive place in which to live, to work and to invest.

As I have said before, I cannot guarantee that the Island will be unaffected by Brexit. But, as set out in my Report, I do believe that our ongoing engagement with the U.K., coupled with our internal contingency planning, has placed Jersey in a strong position to manage the next stage of Brexit, whether that results in a negotiated or hard exit from the E.U., and to take advantage of the opportunities that the future relationship proposals allow.