



22 July 2010

UK debate shows 'growing understanding' of small IFCs

Yesterday's discussion in Westminster Hall on ['Offshore Financial Centres'](#) highlights a growing understanding among UK MPs of small International Finance Centres (IFCs), according to Peter Niven, Chief Executive of Guernsey Finance.

The Rt. Hon. Mark Field, Conservative Party MP for the Cities of London and Westminster, opened proceedings by saying that the debate over the role of small IFCs had been, to date, "remarkably one-sided."

He added: "This is unfortunate as it demonstrates a fundamental lack of understanding of their function and the benefits they provide to the wider global economy."

Mr Field said that centres such as Guernsey and Jersey are used for a variety of reasons, including their political stability and favourable economic outlook, familiar legal systems, high quality of service providers, a lack of foreign exchange controls, tax neutrality (not to be confused with tax evasion) and also legal neutrality.

"It is for this reason that there has been a mutually beneficial relationship between the City of London and many Crown Dependencies and Overseas Territories," added Mr Field.

"To give some idea of the scale of those capital flows, UK banks had net financing from Guernsey alone of \$74.1 billion at the end of June 2009."

He said that the recent [HM Treasury Review of Offshore Financial Centres](#) undertaken by Michael Foot had highlighted the contribution of the Crown Dependencies to the liquidity of the UK market. In addition, a report from [Professor James Hines of the University of Michigan](#) shows that the opportunities created by IFCs help create investment and jobs globally.

The Rt. Hon. Mark Pritchard, Conservative Party MP for The Wreckin, followed by saying that “such centres help rather than hinder the UK’s economy.” They were both supported by the Rt. Hon. Andrew Rosindell, Conservative Party MP for Romford and Vice-Chairman of the All-Party Parliamentary Group for the Channel Islands, and the Rt. Hon. Mark Hoban, Conservative Party MP for Fareham and Financial Secretary to the Treasury.

Mr Niven believes that this debate shows the growing understanding in Westminster of small IFCs, such as Guernsey. “There is an ever-increasing body of evidence that small IFCs have a crucial role to play in the prosperity of the global economy and it appears that this now beginning to inform the debate within Westminster,” said Mr Niven.

“All we have ever asked is to be judged on the facts and it is refreshing to see an objective discussion at last rather than the one-sided debate based on misinformation, bias and myth. I think this reflects the growing understanding in Westminster of small IFCs such as Guernsey and great credit must go to the likes of our Chief Minister, Lyndon Trott, and his wider team for their ongoing work informing MPs.”

The debate came on the same day that the Lord Mayor of [the City of London](#), Alderman Nick Anstee, was visiting Guernsey to enhance links between the two international finance centres, having been in Jersey the previous day. He remarked that the Channel Islands were integrated with the City and having seen the centres for themselves he could understand why they have been endorsed by the [OECD](#) and [IMF](#).

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