

# Brexit: the impact of the end of the Transition Period on Guernsey and Jersey

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Four years, six months and eight days (and three British Prime Ministers) after the United Kingdom's ("UK") referendum on leaving the European Union ("EU"), the final stage of Brexit was completed. Having ceased to be a Member State of the EU on 31 January 2020, the *Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community* (the "Withdrawal Agreement") came to an end at 23:00 GMT on 31 December 2020 (the period during which it applied, the "Transition Period"), replaced immediately by the *Trade and Cooperation Agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part* (the "TCA").

This article analyses the principal areas in which the TCA is likely to impact the Bailiwick of Guernsey (comprising the islands of Guernsey, Alderney, Sark and Herm) ("Guernsey") and the Bailiwick of Jersey ("Jersey") (together, the "Islands").

## Key points

The key points for the Islands following the end of the Transition Period and the entry into force of the TCA are:

- a reaffirmation of the principles of Guernsey's and Jersey's constitutional position with the UK (and a reaffirmation of the mutual intention of the UK and the Islands to the continued development of the Islands' international personality);
- a new Customs Arrangement (the "UK-CD Customs Union") between the UK and the Crown Dependencies, enabling the Islands to enjoy the benefit of free trade agreements entered into by the UK;

- the extension of the UK's membership of the World Trade Organisation ("WTO") to the Islands;
- the continuation of the Common Travel Area ("CTA") between the Crown Dependencies, the UK and Ireland;
- the end of the Protocol 3 arrangement;
- the entry into force of the TCA;
- the Islands remain third countries for EU financial services; and
- the new opportunities for the Islands as a result of the end of the Transition Period.

## A reaffirmation of Guernsey and Jersey's constitutional position vis-à-vis the UK

Guernsey and Jersey together form the Channel Islands, situated in the Bay of St. Malo, off the northwest coast of France. Although physically, culturally and constitutionally closely connected to the UK, the Islands are not (and have never been) subject to the laws of the UK, and are not (and have never been) a part of the EU.

The Islands are (together with the Isle of Man) Crown Dependencies and as such their constitutional relationship with Britain is with the legal institution of the British Crown as currently embodied by Her Majesty Queen Elizabeth II (the "Crown"), rather than the UK Parliament or HM Government. Whilst the entry into force of the TCA undoubtedly has implications for many aspects of the relationship that the Islands have with the EU, its effect differs from that in the UK.

The Islands are self-governing and have their own laws (including on taxation) and courts. Jersey and Guernsey make

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their own domestic legislation, although certain primary legislation (a *Projet de Loi*) passed by their respective legislatures (the “States of Assembly” in Jersey and the “States of Deliberation” in Guernsey) is of no legal effect until given Royal sanction by Order in Council, made by Her Majesty acting by and with the advice of her Privy Council (through the Committee for the Affairs of Jersey and Guernsey), such Order in Council reciting the order of Her Majesty that the *Projet de Loi* shall have force of law in the relevant island and shall be entered on the register and observed accordingly.

Traditionally, the UK has been responsible for defence and for the international relations of the Islands, including representing the Islands in external negotiations with other states and bodies, including the EU. However, this is changing. For example, the Islands have each entered into Tax Information Exchange Agreements with all 28 of the EU member states, Jersey has full bilateral double taxation agreements with 15 other countries and partial double taxation agreements with a further 12 nations, and Guernsey has bilateral taxation agreements with other jurisdictions including the US, Hong Kong, Malta and Singapore.

By a letter dated 24 December 2020 sent to Guernsey’s Chief Minister, Peter Ferbrache, the Right Honourable Robert Buckland QC MP (the Lord Chancellor and Secretary of State for Justice) emphasised that the UK’s decision to leave the EU and to enter the TCA “does not alter or affect the constitutional relationships, through the Crown, between the UK and each of the Crown Dependencies. Neither does it affect Guernsey’s participation in the TCA”. The letter also emphasised the continued support of the UK government for the Crown Dependencies representing their own interests on the international stage<sup>1</sup>, and to engage fully with Guernsey prior to entering negotiations under the TCA to create or amend obligations which could affect Guernsey and will only extend new or amended obligations arising under the TCA to Guernsey “in accordance with the established constitutional arrangements between the UK and Guernsey for consultation and consent”.

