



Guernsey Financial
Services Commission

Guernsey – International and Interconnected

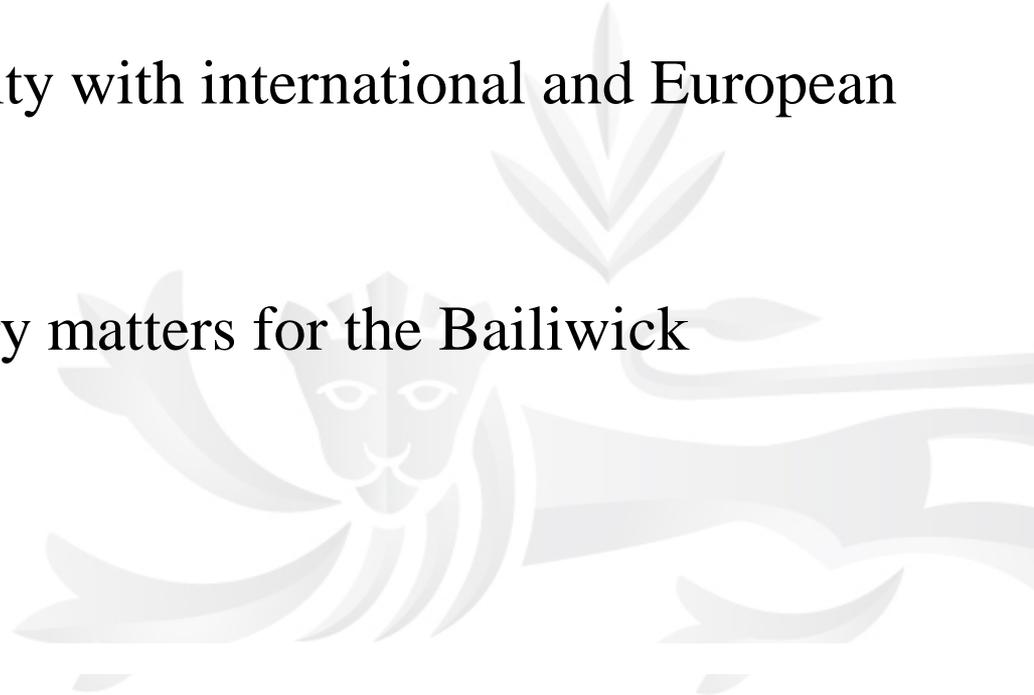
William Mason, Director General

“Some people regard private enterprise as a predatory tiger to be shot. Others look on it as a cow they can milk. Not enough people see it as a healthy horse, pulling a sturdy wagon”

