

# Global Britain Briefing Note

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31<sup>st</sup> July 2015

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## The Jersey Option

*In the EU's Single Market for Goods*

*Outside the EU for everything else*

### Background

The Bailiwick of Guernsey, the Bailiwick of Jersey and the Isle of Man are self-governing English-speaking dependencies of the Crown<sup>1</sup>. They are not, and never have been, colonies of the UK. None sends MPs to the Westminster Parliament. Each has its own directly-elected legislative assembly, administrative, fiscal and legal system and its own courts of law. Notwithstanding, the islands' citizens are British citizens.

The Queen is Head of State of each island. Guernsey<sup>2</sup> and Jersey<sup>3</sup> have been possessions of the English crown since at least 1204, and the Isle of Man<sup>4</sup> since 1346. (It should be noted that "Channel Islands" is a geographical, not a constitutional term: the Bailiwick of Guernsey and the Bailiwick of Jersey are separate self-governing dependencies.) Currently, the combined population of Guernsey, Jersey (including their smaller dependencies) and the Isle of Man is 253,000. (Jersey is the most populous with around 93,000 citizens.)

Guernsey, Jersey and the Isle of Man use sterling as their currency, each minting its own coins and notes. Each issues its own passports, in the same format as British passports. Each has its own stamps. Each sets its own laws and taxes. (None applies VAT, a requirement of EU membership.) The Channel Islands' per capita GDP is 36% higher than that of the UK; the Isle of Man's per capita GDP is 64% higher than that of the UK.<sup>5</sup>

Guernsey, Jersey (with their smaller dependent islands) and the Isle of Man are part of the "Common Travel Area" - CTA<sup>6</sup> - alongside the UK and Ireland. The CTA, which pre-dates UK accession to the then EEC, is an "*unbinding agreement*".....*not intended to create legally-binding obligations, nor to create or confer any right, privilege or benefit to any party, private or public*". The CTA is not part of the EU's "Schengen Area", from which both Ireland and the UK secured opt-outs in the EU's Amsterdam Treaty.

## Relationship with the European Union

Guernsey, Jersey and the Isle of Man are not part of the United Kingdom. They are not members of the European Union and are not represented in the European Parliament.

Their relationship with the EU is defined under Article 355(5)(c) of the Treaty on the Functioning of the European Union (former Article 299 of the EC Treaty) and Protocol No. 3 of the Act of Accession, annexed to the Treaty of Accession 1972, by which the United Kingdom became a member of the European Economic Community.<sup>7</sup>

Essentially, Guernsey, Jersey & the Isle of Man are *in* the EU's "Single Market" for goods. Duty-free (tariff-free) "free movement of goods" applies to trade in goods (including agricultural produce) between those islands and European Union member-states (including the UK). In respect of trade in goods, the islands are therefore part of the customs territory of the EU.

The islands are *not* subject to the other three EU Single Market requirements: "free movement of persons", "free movement of services" and "free movement of capital". The islands are outside the EU's Common Agricultural Policy and thus receive no farming subsidies from "Brussels". Neither do they receive "structural funds" from the EU.

The UK Ministry of Justice<sup>8</sup> is responsible for managing the constitutional relationship between the Crown and the islands. The Channel Islands (but not the Isle of Man) have a joint office in Brussels<sup>8</sup>.

### References

1. [www.justice.gov.uk-crown-dependencies](http://www.justice.gov.uk-crown-dependencies) > Fact Sheet on the UK's relationship with the Crown Dependencies
2. [www.gov.gg/](http://www.gov.gg/)
3. [www.gov.je/](http://www.gov.je/)
4. [www.gov.im/](http://www.gov.im/)
5. World Development Indicators database/World Bank/2014/Atlas/ppp
6. [www.en.wikipedia.org/wiki/Common-Travel-Area](http://www.en.wikipedia.org/wiki/Common-Travel-Area)
7. Article 355(5)(c) [Treaty on the Functioning of the European Union](#), Article 355(5)(c) TFEU states "*the Treaties shall apply to the Channel Islands and the Isle of Man only to the extent necessary to ensure the implementation of the arrangements for those islands set out in the Treaty concerning the accession of new Member States to the European Economic Community and to the European Atomic Energy Community signed on 22 January 1972*".
8. [www.channelislands.eu/eu-and-the-channelislands](http://www.channelislands.eu/eu-and-the-channelislands)

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