This reaffirms the principles set out in the “frameworks” for developing the international identity of the Islands (entered into pursuant to the statements of intent signed on 11 January 2006 between the Islands and the UK Secretary of State for Constitutional Affairs).

## The UK-CD customs union

Considerable work was undertaken by the Islands to ensure their preparedness for the end of the Transition Period, with the principal objectives of protecting the interests of the Islands and their citizens, ensuring free movement of goods, maintaining relations with the UK and seeking to benefit from

any trade agreement which the UK ultimately reached with the EU.

In 2019, in order to ensure the continuity of their long-standing trading relationship, the UK and the Crown Dependencies negotiated a customs union (the “UK-CD Customs Union”), which had the effect of creating a common external tariff area (the tariffs being set by the UK in accordance with international trade agreements into which the UK enters), prohibiting quotas within such customs union, an undertaking from the Crown Dependencies to comply with all relevant international obligations in relation to customs, and to adopt the UK’s practices and procedures on customs law.

At the end of the Transition Period, the UK became an independent trading country vis-à-vis the EU, and all previously existing international trade agreements and arrangements ceased to apply. The UK Government has adopted a general policy of continuity of effect in relation to such agreements and arrangements (seeking to become a party to those international agreements in its own right, either bilaterally with partner countries or by acceding to various relevant international agreements in its own right rather than as part of the EU). This policy also applies to the territorial scope of agreements. As a result, if an EU agreement previously applied to a Crown Dependency or an Overseas Territory through Protocol 3 (described in detail below), it is in general the UK Government’s policy, agreed by the Crown Dependencies and Overseas Territories, that the transitioned continuity agreement should apply to the same territories to the same extent. In short, this means that where an international agreement applied to the Islands whilst the UK was a Member State, the UK will in negotiating the continuity of such agreements as an independent state seek to ensure that they also apply to the Islands.

As of 19 December 2020, the UK secured 29 trade agreements with 58 countries, so that the same benefits will apply between the UK and those countries as before, and continues to seek further such agreements. The terms of the UK-CD Customs Union enable the Islands to elect to join any such free trade agreement into which the UK enters (although they are bound to apply any preferential tariffs to goods imported under all UK free trade agreements).

The UK-CD Customs Union came into effect at the end of the Transition Period.

## WTO membership

Following requests made by the Islands, the UK Secretary of State for International Trade confirmed that the UK’s membership of the WTO would be extended to the Islands (by extending the UK’s ratification of the agreement establishing the WTO) when the UK becomes an independently represented

<sup>1</sup> *Guernsey and Jersey do not have separate international legal personality (as territories for which the UK is responsible). The UK recognises the Islands’ desire to develop their own separate international identity and has granted specific “entrustments” to the Islands, pursuant to which the UK delegates to the Islands the UK’s power to enter into international agreements on the Islands’ behalf (usually in a specific and limited manner; most commonly double taxation treaties or tax information exchange agreements).*

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WTO member. These both took effect at the end of the Transition Period.

The extension of the UK's WTO membership ensures that the Islands have access to the international rules of fair trade for goods and services, as well as the trade-related aspects of intellectual property. Being part of the UK's WTO membership will protect businesses in the Islands from unfairly applied high tariffs or other discriminatory measures imposed when trading goods or delivering services across borders. Any goods exported from the Islands will benefit from the WTO's core principles of "national treatment" and "most favoured nation", which ensure that countries cannot impose discriminatory measures by implementing high tariffs or trade barriers which distort trade and cause trade injury.

Inclusion within the UK's WTO membership therefore provides trading certainty for businesses in the Islands which trade in goods or services with the 164 WTO member countries.

## The Common Travel Area

The CTA is a long-standing arrangement between the UK, the Crown Dependencies and the Republic of Ireland. Under the CTA, British and Irish citizens can move freely between, and reside in, the Islands (subject to population management controls).

The CTA pre-dates the UK's membership of the EU and so is not directly affected by the UK's departure from the EU, notwithstanding that Ireland remains an EU Member State (with commitments to EU Law regarding the free movement of EU citizens). The UK and Irish governments signed a memorandum of understanding in May 2019 reaffirming their commitment to maintain the CTA, and the associated rights and privileges of British and Irish citizens, in all circumstances.

The rights and privileges of the CTA therefore continue to exist following the end of the Transition Period.

