

# Conduct Unit

Jeremy Quick, Director

Rosemary Stevens, Assistant Director



# Conduct Unit

- Savings Ratio
- Trilateral approach
- One-stop shop



# Conduct Unit

Rosemary Stevens, Assistant Director

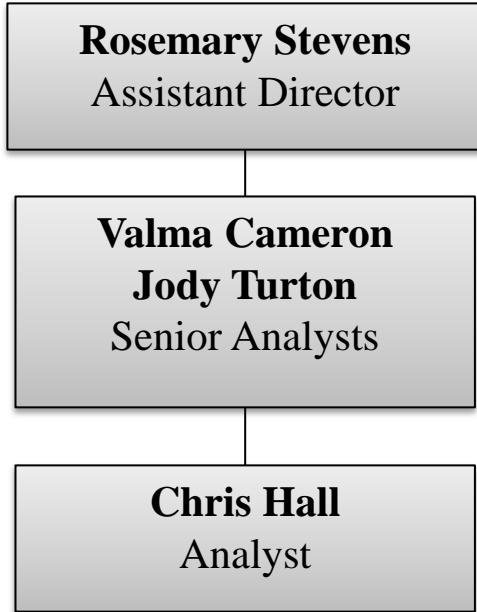


# The Common Good

- Financial stability and good quality controls on financial crime
- A fair degree of consumer protection
- Easily understood good quality rules
- Good quality interaction between the Commission and licensees



# The Conduct Unit



- Launched 1 July 2013
- To take a Commission-wide lead on conduct supervision and policy
- Manage the implementation of Guernsey Financial Advice Standards (GFAS)
- Supervision of Insurance Intermediaries

# Background to GFAS

- June 2009 the FSA published Retail Distribution Review (RDR) proposals
- October 2012 – consultation paper issued by Commerce & Employment Department
- 1 January 2013 – RDR implemented in the UK by the FCA



# GFAS - 2013

- March 2013 – Summary of Industry and Public Consultation issued by Commerce & Employment Department
- March 2013 – C&E instruction to the Commission to implement GFAS in 2015
- September 2013 – Consultation paper issued by the Commission on the proposed implementation of GFAS

# Future milestones for GFAS

- Q4 2013 / Q1 2014 – Feedback to be issued
- Q1 2014 - Confirmation of acceptable Level 4 qualifications and guidance on supervision
- 1 January 2015 – Implementation of GFAS
- 31 December 2015 – Deadline for relevant existing financial advisers to obtain an acceptable Level 4 qualification



# Enhanced Qualification Standards

- Minimum of FCA Level 4 qualification as listed by the Commission
- Minimum 35 hours relevant CPD per year
- Annual Statement of Professional Standing and
- Guernsey Insurance Certificate will remain a mandatory requirement (for AIRs)

# On-site Supervision

- Review of compliance with the Code of Conduct for Authorised Insurance Representatives and with the Licensees (Conduct of Business) Rules 2009
- Continuation of July 2012 thematic visits

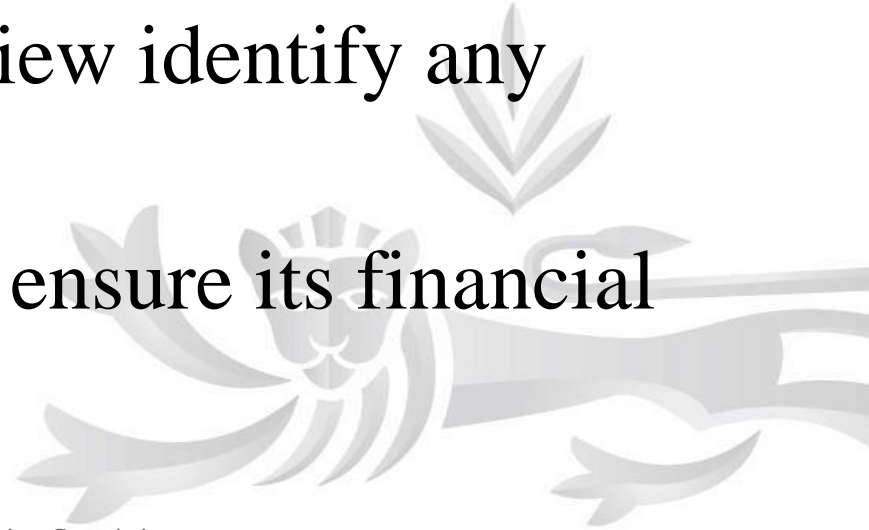
# On-site Sales Practice

- Is the product suitable for the client?
- Is the product affordable and has capacity for loss been considered?
- Was the client given the time to consider the recommendation?

