[ Thanks Steve. Before I start, I thought it might be helpful to flag that this new role at Guernsey Finance is to oversee development of jurisdictional-wide financial services strategy and work to co-ordinate efforts across the private sector, government and regulator.

This role is in line with the broader mandate for Guernsey Finance set out in the the Committee for Economic Development’s Policy Letter in June. ]

I’ve been asked to share my insights on the development of the financial services strategy and share my thoughts on positioning the island as a provider of specialist financial services ahead of the formal publication of the policy framework for the finance sector expected later next month as has been previously advertised by both CfED and Guernsey Finance.

I plan to do the latter first, namely talk about positioning the island then look to talk through some of the key aspects of the strategy going forward.

So to start proper, with running the risk of hyperbole, I’d like to start by saying that Guernsey has faced down several political and macroeconomic threats over the last decade. The years following the global finance crisis we witnessed a political and populist backlash against global finance generally and offshore finance in particular.

As well as having to contend with the impacts of the global regulatory response to managing financial risks, Guernsey has had to contend with, particularly in Europe, an antagonistic policy response to low tax jurisdictions which has used first used the misdirection of fiscal fault and then the smokescreen of tax and beneficial ownership concerns to launch an aggressive protectionist attack on the offshore territories.

Latterly, we are also now having to contend with the impact of Brexit, that potentially will change the structural economic drivers of our major trading partner, the UK.

However, global patterns of wealth creation continue to grow and develop. Despite global uncertainty and significant geopolitical change, and a political and populist backlash against global finance, in the decade following the global financial crisis, private wealth creation continued its inexorable rise. According to Boston Consulting Group, global private financial wealth doubled in nominal terms to 201 trillion dollars in the ten years since the financial crisis in 2008.

On top of that, a growing orientation and concentration of new wealth creation in North America and the Far East has the potential to create a more bipolar global financial world.

In this scenario, it’s my view that a successful post Brexit, post 2020 future for the City of London will totally depend on a more focussed alignment with this changing pattern and composition of global capital creation and flows, as the City naturally withdraws from corporate service provision to the European single market.

In that post 2020 world, my personal hypothesis is that there will be a continuing and indeed growing requirement for specialist global financial centres supporting London link to this global pattern of wealth, a continuing and growing requirement for specialist services to a sophisticated and growing global private wealth market.

The future for Guernsey’s finance sector lays in successfully capturing this territory and increasing our focus on servicing global private wealth and private capital, to orientate development towards more specialist product and ensure that the environment - regulatory, fiscal, general is conducive to such a move.

What is therefore, again in my opinion, fundamental to success is a clarity and definition of the islands positioning.

A very deliberate positioning or re-positioning of ourselves as a sophisticated and specialist global finance centre. The emphasis being on the word specialist and I mentally underline, or double underline the word.

Those who were at the IOD debate and have good memories will testify, I said as such at the recent Guernsey IOD convention. In my response to Alastair Stewart’s first question, I very carefully made this point.

That we need to need to think of ourselves in a certain way, constantly describe ourselves in a certain way. It’s perhaps a subtle point, but being very deliberate about using the word specialist provides us an immediate positioning mentally of who we are.

I use it in a deliberate attempt to crystallise everything I think about how we should wish ourselves to be perceived and positioned. Again, I said this at the IOD debate, I think of Guernsey as a Pictet or a Rothschild in the global financial centre space.

Guernsey: a specialist global finance centre servicing sophisticated global clients.

There’s nothing wrong with specialists, the world needs them for instance in a way it doesn’t feel it needs tax havens, so describing ourselves in this way, being very consistent and constant about it is a small step in the journey of stopping others pejoratively labelling us as a tax haven.

In todays crowded communications space, we get precious little airtime. We need to have to hand a short pithy description of who we are. One that quickly and neatly encapsulates what we do without confusion.

We have to be relentless with its use - at the risk of being boring – it is an approach that itself requires discipline, application and patience.

But it is just step one in creating a positioning to support a sustainable future for Guernsey’s financial services sector.

Positioning Guernsey as a green and sustainable finance centre is another deliberate part of the exercise.

I will come to the Guernsey Green Finance strategy shortly, but for now suffice to say that a key rationale of the strategy is to move us away from the negative labelling of others and create for ourselves a more positive global perception.