## The end of the Protocol 3 arrangement

During both the UK's period as a Member State of the EU, and during the Transition Period, the relationship between the Islands on the one hand, and the EU on the other, continued in accordance with Protocol 3 to the UK's treaty of Accession to the European Union ("Protocol 3"). Protocol 3 brought the Islands within the EU Single Market for the purposes of trade in goods (but not services). The Islands did not otherwise benefit from the UK's membership of the EU. Protocol 3 ceased to apply following the end of the Transition Period, to be replaced (in some areas) by the terms of the TCA (which is dealt with in the section below).

Under Protocol 3, the authorities in the Islands were required to treat natural and legal persons of the EU equally and in a non-discriminatory fashion. While the UK was a Member State of the EU, this meant that EU citizens had unrestricted visitor access to the Islands, as part of the CTA. However, the Islands were entitled to, and did, establish their own separate policies in relation to the right to live and work which were different to the policies that applied in the UK and the EU.

Protocol 3 provided that the pre-existing rights of Channel Islanders in the UK were not affected when the UK entered the EU. However, Channel Islanders (who are British citizens), did not benefit from EU provisions relating to the free movement of persons or services. This exclusion from EU provisions relating to free movement applied to Channel Islanders unless they were directly connected with the UK (by birth, descent from a parent or grandparent born, where adopted or naturalised in the UK, or where they had at any time been ordinarily resident within the United Kingdom for five or more years). Some Channel Islanders therefore did not have freedom of movement within the EU.

As for UK citizens, the end of the Transition Period brought the free movement rights within the EU of Channel Islanders who were connected to the UK to an end. Please see above for the free movement rights within the CTA.

The Islands have committed to securing the rights of EU, European Economic Area ("EEA"), and Swiss citizens and their family members resident in the Islands following the end of the Transition Period. There was no change to the status of EU, EEA, and Swiss citizens and their family members living in the Islands before the end of the Transition Period, nor will there be any changes throughout the implementation period, which has been extended to run until 30 June 2021. Any EU, EEA, and Swiss citizens who wish to remain in the Islands beyond that date will need to apply under the appropriate Settlement Scheme. If approved, those citizens and their family members will be allowed to continue to live and work in Guernsey or Jersey as applicable, and their rights to healthcare, work arrangements and public services will continue unaffected. The deadline for applying to the EU/EEA/Swiss Settlement Scheme is 30 June 2021 in the Islands as well as the UK; and applicants needed to register with the scheme before the end of December 2020.

## The entry into force of the TCA

The Islands passed extensive legislation which had the effect of discontinuing the direct effect of EU law at the start of the Transition Period (to the extent to which Protocol 3 made EU law directly effective), preserved such EU law as was applicable at the time (so as to protect the status quo ante) and provided appropriate mechanisms for the modification of such preserved EU laws and the adoption of any withdrawal agreement ultimately negotiated by the UK (i.e. the TCA).

Considerable work was also undertaken by the Islands with the UK to ensure that their interests were fully represented during the negotiation of the TCA, so as best to ensure that the TCA met the needs of the Islands.

The TCA came into effect in the Islands at the end of the Transition Period.

The Islands participate in the TCA in two principle areas:

- the trade in goods (including customs and rules of origin matters); and
- fisheries.

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## Trade in goods

As regards the trade in goods, the Islands participate in the TCA only to the extent necessary to facilitate the trade in goods, and on a “chapter-by-chapter” basis. This enables the Islands to benefit from reciprocal market access with EU markets on a “zero tariffs, zero quotas” basis, and will reduce the potential disruption for the trade in goods between the Islands and the EU.

Under the TCA, the provisions thereof<sup>2</sup> relating to: (i) Chapter 1: the national treatment and market access for goods (including trade remedies), (ii) Chapter 2: rules of origin, (iii) Chapter 3: sanitary and phytosanitary measures, (iv) Chapter 4: technical barriers to trade and (v) Chapter 5: customs and trade facilitation, apply to the Islands in the same way as they apply to the UK, the Islands being considered as part of the customs territory of the UK for such purposes<sup>3</sup>.

The TCA contains its own mechanisms for monitoring and developing trade policy and practices between the UK and the EU through Trade Committees, as well as enforcement mechanisms. As only the UK and the EU will have direct access, the Islands will continue to depend on the UK to protect their interests in such matters, and assurances have been sought from the UK that the constitutional positions will be respected. Discussions remain on-going with the UK on the final form and timing of new border checks for the movement of goods.

