



24 June 2016

BREXIT (Cayman)

The referendum in the UK on 23rd June 2016 was held to decide whether the UK should leave or remain in the European Union ("EU").

The decision and its ramifications have been widely reported and commented upon. England and Wales voted strongly to leave whereas both Scotland and Northern Ireland backed remaining in the EU. Overall the 'Leave' campaign won the decision by 52% to 48%.

Immediately following the announcement of the result, the UK Prime Minister declared his intention to resign in the coming months, most likely in advance of the Conservative Party conference to be held in October. The likely identity of the Prime Minister's successor is a topic of extensive debate.

Given the close outcome of the referendum, some commentators have doubted the precise extent of the mandate given by the result, however the attention of most is upon the required decision by the Prime Minister of the UK (or most likely his successor) to now invoke Article 50 of the Treaty of Lisbon, the formal mechanism by which the UK will initiate the departure proceedings. The UK's departure has not yet been initiated by way of formal notice to the EU and there is considerable debate regarding when that will happen, the timing of which is not prescribed by Article 50.

Once invoked, Article 50 allows for a period of up to two years for the UK representatives and their EU counterparts to negotiate and complete the terms of the UK's departure. During this time the UK would not be able to participate in any EU decision making and the departure terms would need to be approved by all 27 remaining member states and the European Parliament.

The Cayman Islands are a British Overseas Territory. Whilst EU laws do not apply directly in the Cayman Islands, the outcome of the

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referendum has been closely watched by the public in the Islands and the implications of the UK's departure from the EU are clearly of great interest to both the political and financial services communities. The laws of the Cayman Islands remain unaffected by the decision in the referendum and there has been no effect upon the relationship between the UK and the Cayman Islands.

For additional EU-specific commentary on the referendum and its potential effect please see the link below.

[add link to Dublin release]

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24 June 2016

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