It is a long term strategy. Achieving such a positioning is not merely a quick PR exercise and marketing of one new product – no matter how great that one product is.

It is about genuinely becoming a finance centre that cares and believes in green and sustainable finance.

When I say in our green finance strategy ‘our objective is to be at the forefront of the development of green finance’ its not just a neat line…. being at the forefront of the development of green finance is how we become a leading global green financial centre.

As Professor Simon Anholt said at the IOD Guernsey Branding debate, this is about doing not saying. It about being a good global citizen and doing the things expected of such a citizen.

But developing an approach to reposition the island does not imply that there is requirement for a wholesale revision of who we are.

Over recent years many surveys and studies have confirmed the qualities, the characteristics and strengths that define us as a jurisdiction.

They form a strong foundation to develop our approach going forward as these findings have consistently determined that it is the same core strengths that drive continued success.

That is, their merit is such they remain a sound basis for our continued success as a specialist global finance centre servicing a globally sophisticated client base.

These are our.

* Our Stability and security
* Strong and independent legal structure
* Continuing position outside the EU
* Maturity and diversity as a finance sector
* Strength of the substance of the sector
* Our Sophistication and skilled nature of our workforce and firms
* Our proportionate risk based regulatory environment
* Our respected membership of the international regulatory community
* Our adherence to international standards on tax and beneficial ownership transparency
* And the simplicity and strength of our the corporate tax regime.

During the early summer, a third party was commissioned by Guernsey Finance to develop a clear messaging framework for the finance sector. It has been shared with industry for widespread use given the view that central to successful positioning is common, consistent messaging by all parties.

It didn’t need to reinvent the wheel, it was developed thru the use of sector focus groups but also leant heavily on previous work done that went into the ‘We are Guernsey’ brand marketing.

You know the ‘we are substance, we are security’ stuff. Which if you take a moment to take stock really is rather good, in fact pretty excellent. The quality of this messaging and branding was perhaps a little lost by at the time with a preoccupation on the discussion of the ‘We are Guernsey’ labelling.

This messaging framework that we developed over the summer….

Guernsey a specialist global finance centre servicing sophisticated global clients….

is embedded in the forthcoming policy framework.

I’d hope by now that some of you might have heard about this Policy Framework.

It’s soon to be published by CfED and Guernsey Finance and its basically the strategy work that been developed and led by Guernsey Finance over the course of the last six months.

It’s this broad strategy work that I plan to focus on for the rest of my talk.

Amongst other things, the rationale of the forthcoming policy framework is to set out a coordinated approach to achieving a strategic common purpose of the development of Guernsey’s financial services sector to safeguard its long term future.

It lays out a framework to achieve future success and enable government, Guernsey Finance, industry and regulator to work together to put in place the necessary elements for our continued success in global financial services.

We have to be clear what is our ambition, our competitive offer and our priorities.

This might sound like I’m speaking in clichés but this is how one achieves success through the use of a strategic framework. As opposed to a purely instinctive approach.

The Policy Letter on future economic strategy agreed by the States in June said that Guernsey needs to be outward looking and open to meet the economic changes and challenges ahead.

That we should build on Guernsey’s competitive values of stability, quality and innovation with key strategic goal of building on what we do well now; diversify and grow – move into new areas to secure long term prosperity; and reaffirm that Guernsey is open for business through the actions that we take.

The publication of a policy framework for the finance sector is intended to do just that – to set out our stall and conform that Guernsey has belief and confidence in its finance sector.

It’s publication will be a positive statement of intent, defining clearly how we will seek to drive the development of our finance sector and help it evolve and meet the challenge of securing Guernsey’s economic future in a post 2020 world, setting out various market positions that we will seek to achieve and the principles that will guide our approach in doing so.

It sets out a strategy that I will describe and summarise in just six words: growing our range of global specialisms.

I outlined this point in January at the Guernsey Finance update at St James, for the finance sector we’re following a basically strategy of **adjacent growth**, that is building out into new products or new markets close to, or adjacent to what we already provide.

It’s a textbook, evolutionary growth strategy.