Whilst the long-term impact of the TCA remains to be seen, what can be said is that TCA broadly reproduces the extent of the Protocol 3 arrangements relating to the trade in goods, so the end of the Transition Period should have no material immediate consequences in that area.

## Fisheries

Protocol 3 covered trade in fisheries *products*, but not wider EU fisheries competencies. Prior to the entry into force of the TCA, fisheries were managed through a 2012 Fisheries Management Agreement with the UK. This gave the islands the power to licence British vessels fishing in the Islands’ waters (on a non-discriminatory basis). Those vessels had to demonstrate a track record to obtain such licence. French vessels were for example permitted to fish Guernsey waters (in a specified 6-12 nautical mile outer belt off the west coast of Guernsey for crab and demersal (seabed dwelling) fish only) under the London Fisheries Convention (“LFC”) which ceased to apply from 31 January 2020. This access was extended by the Islands during the Transition Period. Guernsey extended its territorial waters from 3 to 12 nautical miles with effect from 23 July 2019, enabling it to manage these waters following the LFC ceasing to apply and with the objective that it would be able to do so in any trade agreement ultimately struck.

Fisheries was, throughout the negotiation phase of the TCA, one of the most contentious issues, certainly of more totemic

than economic importance. The UK and the EU starting positions were very different, with the UK position being that any agreement on fisheries should reflect the fact that the UK will be an independent coastal state, whilst the EU wished to maintain existing reciprocal access to waters as well as stable quota shares.

The Islands were prepared to provide fishing vessels of certain EU Member States (principally France) access to their territorial waters through bespoke arrangements that ensure no greater effort (i.e. catch size) in the Islands’ waters, while retaining local management and licensing of French vessels. In exchange the Islands sought access to EU waters (in particular the Exclusive Economic Zone (“EEZ”) of France) and access to neighbouring ports, including designation for the purposes of the Convention on Future Multilateral Cooperation in Northeast Atlantic Fisheries (“NEAFC”) and Council Regulation (EC) No 1005/2008 (the Illegal, Unreported and Unregulated fishing Regulation (“IUU”).

In its negotiating mandate, the EU expressly excluded local vessels from EU waters while seeking EU access to the Islands’ waters, seeking to grandfather the LFC rights described above.

The outcome of the TCA is closer to the Islands’ proposals than those of the EU.

The TCA covers the Islands’ fisheries interests in terms of access to waters, landing in ports, management and licensing, providing for:

- access for the Islands’ vessels to fish in the EEZ of EU Member States on the same terms as UK vessels;
- access to the Islands’ territorial waters (based on the 12 nautical mile belt in the case of Guernsey) for EU vessels to be based on a “static pool” of a fixed level of effort, which EU vessels could seek a licence to fish within. The level of effort is defined using a “track record” (volume of fish being landed) period of 10 days in any of the three 12 month periods ending on 31 January on or between 1 February 2017 and 31 January 2020. This pool of effort is managed by licenses issued by the Islands;
- notification periods for landing fresh fishery products caught in the Islands’ territorial waters;
- recognition of the Islands’ responsibility for the management of their territorial waters and for authorising vessels to fish in its waters by way of licence or otherwise; and
- governance, dispute resolution mechanism and termination provisions.

Access to ports cannot be provided under the TCA because it is not an EU competence. In order for the Islands’ vessels to access the ports without compulsory inspections, the UK Government extended the UK’s Participant Country status of the NEAFC to include the Islands. France requested that the EU

<sup>2</sup> As set out in Chapters 1 to 5 respectively of Title I (Trade in goods) of Heading One (Trade) of Part Two (Trade, Transport, Fisheries and other Arrangements) of the EU-UK Trade and Cooperation Agreement

<sup>3</sup> Per Article OTH.9 (Geographical application) of the EU-UK Trade and Cooperation Agreement

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Commission designate the ports of Cherbourg, Carteret and Granville as customs ports suitable for landings (and not Diélette, where the Islands' vessels predominantly land their catches). Dialogue continues to seek designation of Diélette in order to return to a similar position in terms of port access as that enjoyed before the UK exited from the EU.

