



Article

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Guernsey Review 2012: International Perspective, Local Supervision

Guernsey's banking sector can draw on its global reach and expertise to succeed

Andreas Tautscher, Chief Country Officer, Deutsche Bank Channel Islands

Whilst Guernsey will need to remain alert to industry trends over the coming months and years, its banking sector is in a strong position.

The vast majority of banking business done in Guernsey is international and this benefits the jurisdiction in a number of ways. For instance, it has attracted a range of quality, international banking organisations to Guernsey which can boast a truly global reach and, through their networks, draw on capabilities that can help Guernsey navigate its way through a challenging time.

This international dynamic has also enabled the local banking workforce, backed up by a first class legal and accountancy sector, to develop the specialist expertise and experience required to deal with complex cross-border structures. This is particularly pertinent given the growth of emerging centres in Asia and Latin America. Guernsey has an opportunity to take advantage of promotional efforts in those markets, encouraging the use of Guernsey vehicles for cross-border investments.

In terms of supervision, Guernsey has a strong position when it comes to cooperation. With no banking secrecy laws, a robust network of Tax Information Exchange Agreements, a transparent business model and a commitment to good corporate governance, Guernsey is well placed to win the right kind of business.

In addition, Guernsey has a proven track record of being able to manage change – in a legislative, regulatory, service and product sense. Other jurisdictions are, in comparison, well behind the curve when it comes to managing the changing world we live in.

There will undoubtedly be a growing global pressure on local supervision and it is important that Guernsey remains mindful of the kind of regulation it introduces and considers carefully the reasons for introducing it. However, Guernsey has the business model and international expertise to succeed in a changing banking environment.

Andreas Tautscher is also Chairman of Deutsche Bank Mauritius, Director of Deutsche Bank in the Cayman Islands, and sits on Deutsche Bank's UK Regional Governance Board and its EMEA Executive Committee.

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