The approach being to, develop and grow services and markets in areas where we can tread similar paths that previously led to our greatest successes, developing and growing services and markets in areas where we can **exploit our key qualities, specialisms and strengths**, and seek to follow clear strategies to create areas of competitive advantage and market leadership, that is, growing specialisms.

We will look to concentrate scarce development resource on **developing specialist leadership positions** in high value markets and products importantly meeting three criteria:

1. where it is possible to develop position of leadership, market or product;
2. Where the flexibility of our regulatory and legislative regime creates opportunity to develop such a position and importantly
3. where the market places high reliance on expertise and breadth, depth and sophistication of service.

A successful implementation of this approach requires consistency and collaboration and co-ordination .. that is again to use a hoary old cliché with all stakeholders working to an agreed common purpose.

It will be hard work and its about relearning how to work together well and about putting in place a robust but flexible structure to harness not stifle the entrepreneurial spirit of the private sector – something that Guernsey used to be really good at but I fear somewhere along the line in certain areas, not all I hasten to add, we lost the knack.

Returning to the theme and language of the first part of my comments, that ‘common purpose’ being to ensure that Guernsey’s develops and extends its position as a specialist global finance centre, one with a growing focus on private wealth and capital services and one pivoting towards growing pools of capital globally.

My ‘six little words’, basically a strategy tag line

‘Growing our range of global specialisms’ is effectively our objective.

The inevitable key question being how will we do that then?

Its easy to lose oneself in the language of strategy and with the risk of disappearing somewhere the sun doesn’t shine and losing myself in that strategy speak, the first step is to articulate, that is set out, some long terms goals.

That is, “stuff we’re going to seek to achieve”.

The long term goals of the strategy are as follows:

1. Create a clear market position as specialist global finance and leading green and sustainable finance centre.
2. Aligh product development with developing patterns of global wealth creation with greater focus on servicing private capital and wealth.
3. Development of further ‘specialisms’ ie niche positions in higher value markets/products
4. Renewed growth in fiduciary and fund sector revenues.
5. Create a competitive jurisdictional AML regime fully exploiting potential of wide-spread adoption of technology.

Every journey starts with a single step and to gets us there we’ll need some more immediate/short term objectives. And looking forward, our four immediate short term, that is 12 months, objectives are by comparison much simpler but nevertheless still ambitious.

These being: 1) communication of the strategy and achieving widespread recognition and understanding; sector wide support, where the approach will be to leverage publication of policy framework to promote the positioning and strategy generally and generate stakeholder commitment to objectives.

2) put in place the architecture to support implementation of the strategy, that is governance arrangements etc and the formalisation of the various working groups that have helped develop the strategy to date.

1. the development of communications approach aligned to the strategic plan and programme – basically the traditional GF ‘part of the plan’ role.

And 4) The rollout of a development programme with specific goals, objectives and plans in specific sectors, products or geographies.

This is broadly the visible bit of any strategy, and with a certain irony, we’ve started with that bit first. The point being that my original secondment brief was basically three questions with respect to finance sector development. 1) what do we need to do? 2) how do we do it? and 3) how do we do it in a Guernsey context?

And starting with elements of the programme first was basically the response to that last question. The thought process being that it was important to create early positive momentum, get things moving quite quickly. I felt that we’d left enough reports and strategic reviews, lying on the shelf gathering dust and that the orthodox route, starting with the strategy report first, risked getting us lost in the same sclerosis and inertia.

But to be clear, we took a systematic approach, to determine what programme elements to kick off with. It wasn’t haphazard, we followed a scoring methodology using five clear criteria to prioritise the first action plans. One of which was clear industry support and preferably looking to build on initiatives already underway – no point in reinventing the wheel.

First out the gate was the push on global distribution – reaching the part of the globe managers need to reach - which amongst other things was a clarion call to our funds sector, serving up some front foot fodder in a sector that feels like its spent the last five years on the back foot. And its worked, its early days, but the anecdotal and other evidence we’ve seen is a real broadening of horizons for the marketing of Guernsey funds.

You’ll hopefully have heard about the first fruits of the green finance strategy, the Guernsey Green Fund, a world first development, a regulated green wrapper for investment funds, and the registration of the first fund last week, and there’s already more currently in the pipeline.