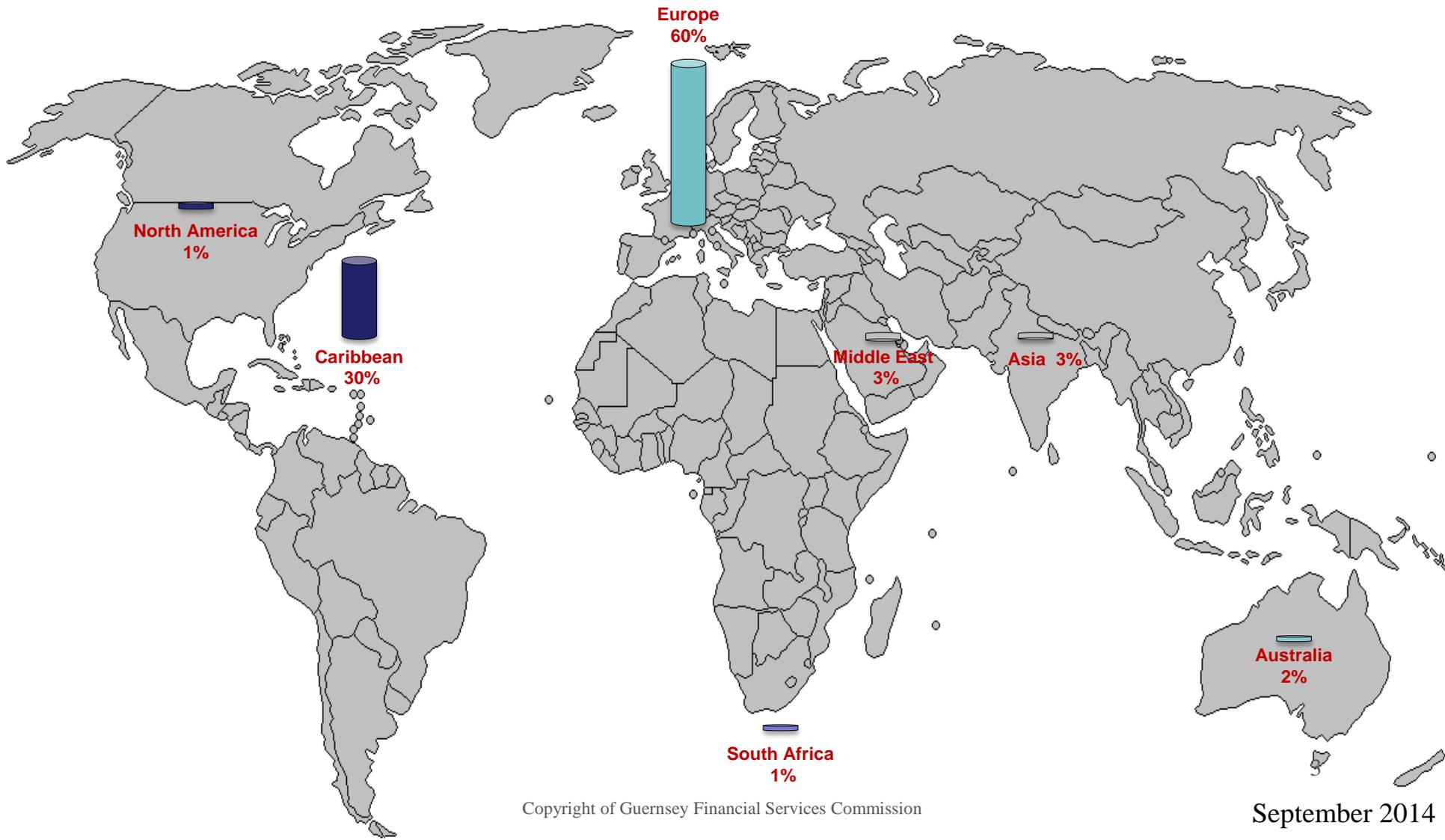
W.S. Churchill

Agenda

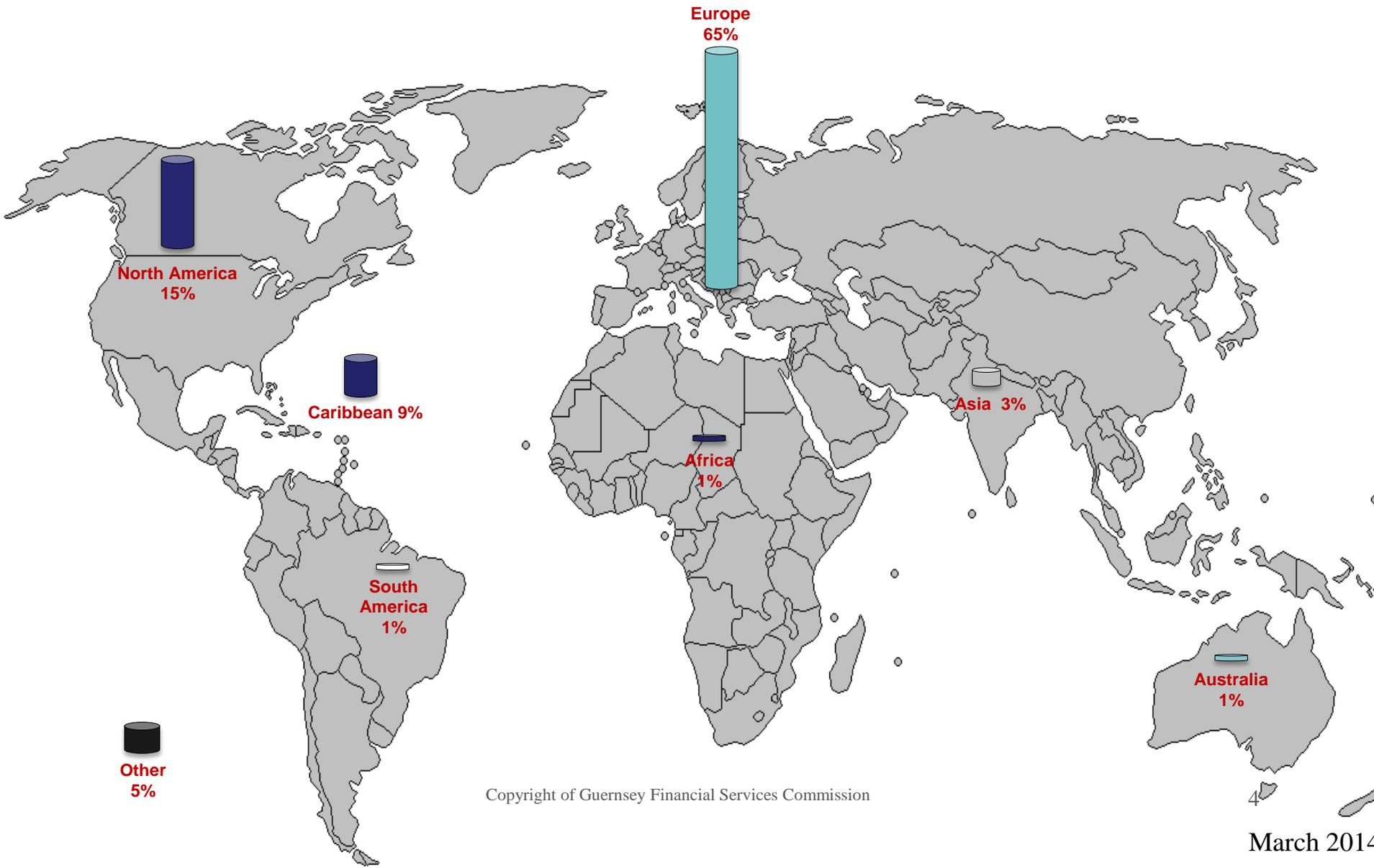
- The international connectivity of Guernsey's International Financial Centre
- The Bailiwick's connectivity with international financial standards
- The Commission's connectivity with international and European authorities
- Emerging European regulatory matters for the Bailiwick



