

05.02.2009 D/ 000268

Dr. Caroline Lucas, MEP
Rue Wiertz,
B-1047 Brussels

Dear Dr. Lucas,


Thank you for your letter of 19 January 2009 seeking further information about the possibility for compensation of depositors at Landsbanki Guernsey.

Regrettably, these depositors cannot avail of compensation under EU law. Their legal situation is the same as the depositors at Kaupthing Singer & Friedlander (Isle of Man).

According to the information available to the Commission, Landsbanki Guernsey is a subsidiary of the Icelandic bank, Landsbanki. It is therefore an entity incorporated under the law of Guernsey and is governed by this law.

Like the Isle of Man, the legal situation of the Channel Islands is covered by Article 299 (6) (c) of the EC Treaty. These islands are only customs territories of the Community. Other Community law provisions, such as those related to the freedom of establishment and the free provision of services, do not apply in the Channel Islands. As a consequence, secondary Community legislation in the banking area, including Directive 94/19/EC on deposit-guarantee schemes, does not apply to Landsbanki Guernsey. The reimbursement of the depositors with this bank is, therefore, a matter that falls outside the scope of Community law. These depositors will benefit from the rights and the legal protection provided for by the law of Guernsey.

Yours sincerely,



Charlie McCreevy