



16 February 2009

### **Guernsey's Chief Minister showcases Island's finance industry to City audience**

The strength of Guernsey's financial services sector has been reinforced by Chief Minister Lyndon Trott at a major dinner of influential figures in the City of London.

Deputy Trott said that he was honoured and privileged to speak at the City of London Corporation Finance Committee Dinner, an annual City dinner where a number of leading players from governance, finance, law and commerce, as well as members of the Common Council of the City of London Corporation, were present.

The Chief Minister told them that he believed that the solution to present economic gloom rests more with them than with politicians.

"Politicians have a role, but the solution is ultimately not in their hands, it is in the hands of financial markets and financial service providers and regulators," he said.

"The solution to the present problems is certainly not to move away from a healthy capitalist society – just the opposite – the solution is to retain a healthy capitalist society but to remove the excesses and errors of the past."

Deputy Trott said that cross-border regulatory co-operation will be more important in the future than ever before.

“Without such co-operation, both in normal times and at times of crisis, it becomes virtually impossible to protect investments such as banking depositors with an institution in one jurisdiction if that institution has operations in other jurisdictions where activities and subsequent risks are not understood or shared,” he said.

“The danger not only to investors but also to international finance and trade is that in the absence of effective co-operation, jurisdictions will have little alternative to adopting protectionist policies, involving the ring-fencing of assets and capital and the curbing of cross border activities. Such measures would raise costs, reduce flexibility and make global recovery and growth much more difficult. This is a major issue for all jurisdictions, not just for Guernsey and the UK. We are all living in one global village and if we are to avoid economic depression we must not be parochial in our approach.”

Deputy Trott also reported healthy year-end deposit and fund statistics to the City audience, though he admitted that the Island had not been completely unaffected by the contagion in financial markets.

“The most comforting aspect of these figures is that the financial services model that we employ in Guernsey is both diversified and low risk,” he added.

The former City trader said that being, as far as he knew, the first Guernseyman to be invited to address the dinner was a great opportunity.

The Chief Minister said: “This was as good an opportunity as it ever gets to broadcast to an attentive and well-informed audience of the very strong message that Guernsey has to give about all aspects of its financial services industry. I was able to explain in discussions before, during and after dinner that there were many more aspects to the Guernsey economy than simply finance and that we were confident for the future, notwithstanding global economic conditions.”

Peter Niven, Chief Executive of Guernsey Finance – the promotional agency for the Island’s finance industry, added: “It is a major endorsement of Guernsey as a leading international finance centre that the Chief Minister was invited to speak at this dinner. It gave him an excellent opportunity to showcase the diversity and low-risk of the Island’s finance industry to many senior figures from the city of London. Guernsey is continually reinforcing the strength of its banking, funds, fiduciary and insurance sectors to audiences within London – the centre which is our principal source of business flows.”

### **Release Ends**

Photo (left to right): Lord Mayor of the City of London, Alderman Ian Luder; Philip Willoughby, Deputy Chairman, Finance Committee, City of London; Lyndon Trott, Chief Minister of Guernsey.

### **FACTFILE**

Among those present at the Finance Committee Dinner were:

Tony Alt, Chairman, Investment Banking, NM Rothschild & Sons  
Steve Bundred, Chief Executive, Audit Commission  
David Cruickshank, UK Chairman, Deloitte & Touche  
Robert Dommett, Secretary General, Chartered Institute of Taxation  
Sir John Gieve, Deputy Governor, Financial Stability, Bank of England  
Edward Leigh, OBE, MP, Chairman, Public Accounts Committee, House of Commons  
Caroline Mawhood, Assistant Auditor General, National Audit Office  
Walter Merricks, CBE, Chief Ombudsman, The Financial Ombudsman Service  
David Strachan, Director, Financial Services Authority  
Eric Pickles, MP, Chairman of the Conservative Party

### **FACTFILE**

The City of London Corporation

The City of London provides local government services for the financial and commercial heart of Britain, the 'Square Mile'. It combines ancient traditions and ceremonial functions with the usual services provided by a local authority, but operates on a non-political party basis with a Lord Mayor, Aldermen and members of the Court of the Common Council.