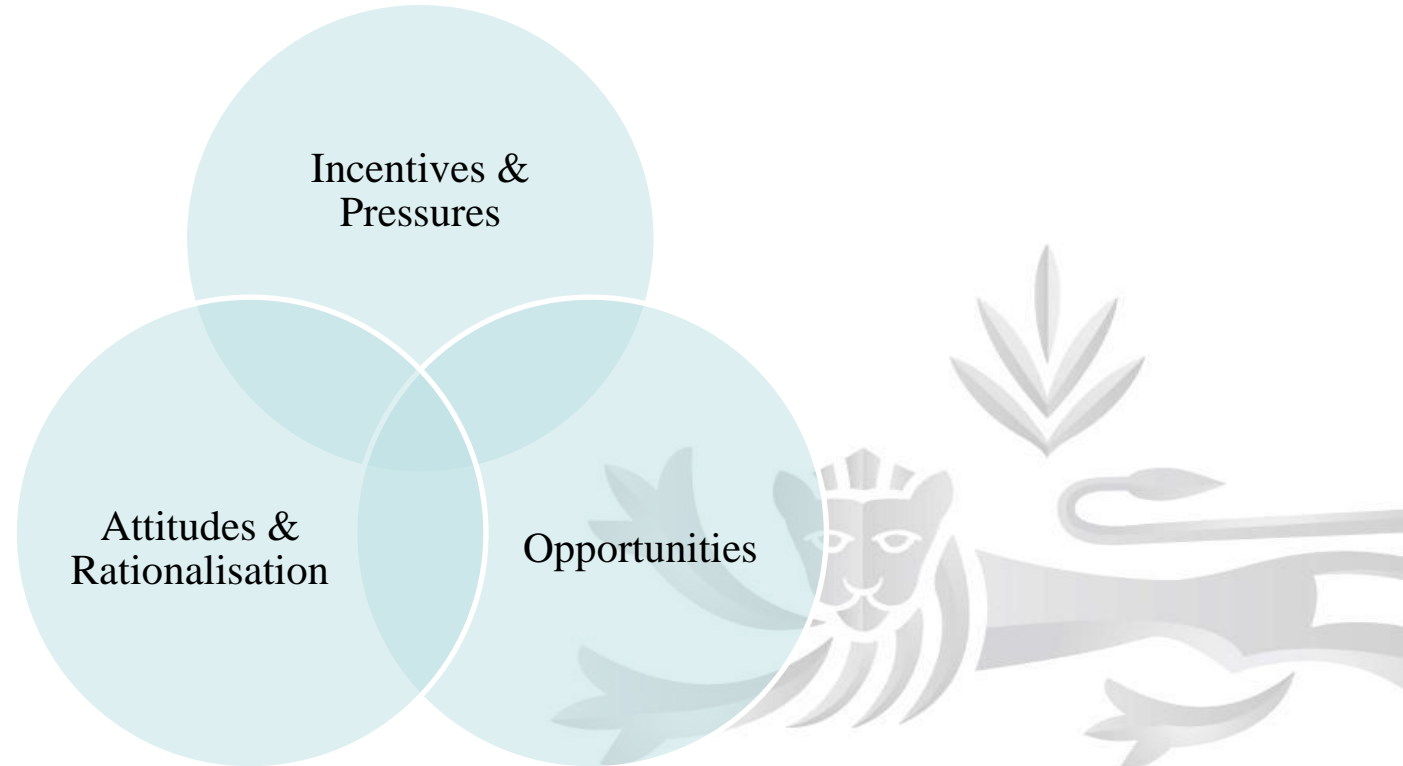


# On-site Sales Practice cont'd

- Did the peer reviewer challenge the recommendation?
- Did the compliance review identify any trends?
- How does the Licensee ensure its financial advisers comply?



# Mis-selling Risk Factors



# Other Supervisory and Policy work

- Financial Services Ombudsman Scheme
- Liaison with Citizens Advice Bureau
- Liaison with retail banking sector
- Liaison over pension charges



# Delivery on 2013 Key Objectives

- Supervisory visits and associated work
- Maintain & enhance relationships with other regulatory authorities
- Plan implementation of Guernsey Financial Advice Standards
- Undertake a thematic study of sales practices amongst insurance intermediaries

# 2014 Key Objectives

- Set GFAS rules in anticipation of implementation of GFAS in 2015
- Improve consumer information on website
- Enable two-way information flow with FSOS
- Review codes, rules and guidance
- Hold seminars



# 2014 - Other Supervisory Activity

- Thematic reviews
  - desk based
  - on-site
- Your views please