But you might not be aware that the States agreed a policy letter yesterday to draft the electronic agents ordinance – which is a key plank of our technology strategy – which is another world first – an avoidance of doubt provision ensuring that its clear that contracts entered into by electronic agents are valid – a development planned to create a supportive environment for the exploitation of technology and particularly should support the development of smart contracts and AI here in Guernsey. Another world first, another piece of leadership, another piece of specialism as it were.

These first key areas for incorporation into a strategic development programme were outlined at the Guernsey Finance update in January and were confirmed and adopted by the States in the CfED policy letter agreed in June.

Over the course of the year, the programme and its plans have been developed and refined, led by Guernsey Finance, but with the active engagement of industry, government and regulator through several working groups.

These working groups are open and inclusive, their membership is fluid, consisting of practitioners, representatives of the industry associations and government and regulator. I’ve chaired three this week – green finance, family and fintech – with around fifty or sixty names on the combined contact lists.

What we’re looking to do through these groups is to set out clear programmes, that can be prioritised, developed, shared and communicated.

We’re looking to roll each out plan separately through the publication of their own strategy statement – effectively a statement of intent setting out clear goals, corresponding objectives and plans - to serve to provide a platform for communication and a clarity of market positioning. Alongside which GF’s role will be to develop an aligned marketing communications programme in support, reinforcing effect and efforts.

If you go to the Guernsey Finance website, you’ll see the small scale pilot versions of these embedded in the global distribution and green finance thematic sections of the website.

When published the Policy Framework will provide the definitive source for the articulation of whole the approach and objectives behind all the elements of the programme. At the risk of a spoiler alert, I would just go over the core four again now. That is green and sustainable finance; family office, funds and technology where like I said, rather impressively we have very a positive development already to report as a result of the strategy.

**One** green and sustainable finance, where our mission is to be at the forefront of the development of green and sustainable finance – to be a true leader in the field.

Guernsey’s ability to provide a complete green infrastructure - a green ecosystem encompassing insurance, investments and listings through The International Stock Exchange - allied to our strength and expertise creates a powerful offer in this space.

We have already launched the Guernsey Green Fund, the world’s first regulated green investment fund product. Z/Yen acknowledged Guernsey as ‘an emerging global contender’ in its inaugural green finance centres survey in early 2018.

We will build on this position to ensure we maintain market leadership consistent with our stated aims through the development of a Guernsey Green Finance initiative and brand.

As I said in my opening this is about walking the walk We will develop a jurisdiction wide framework for green and sustainable finance along the UN four pillars signalling true commitment to the goals of green and sustainable finance.

Our strategy has three core elements: aligning with and build on a global green taxonomy; further development of our flexible and comprehensive product offer; and developing a programme of engagement to promote the offering and seek to develop partnership opportunities to exploit our leadership position in infrastructure services

Importantly we will continue to work with global public policy groups to foster international co-operation on the development of green finance. We have recently been accepted into the UN’s Finance Centres for Sustainability Network and are one of just eight founding members of its European hub, alongside London, Paris, Dublin, Paris, Milan, Frankfurt, Luxembourg and Switzerland. Not a bad peer group, if I may say.

The scale of the prize of success is enormous, estimates of the scale of required investment in green and sustainable assets to meet the UN Social Development Goals runs into the tens of trillions of dollars.

**Two** private capital and family office services.

Our objective here is to become foremost of mind amongst the global financial community for the provision of specialist family office and private wealth services and hone our legal and regulatory approach to provide the most supportive global environment and ecosystem for servicing private capital and wealth. To become in short ‘first for servicing private wealth and capital’.

Guernsey’s traditional success in the provision of specialist wealth management and fiduciary services to global high net worths and their families is based upon the three cornerstones of stability, security and service. Our jurisdictional offer of sophisticated, discreet service of unrivalled depth and breadth across fiduciary, funds and wealth management lends itself to a greater focus on the provision of services to private capital, private wealth and family offices.

We are following a collaborate approach to the development of the jurisdictional offer, reviewing regulatory and legal and other factors to identify areas for potential enhancement of the environment in a considered and discreet manner.

We will as an early step seek to support the creation of a family office practitioner group to support the goal of engagement and sharing of knowledge of market trends and developments.

