



Guernsey Financial
Services Commission

Investment Business

Carl Rosumek, Director

Emma Bailey, Deputy Director

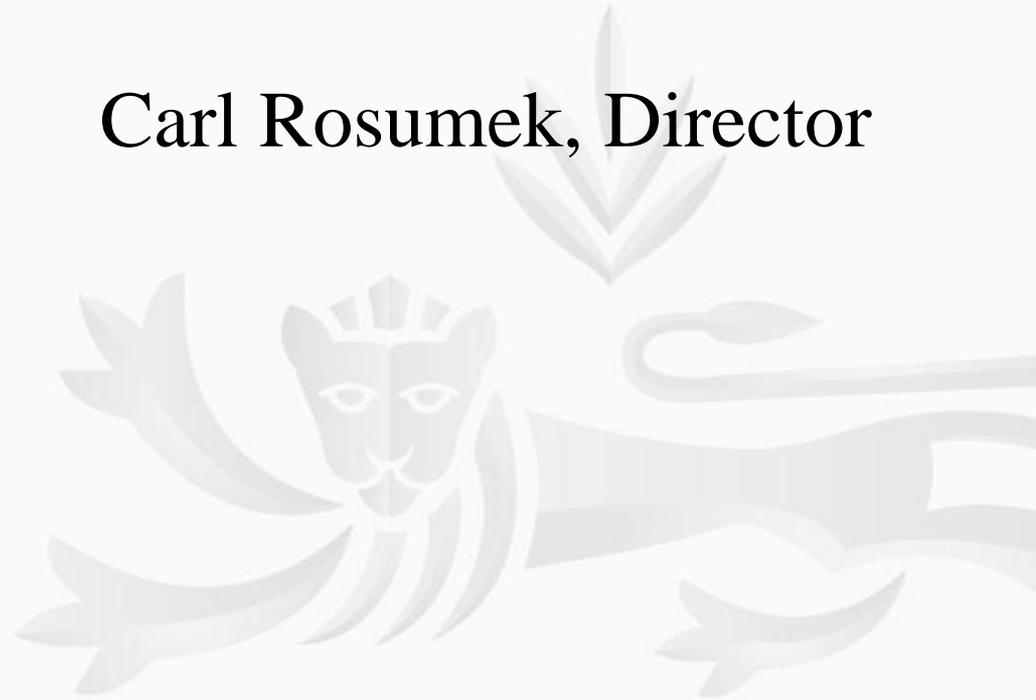
Louise Bougourd, Deputy Director



Guernsey Financial
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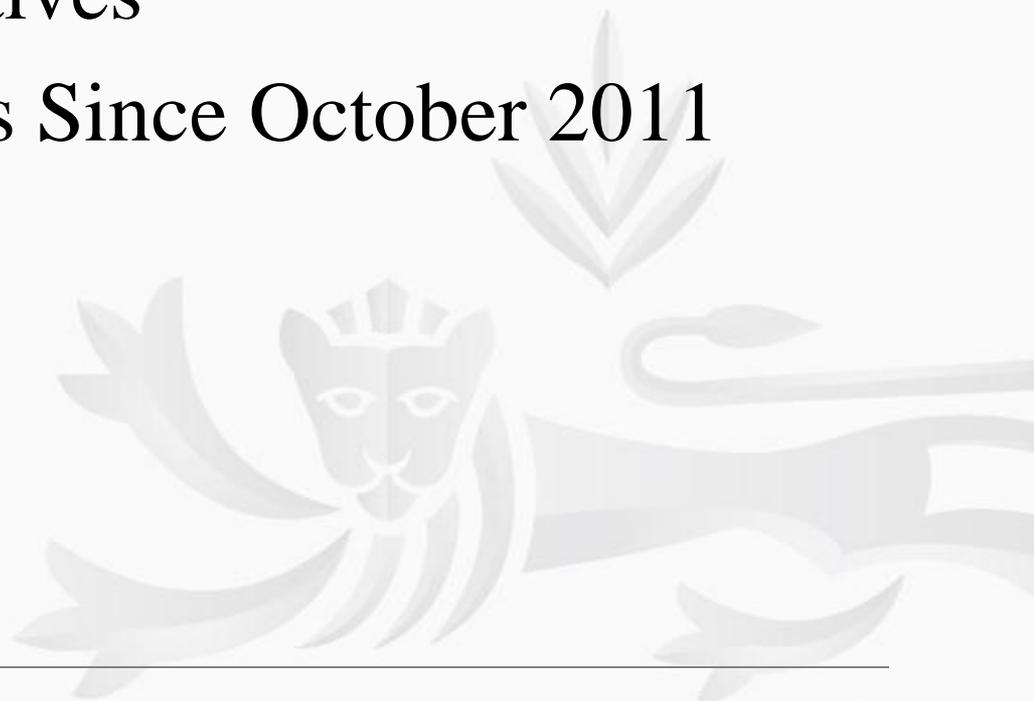
Investment Business

