

## Snapshot: how have IFCs adapted for tomorrow?

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International Finance Centres hold an important role in the global economy. But to stand the test of time, IFCs have needed to adapt, be flexible, and show extreme resilience.

Recent history alone has brought an array of challenges - economic crashes, a global pandemic, rapidly adapting digital and technological advances, and an ever-changing tax, regulatory and legislative landscape. And that's without considering the ever-present competition of which IFC is the jurisdiction of choice.

So, how have IFCs met the essential challenge of building resilience and adapting?

### IFCs and transparency in the digital age

Traditionally, IFCs have facilitated international trade and investment using three core pillars. Regulatory efficiency, robust legal frameworks, and tax neutrality. However, in today's digital world, these three pillars are no longer enough. There is an increasing demand for transparency.

The desire for transparency of information, ownership, tax transparency, and a global minimum tax, coupled with global economic uncertainties, have necessitated a significant evolution within International Finance Centres.

The digital revolution has acted as a catalyst, introducing both opportunities and regulatory challenges, especially in data protection and cyber security. IFCs have often sought to be digital pioneers in integrating modern technologies, such as blockchain and fintech solutions. The intent? To not only improve their services, but to establish new benchmarks in financial services globally.

### IFCs' commitment to evolving regulatory legislation

The push for greater transparency and the fight against financial crime, corruption and fraud have seen IFCs tighten their regulatory frameworks. This has led to the development and creation of

new legislation and initiatives, such as the Common Reporting Standard (CRS) and the Automatic Exchange of Information (AEOI). Further items, such as Pillar 2, showcase IFCs' commitment to global compliance and anti-tax evasion efforts.

## IFCs: providing stability and security

The resilience of IFCs is seen in their response to global challenges, including the COVID-19 pandemic and geopolitical tensions. International Finance Centres offered stable and secure investment environments while innovating their service offerings.

## Jersey as an IFC

Jersey provides a prime example of an IFC evolving for tomorrow by adapting its practices. An early adopter of transparency standards and the exchange of information, the jurisdiction is bold in its approach and so remains at the forefront of developments. Jersey not only takes pride in adhering to the various global standards and regulations, but it also actively considers and shapes the global standards to ensure they remain relevant in today's ever-changing financial services landscape.

## IFCs shape their tomorrow

The essence of the evolving world of IFCs lies in their steadfast resilience and continuous reinvention. IFCs are not just securing their future in finance, but actively shaping it. How? By embracing new technologies, strengthening regulatory frameworks, and adapting to global economic shifts. Their ability to innovate and adapt will be crucial in the ongoing evolution of global finance. It demonstrates that growth and progress are achievable, even in the face of adversity

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