

26 January 2021

Via email: b.walker2@gov.je

Deputy David Johnson
Chair, Brexit Review Panel
Scrutiny Office
Morier House
Halkett Place
St Helier

Dear Deputy Johnson

Inclusion of Jersey in the UK–EU Trade and Economic Cooperation Agreement (“TECA”)

We refer to your letter of 20 January 2021 inviting Jersey Finance Limited (JFL) to provide industry views to the Brexit Review Panel relating to the recent inclusion of Jersey in the TECA.

We note that much of the TECA, as it touches upon Jersey, relates to ‘Goods’ and ‘Fisheries’. Those subjects are outside JFL’s main areas of expertise. JFL recognises Jersey’s inclusion in the TECA and this important consideration in the Island’s ongoing relationship with its EU partners.

1. What do you think of the TECA and its impact on Goods and Trade?

JFL is unable to comment on the impact on Goods and Trade and defers to other organisations and experts on this question.

2. Do you believe that the financial services industry could be impacted if Jersey terminated its involvement in the TECA within the 90–day ‘cooling off’ period?

We understand that such a right may only be exercised by the UK or EU, rather than unilaterally by the Government of Jersey. However, in response to this question, JFL would consider any termination within the 90–day ‘cooling period’ at this stage as detrimental to the Island’s standing in the European Community which could lead to some indirect impact on the financial services industry. Should Jersey be excluded from this agreement, there is a risk of exclusion from – or limited participation in – important future agreements which could certainly impact upon the finance industry and the Island as a whole.

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- 3. Although not directly applicable to Jersey's inclusion in the TECA, there may be indirect challenges that arise through the need to increase and encourage financial services work in the areas of global markets, environmental and social investing in line with future EU rules. Do you have any views on this this?**

JFL is not aware of any indirect challenges arising through the need to increase and encourage financial services work in the area of global markets, environmental and social investment in line with future EU rules. It is core to JFL's mandate to promote Jersey's unique position in the global financial marketplace and neither Brexit nor the TECA will materially affect our efforts in this regard. Furthermore, JFL has a key strategic objective to promote environmental and socially responsible investing, and research clearly demonstrates that this is a key imperative for global economies as well as providing a net benefit to the Island. JFL recognises the high standards set by the EU and acknowledges that many of our members' clients operate within the EU space, and does not expect any significant impact, direct or indirect, through Jersey's inclusion in the TECA or more broadly.

- 4. Following approval of Jersey's inclusion in TECA, the UK will retain ultimate responsibility for the development, monitoring and enforcement of trade policy and practices, through so called 'Trade Committees'. Do you feel confident that the interests of the Jersey finance industry will be adequately represented through such arrangements?**

JFL is confident that the Jersey government has taken adequate steps to protect key interests, including those which relate to the finance industry.

- 5. The withdrawal from direct access to trade policy enforcement mechanisms as a result of inclusion in the TECA, has been cited as a risk to Jersey's autonomy and ability to develop its international identity, which will be mitigated via agreements with the UK. Do you have any views on this?**

JFL accepts that these mechanisms have been carefully negotiated with Jersey's overall best interests in mind. To the extent that there is any risk to Jersey's international identity, we consider this to be minimal.

In light of the limited timescale, we have not had the opportunity to hear from all of our members. Accordingly, we do not guarantee that these views are shared across the finance industry. However, we are confident that the finance industry is well equipped to meet any challenges posed by Brexit and the changing relationship between the UK and EU.

We are grateful that you have contacted JFL to obtain finance industry views, and we will be pleased to assist the panel in all future discussions.

Yours sincerely

Joe Moynihan
Chief Executive Officer

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