Again the size of the prize is significant, global private wealth inexorably grows. Despite anaemic growth in productive economic output over the last decade as I said earlier global private wealth has doubled in nominal terms in the last ten years and its concentration continues to increase.

**3 funds** Our objective being to be the natural home for sophisticated private capital and funds for global clients seeking specialism and the security and stability that Guernsey provides.

Or put it another way… ‘global distribution, global product: pivoting to private capital.

The convergence of private fund and private capital servicing is creating new demand for more specific and bespoke fund solutions. We will prioritise resources to developing product to accommodate these trends. We will build on the successful launch of the private fund product. With the continual rise in the development of private capital and private wealth, particularly in the Far East and North America, we will seek to concentrate and develop further niche product aimed at the specific characteristics of these markets.

Keys amongst our objectives are to: Further develop our global reach and market access; continually enhance our product range for institutional and in particularly private investors; and develop our range of specialisms and transpose our leadership from private equity to private capital servicing.

**Four** technology where our objective is to enable the widespread adoption and application of technology in financial services within a safe and secure environment again in tagline speak ‘safe, secure exploitation of current and future technologies’

Our strategy is to lead the way in the creation of a robust efficient technology landscape that provides a safe, secure and efficient environment for the provision of specialist global financial services and use the EAO as a platform to clearly communicate Guernsey’s commitment to the goal of widespread adoption and application of new technology.

Guernsey has been open to the exploitation of technology in financial services and boasts many examples of excellence, Northern Trust, PwC, ID Register, Solendium Re to cite a few.

There is clear opportunity to accelerate the widespread adoption and application of technology across financial services by creating clarity and confidence in the supportive nature of the regulatory regime and encourage greater market-based provision.

We intend to lead the way in the creation of a robust efficient technology landscape that provides a safe, secure and efficient environment for the provision of specialist global financial services and have set out three priority goals:

Electronic Agents – to provide legal certainty with respect to the treatment of electronic agents in Guernsey and then provide the regulatory confidence in their application in the financial services context

Digital identity – to set out a clear plan to achieve a widespread adoption of 1) current and 2) future electronic due diligence technologies through a market-based approach and provide clear guidance on the permissible approaches to the market.

Digital assets – to lay out clear guidance covering the general approach to the future application of digital assets and enabling technologies such as distributed ledger technology.

Cogniscent of time, I just want to make three final points.

One that there are other areas where a strategic approach is to be applied but time preclude mention. Insurance and pensions being two. The development of the supervisory regime last year given renewed impetus to our position as a specialist pensions centre and the opportunity to develop our leadership in the ILS space further cementing our specialist credentials in the insurance space.

Two that Improving our reach and recognition in our core market of London remains a priority and growing economic activity across the sector requires a pivot to fast growing pools of private capital in the Far East and North America.

Our jurisdictional approach to substance, sustainable finance, family and private fund services combines to create a powerful proposition for these key markets. We will seek to leverage our current leadership in niche US markets.

Our objectives to become the leading global specialist jurisdiction in the private wealth and private capital space amongst US managers and advisors and to leverage our long term commitment to China.

Finally, three, in a week that saw Jersey publish its de jure substance proposals in response to the EU, I would like to finish by making reference to the fact that we do plan to leverage the jurisdictional substance proposition, in the spirit of what doesn’t kill you makes you stronger as it were.

Guernsey’s historic and continuing global leadership in tax transparency and reporting gives reassurance to global clients seeking comfort and confidence with the reputational credentials of a jurisdiction. Combined with the de jure substance requirements that in the process of being put in place, these factors, and the strengths of Guernsey’s global distribution and global product offer, create a powerful jurisdictional proposition for managers or others looking to create a stable, secure global platform to manage and distribute global product and service global clients.

We need to utilise the growing recognition of substance as a determinant of locational preference to exploit the introduction of de jure substance requirements.

As I explained from the outset of this talk, amongst other things, my role is to bring a degree of consistency to development. In my position directing development of strategy for the jurisdiction from within Guernsey Finance we can hopefully take a closely coordinated approach to development and communications.

I hope in this rather extended walk in the park of developments, I’ve illustrated that we’re making progress in many of these areas.

I hope you’ll all read the forthcoming policy framework and tell others that its coming.

Thank you.