



Lord Jay of Ewelme  
Acting Chair, European Union Committee  
House of Lords  
London  
SW1A 0PW

October 2017

Dear Lord Jay,

## **BREXIT: THE CROWN DEPENDENCIES**

I am grateful to the Committee for its report, *“Brexit: The Crown Dependencies”*, and its thoughtful analysis of the implications of the UK’s decision to leave the European Union for the Isle of Man and the Bailiwicks of Jersey and Guernsey. Please accept my sincere apologies for the delay in responding since the General Election earlier in the year.

### **Engaging the Crown Dependencies**

We recognise the implications of EU Exit for the Crown Dependencies, and we remain fully committed to engaging them as we prepare to leave the EU.

When Parliamentary Under-Secretary of State for Exiting the European Union Robin Walker appeared before the committee in February, he noted the formal regular meetings we have established with the Chief Ministers of Jersey, Guernsey and the Isle of Man. Robin Walker has chaired three of these meetings since the referendum. Discussions have been constructive and positive, and I look forward to them continuing as we enter the next phase of the Exit process.

These meetings have been supported by an extensive programme of official-led technical engagement aimed at developing a full and detailed understanding of the Crown Dependencies’ interests and objectives on specific issues.

A series of technical roundtables has been established, bringing together UK Government experts and representatives from the Crown Dependencies to discuss the Crown Dependencies’ priority policy areas. Senior officials in UK Government Departments have hosted nine of these roundtables since November 2016, with more planned for the coming months.

As your report notes, these priority areas include customs and trade (with the EU, the UK, and the rest of the world); agriculture and fisheries; the Common Travel Area and the rights of EU citizens in the Crown Dependencies; financial services; transport; data and communications; and energy. We will continue to engage with

the Crown Dependencies on these areas, ensuring that they remain fully involved as negotiations proceed.

Robin Walker visited Jersey, Guernsey and the Isle of Man in August, and heard first hand the priorities of the Islands and their suggestions for addressing the challenges and opportunities presented by our withdrawal from the EU. He met personally with the Chief Ministers of each of the Crown Dependencies as well as a wide range of industry stakeholders representing the diverse business communities on each of the islands.

This direct, first-hand experience will be invaluable in ensuring that HMG understands the priorities and interests of the Crown Dependencies in relation to our withdrawal from the EU.

### **Protecting the Crown Dependencies' relationship with the UK**

Your report emphasises the importance of ensuring that the UK's exit from the EU does not affect the close constitutional, economic and cultural relationship between the Crown Dependencies and the UK, 'whether in terms of the free movement of goods and people to and from the UK, or the symbiotic link between the Crown Dependencies' financial services sectors and the City of London.' I would like to assure you that the UK Government remains committed to this relationship.

As the Prime Minister made clear in her letter to the Chief Ministers following the referendum result, the UK's relationship with the Crown Dependencies is a valued, historical and special one, and the UK Government takes its responsibilities toward the Crown Dependencies very seriously. The referendum result does not change that. We are determined that the bonds between us should be strengthened, not weakened, as we forge a new relationship with the EU and the wider world.

We are committed to maintaining the Common Travel Area (CTA), and will work with the Crown Dependencies, alongside the Northern Ireland Executive (when it returns) and Irish Government, to protect the CTA while protecting the integrity of the UK's immigration system.

The Department for Exiting the European Union, HM Revenue & Customs and HM Treasury are working with the Crown Dependencies to understand the potential impacts from the UK's withdrawal from the EU on their customs arrangements.

We will continue to work closely with the Crown Dependencies over the course of negotiations on this issue, and I can confirm that we remain committed to our strong links on customs matters.

### **Representing the Crown Dependencies' interests**

I was pleased to read the positive feedback from the Chief Ministers on the UK Government's engagement with the Governments of the Crown Dependencies since the Referendum, at both political and official level. I agree with your conclusions on the importance of this continuing.

The report also calls on the Government to 'continue to fulfil its constitutional obligations to represent the interests of the Crown Dependencies in international relations, even where these differ from those of the UK'. We are clear that our negotiations will cover the Crown Dependencies, as well as Gibraltar and the other Overseas Territories.

We are seeking the best possible deal for all jurisdictions and we will ensure that we take full account of the Crown Dependencies' interests in the negotiations. As noted above, we will ensure that the Crown Dependencies remain fully engaged as negotiations proceed.

Your report questioned how the UK will represent the interests of the Crown Dependencies if these differ from those of the UK. The UK Government and each of the Crown Dependencies signed an International Identity Framework Agreement in 2007-2008.

In these agreements, the UK commits that it will not act internationally on behalf of a Crown Dependency without prior consultation and that, where the interests of a Crown Dependency differ from those of the UK, the UK will seek to represent those interests when acting in an international capacity.

The framework agreements also state that the Crown Dependencies and the UK will work together to resolve or clarify any differences which may arise between their respective interests. The UK Government will continue to honour these agreements.

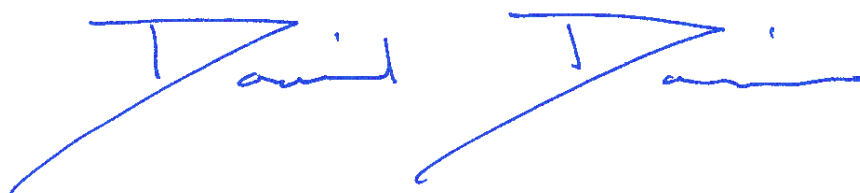
### **Seizing opportunities for the Crown Dependencies**

The report rightly notes that the Crown Dependencies' interests extend beyond the EU exit negotiations, to post-exit opportunities - particularly regarding trade.

Ministers and officials in the Department for International Trade are working with counterparts across a wide range of markets to promote the UK as a great place to do business and with which to trade.

We are taking advantage of all the opportunities available to us to ensure that Britain becomes the global leader in free trade once we leave the EU.

We will work with the Governments of the Crown Dependencies to take into account their priorities, including discussing with them their potential participation in future free trade agreements with countries beyond the EU and working with them on the issues around extending the UK's WTO membership.



**RT HON DAVID DAVIS MP**  
**SECRETARY OF STATE FOR EXITING THE EUROPEAN UNION**