### Side declarations

The TCA includes a political commitment entitled: "A declaration in respect of the Bailiwick of Guernsey and the Bailiwick of Jersey on cooperation with the European Union on the recovery of claims related to VAT, customs duties and excise duties".

This seeks to create a relationship with the EU about tax information exchange and administrative assistance regarding certain indirect taxes and ensures that this arrangement is consistent with the Islands' fiscal autonomy.

The UK and the EU have agreed a "Joint Political Declaration on the Countering of Harmful Tax Regimes", which includes a commitment that the parties to the TCA "will encourage the application of its principles in the territories for which they have special responsibilities or taxation prerogatives".

This declaration is a non-legally binding political commitment for the UK. The Islands already meet the OECD and EU Code of Conduct standards on fair taxation and tax cooperation which are referred to or inferred in the declaration.

### The practical implications

The export of goods to the EU represents a relatively modest part of the economies of the Islands.

Most of the Islands' agricultural products are exported to the UK rather than the EU. Tariff-free reciprocal trade in goods between the UK and the Islands arises out of long standing customary practices and under rights and arrangements set in Royal Charters (now set out on a formal basis in the CTA). This is therefore unaffected by the UK leaving the EU.

In order to mitigate any impact on the flow of goods arriving into the Islands by freight from the EU through UK borders, agreements have been reached with UK port authorities that trucks carrying goods destined for the Islands will be prioritised, with specific traffic management in place around the main land routes, in order to manage any delays which may result at UK ports.

As regards fisheries, the overall impact is that the TCA should provide a stable and predictable fisheries relationship with France, and in particular the neighbouring region. It is expected to result in a negligible economic impact following the end of the Transition Period, while protecting the Islands' waters from over-fishing (which is particularly important in light of reduced French catch from other fishing areas as a result of the TCA). The Islands retain control of the management and licensing of EU vessels, which powers can be exercised as the Islands consider appropriate. Whilst this

must be based on scientific evidence and exercised in line with the general objectives of the fisheries parts of the TCA, and must be applied in a non-discriminatory manner, these powers should ensure the rational and sustainable management of the fisheries stock (and, it is to be hoped, no further blockades by French vessels).

### Financial services

The TCA is largely silent on financial services. The provisions included can be summarised as follows:

- a "prudential carve out," allowing the EU and the UK to impose their own financial regulations;
- a "best endeavours" declaration to implement international standards in the financial services sector in respect of regulation, supervision and anti-money laundering and terrorist financing;
- a reciprocal agreement to allow newly established financial services from the UK or the EU to enter either the EU or UK, if it is a financial service which it would permit its own financial service providers to supply;
- a reciprocal agreement that UK and EU self-regulatory organisations (exchanges and clearing houses) must admit financial services suppliers from the UK and EU on a non-discriminatory and "most favoured nation" basis; and
- a reciprocal agreement to permit access to UK and EU payment and clearing systems operated by public entities.

Passporting arrangements and equivalence determinations were not included in the TCA. Nor was there any extension to the transition period for financial services.

In this regard, the UK and the EU have made a political declaration with respect to financial services, agreeing both "to establish structured regulatory cooperation on financial services, with the aim of establishing a durable and stable relationship between autonomous jurisdictions" and to "by March 2021, agree a Memorandum of Understanding (the "Financial Services MoU") establishing the framework for this cooperation. The Parties will discuss, inter alia, how to move forward on both sides with equivalence determinations between the Union and United Kingdom, without prejudice to the unilateral and autonomous decision-making process of each side."

In the UK, the Chancellor announced in November 2020 that the UK will be granting a package of equivalence decisions to the EEA states, including the Member States of the EU. This was implemented following the entry into force of the TCA, with the UK granting unilateral equivalence to the EU across 28 sectors. The EU on the other hand, has stated that it "has taken note of the UK's equivalence decisions announced in November, adopted in the UK's interest. Similarly, the EU will consider equivalence when they are in the EU's interest." The EU has thus far reciprocated only in two areas, granting temporary equivalence to UK clearing houses for financial stability reasons, given the sheer volume of euro-denominated instruments cleared in London.

As regards the Islands, however, they are not (and have never been) a part of the EU and did not benefit from the UK's membership (except for the provisions of Protocol 3 concerning trade in goods, as described above). This relationship did not change at the end of the Transition Period (the Islands remain as "third countries" (i.e. non-EU members) for the purpose of financial services).