Carl Rosumek, Director



Investment Business

- International Issues
- Commission Developments
- Divisional Objectives
- Trends & Themes Since October 2011



International Issues

- Alternative Investment Fund Managers Directive



Alternative Investment Fund Managers Directive

- Directive timing
- Level 2 Regulation
- Guernsey approach
- Co - operation



International Issues

- Alternative Investment Fund Managers Directive
- Markets in Financial Instruments Directive



Markets in Financial Instruments Directives

- Proposals issued
- Guernsey approach and responses



International Issues

- Alternative Investment Fund Managers Directive
- Markets in Financial Instruments Directive
- International Organisation of Securities Commissions



Commission Developments

- Independent Evaluation Review



Authorisations Unit changes and benefits

All PQ/PDs will be processed centrally by the Authorisations Unit

Benefits:

- Single point of contact and response for PQ/PDs
- A common and consistent approach to dealing with PQ/PDs
- PQ/PDs are immediately recorded and dealt with sequentially – removes the previous divisional peaks and troughs
- A common approach to due diligence
- Enhanced IT provides real time status of submissions

AML Division changes and benefits

1. Co-ordinated Regulatory Division onsite visits occurring concurrently

Benefit: Will minimise the level of inconvenience to those visited by co-ordination of Regulatory Division onsite visits occurring concurrently

2. Introduction of the AML/CFT Questionnaire

Benefits:

- Increased timeframe for FSBs, NRSBs and PBs to complete and return AML/CFT Questionnaire and supporting documentary evidence
- Provides AML Division with a greater understanding of the business prior to commencing visit
- Increased efficiency and optimisation of the Commission's time during on-site visits

AML Division changes and benefits cont'd.

3. Application of standardised AML and CFT processes

Benefit: An efficient, effective and consistent approach to AML and CFT

4. Centralisation of AML and CFT

Benefit: A Division which is exclusively focused on AML and CFT

5. Application of a Commission-wide risk based approach to AML and CFT

Benefit: An approach which is consistent with the revised international standards published by Financial Action Task Force and which reflects the AML risks in the jurisdiction's finance sector

Commission Developments

- Independent Evaluation Review
- Enforcement
- Anti-Money Laundering Handbook
- Sentinel Programme



Sentinel Programme - The Five Pillars

- **Extranet** – Online/electronic submissions and licensee engagement. Exploring opportunities with other regulators, including Jersey.
- **Operating platform** – Evaluating the best way to integrate Workflows, Document Management and build on our existing CRM investment.
- **Risk Based Supervision methodology** – In dialogue with the other regulators to assess how they've approached this.
- **Data Management** – The creation and management of the data we need to feed the systems.
- **Reporting methods** – What are the industry standards we need to embrace?

The approach

- The intention is to take a modular, phased approach and buy-in/adopt proven technologies wherever possible.
- The programme will be underpinned by change management best practice.
- Through GIBA, a working party has been established with industry, which meets monthly.



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Divisional Objectives 2012

- Implement Class B Rules during the first half of 2012
- Conduct self – assessments against the updated IOSCO Principles
- Continue to engage with European Authorities including ESMA and the UK FSA
- Continue to prioritise on-site visits undertaken on a risk-based approach

Trends & Themes Since October 2011

- **Fast Track Application Process**
 - 30 / 47 Licences granted year to date
 - 8/12 Open ended funds
 - 52/59 Closed ended funds
 - Non – Guernsey Schemes
 - Forms PQ
- **Intervention**
- **Funds with problems**
- **Investor communications**



Trends & Themes Since October 2011

- Applications received year to date:

Open ended funds 12

Classes of open ended funds 188

Closed ended funds 59

Non Guernsey Schemes 24

Licensees 47

Questions & Answers

Carl Rosumek - Director

Emma Bailey - Deputy Director

Louise Bougourd - Deputy Director

