



Institute  
and Faculty  
of Actuaries

# EU Referendum

- Why is the IFoA getting involved?
- State of play and key issues
  - *Focus on Gibraltar*
- IFoA activities
- Discussion / Q&A

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# IFoA: why get involved?

## Public interest role

- A better informed public
- Don't take sides

## Raise the profile of actuaries and the IFoA

- Experience of the Scottish independence debate
- Our approach was commended
- Led to more contacts with government at all levels

# About the IFoA

## Vision

*“To serve the public by ensuring that where there is uncertainty of future outcomes, actuaries are trusted and sought after for their valued analysis and authority”*

## Public Affairs objective

*“The Institute and Faculty will seek to do more to inform debate on issues where it can contribute to the quality of public debate and meet its public interest duties”*

# State of Play - regulatory process

- EU Referendum Bill
- Who can vote?
- When can we vote?



Referendum Question:

***“Should the United Kingdom remain a member of the European Union or leave the European Union?”***

# State of Play – negotiation process

Set of arrangements, which will come into effect if the UK votes to remain in the EU on 23 June

## Economic Governance; Those outside the Eurozone

- No discrimination
- No euro bailouts
- Keep own financial supervision / prudential regulation
- Visibility on Eurozone talks
- Differ from “Single Rulebook”
- If UK thinks principles overridden: EU Council debate

## Competitiveness

- Continue Single Market integration
- Expand Free Trade Agreements
- “Feasible burden reduction targets in key sectors”
- Examine if legislation is proportionate and at the right level

## Sovereignty

- “UK not committed to further political integration”
- “Ever closer union no legal basis
- ‘Red Card’ allowing national parliaments to object legislation

## Migration / access to welfare

### *Emergency break*

- UK can restrict EU migrants’ in-work benefits 4 years
- Applicable immediately, for an initial seven years

### *Child benefits*

- Children outside the UK: indexed to local living standard
- All member states are allowed to do this

### *Out-of-work benefits*

- UK can deny access, if they don’t have a job
- Ability to deport migrants if they haven’t found

# State of Play – key issues

- *Britain Stronger In Europe vs Vote Leave & Leave.EU*
- Trade & Finance
- Identity / Sovereignty
- What does Europe think?

# EU Scenarios – Financial Services Perspective

|                      | Access to<br>Single Market | Access to Fin.<br>Serv. Market | influence on<br>EU-reform | Pay into<br>EU-budget | Set own<br>trade policy | Set own<br>financial policy |
|----------------------|----------------------------|--------------------------------|---------------------------|-----------------------|-------------------------|-----------------------------|
| <i>Remain In</i>     | Yes                        | Yes                            | Yes                       | Yes                   | No                      | No                          |
| <i>'Norway'</i>      | Yes                        | No                             | No                        | Yes                   | Yes                     | Yes                         |
| <i>'Switzerland'</i> | Yes                        | No                             | No                        | No                    | Yes                     | Yes                         |
| <i>'Turkey'</i>      | Partial                    | No                             | No                        | No                    | Yes                     | Yes                         |
| <i>'South Korea'</i> | No                         | No                             | No                        | No                    | Yes                     | Yes                         |
| <i>'WTO'</i>         | No                         | No                             | No                        | No                    | Yes                     | Yes                         |

# State of Play – key issues GIB / UK / EU

## Status:

- Gibraltar is part of the European Union as a dependant territory of the UK since 1972
- Gibraltar is exempt from EU's Customs Union, and Common Agricultural Policy

## Fact:

In case the UK votes to Leave, Gibraltar also MUST leave

## Potential impacts regarding:

- ➔ Free movement of people, capital, goods and services
- ➔ Into the EU, and into the UK

## Potential issues

- Shipping Trade
- Online Gaming Industry
- Finance Centre
- Border inspections

The impact and future would depend on the UK – EU 'divorce' negotiations



# IFoA activities

- **WHY?**

- Provide thought leadership
- Inform policy debate, based on evidence, with actuarial expertise
- Help voters make informed decision

## **WHAT and WHEN?**

- EU Working Party agreed research: ➔ May + June
  - Immigration / State Pension
- Dialogue with IFoA members ➔ 13 Regional Group meetings, ± 700 members
- Organise national events in 2016 ➔ National events in Edinburgh and London

# EU Referendum – questions and discussion

- *What are key issues for you?*
- *What are your main concerns?*
- *What do you think about debates current going on?*
- *Will it impact the actuarial profession, commercially?*
- *What would you like the IFoA to do?*

Keep up to date with IFoA's news and weekly round-ups on the EU Referendum:

<http://www.actuaries.org.uk/news-and-insights/public-affairs-and-policy/eu-referendum>