The position is therefore that, as regards financial services, there is no immediate direct effect on the Islands and the position remains the same as described in our note [here](#).

We await the terms of Financial Services MoU to see how things may change. The first few weeks of the TCA do not, however, bode particularly well. The EU is sticking to its argument that its relationship to the UK is fundamentally different to that of any other country, and has so far refused to grant access notwithstanding that the UK has rolled over existing European regulations and is 100 per cent aligned at this point. At the time of writing, this is becoming a point of increasing acrimony, with the Governor of the Bank of England pointing out that the EU has granted equivalence in various areas to Canada, the US, Australia, Hong Kong and Brazil but has so far refused equivalence to the UK as the EU "has argued it must better understand how the UK intends to amend or alter the rules going forward. This is a standard that the EU holds no other country to and would, I suspect, not agree to be held to itself." Rhetoric appears to be building, with discussions even including potential recourse for breach of the non-discrimination principles in World Trade Organisation rules.

The upshot is that equivalence decisions (for the UK and, probably, the Islands) are unlikely to be forthcoming for a while.

## Data Protection

Although the General Data Protection Regulation (EU) 2016/679 ("GDPR") does not have direct effect in the Islands, the Islands have both adopted legislation based on the GDPR, and certain controllers and processors will be subject to its extra-territorial reach.

The approval granted to the Islands as "third party countries with adequacy" (Commission Decision 2008/393/EC) (which means that the EU Commission has recognised that the Islands have an adequate level of protection for transfers of personal data to and from the EU to take place without any further safeguards) is "grandfathered" into the GDPR and is due for review by the EU in or about 2021. It is not anticipated that the adequacy status will change as a result of the end of the Transition Period.

The UK is pursuing an adequacy assessment from the EU and has committed to continuing to free flow data to the EU and all adequate jurisdictions. The Islands have agreed to extend their recognition of the UK as an "authorised jurisdiction" until the end of 31 December 2021, as the UK has not (at the time of writing) received a data protection adequacy decision. This

will continue to allow the free flow of data from the Islands to the UK.

## Opportunities for Guernsey and Jersey

Times of great change such as Brexit lead to uncertainty and can be challenging, especially in the unprecedented circumstances represented by Covid 19.

However, such times also present great opportunities.

### UK Fund Managers

As described above, talks have begun between the UK and the EU on the future of the UK's access to EU financial markets, with the objective of agreeing a Financial Services MoU by the end of March 2021. In the absence of Brussels granting regulatory equivalence or a free trade agreement covering services (which is rare), WTO terms will continue to apply. If no such agreement is reached, this could create challenges for UK-based fund managers. In particular:

- UK fund managers who currently use the EU passport under the Alternative Investment Fund Managers Directive ("AIFMD") may no longer be able to do so because the UK is outside the EU.
- Until the UK implements cooperation agreements with Member States those managers may not be able to market funds in the EU by private placement.

Some UK fund managers have responded to this challenge by building a presence in the EU. However many fund managers continue to market Guernsey and Jersey funds in continental Europe using national private placement regimes.

The Islands already have in place the necessary cooperation agreements to enable local fund managers to do so. Accordingly, the Islands may be a suitable alternative home for UK fund managers facing such challenges.

### UK Insurance Market Access

The withdrawal of the UK from the EU should allow the UK to determine for itself what access to grant to its markets. Unlike the Islands, the British Overseas Territory of Gibraltar is leaving the EU alongside the UK. However, the UK has granted to Gibraltar "passporting rights" to enable Gibraltar insurers to write insurance business in the UK without being licensed by the FCA. Those rights stem from a bilateral agreement between Gibraltar and the UK. It is possible that the Islands could secure similar access to the UK market now that the Transition Period has ended.

### Free Trade and Other International Agreements

As noted above, the UK has sought to roll international trade agreements and arrangements to which it was a party by virtue of it being an EU Member State.

However, one of the express intentions of the UK government was to exploit the opportunities presented by its departure from the EU to negotiate new international agreements (i.e. with countries and trading blocs with which the EU does not

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have agreements and currently trades on WTO terms). That includes negotiations for agreements with Commonwealth countries such as Australia and New Zealand, and others such as the USA. The Islands have already confirmed their wish that the UK's Department for International Trade consider the Islands' interests within those negotiations.



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