Guernsey's financial services industry is highly dependent on international customers. The country of origin of our insurance licensees is shown below

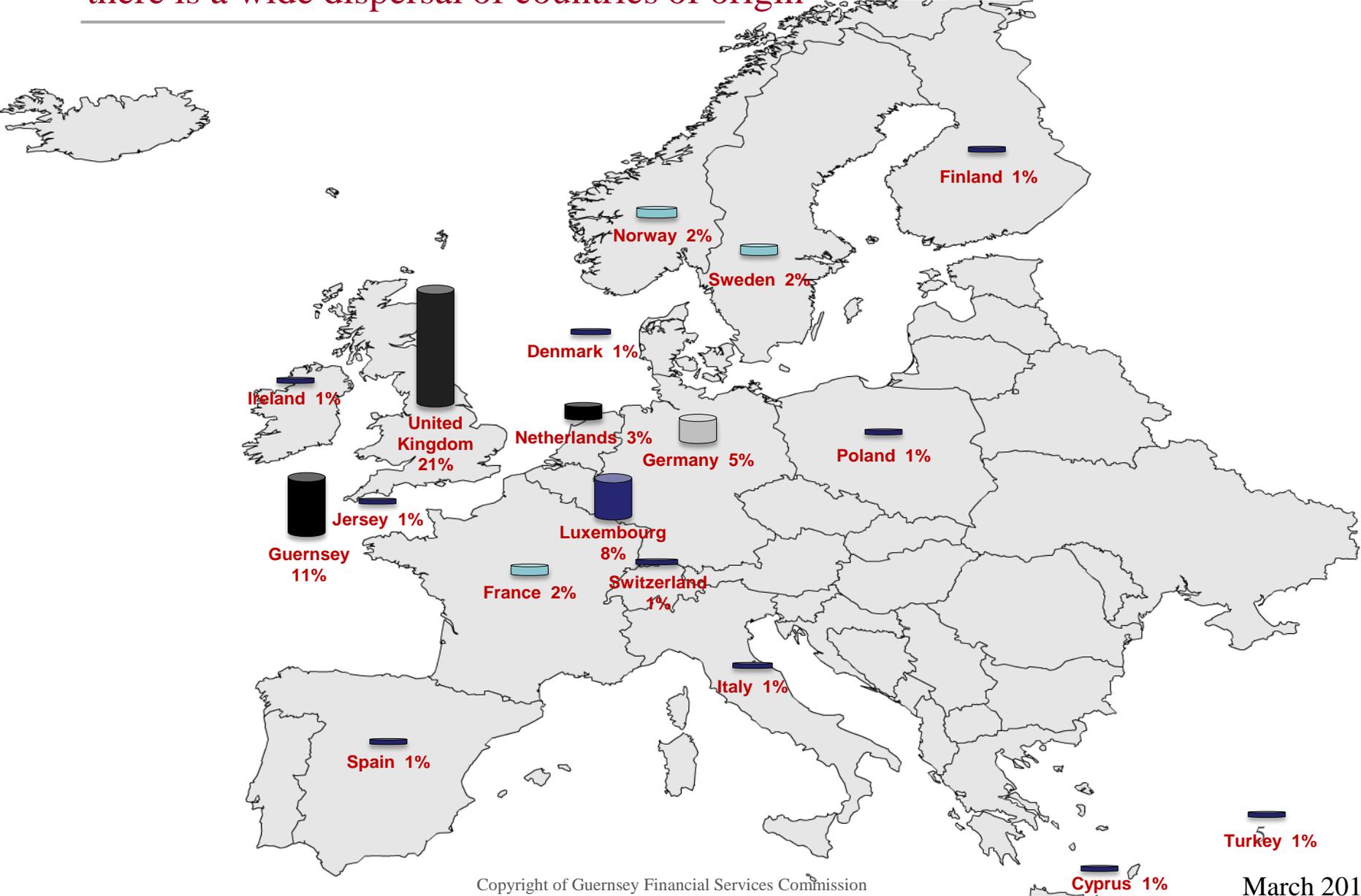


Our closed ended investment schemes originate from a wide variety of jurisdictions

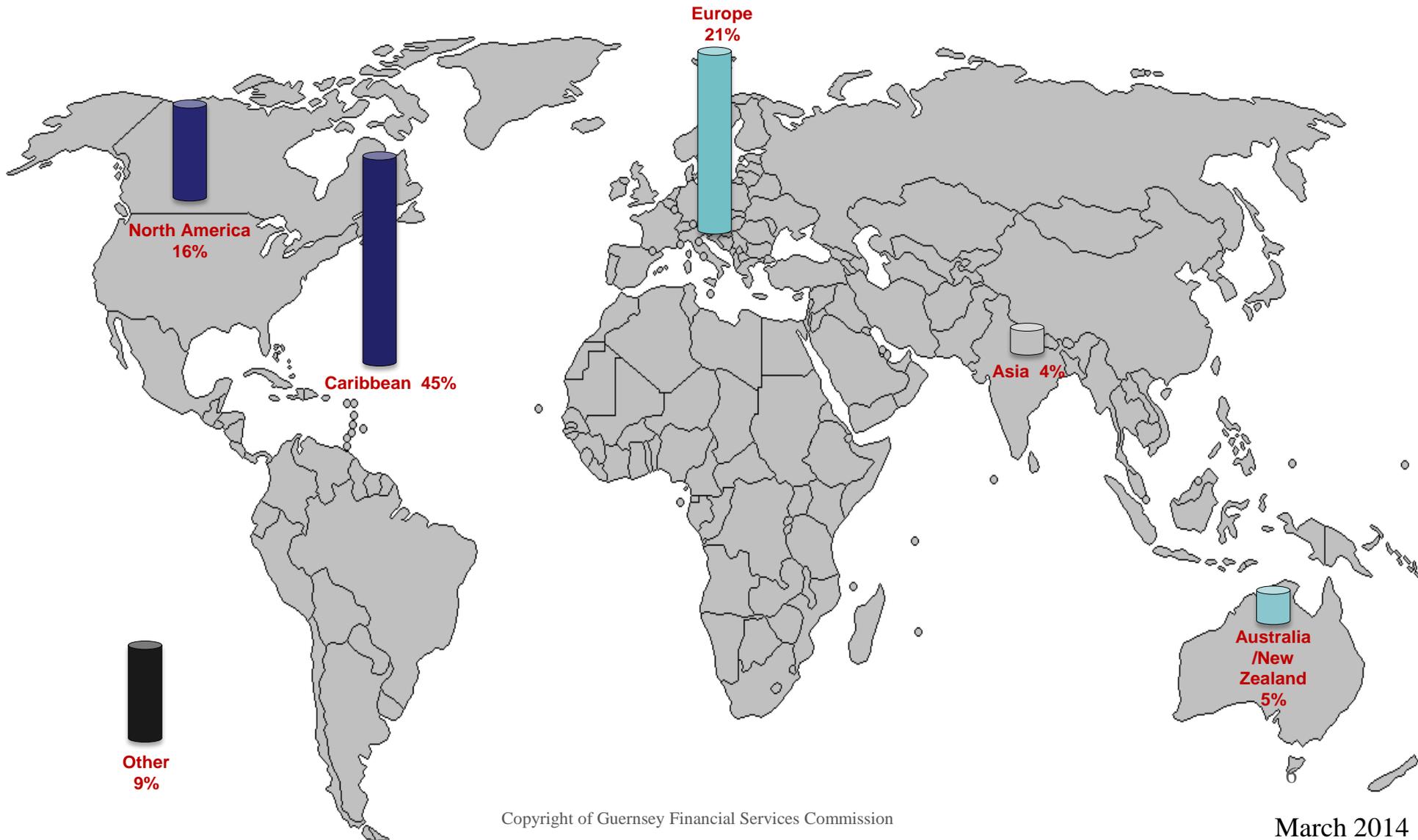


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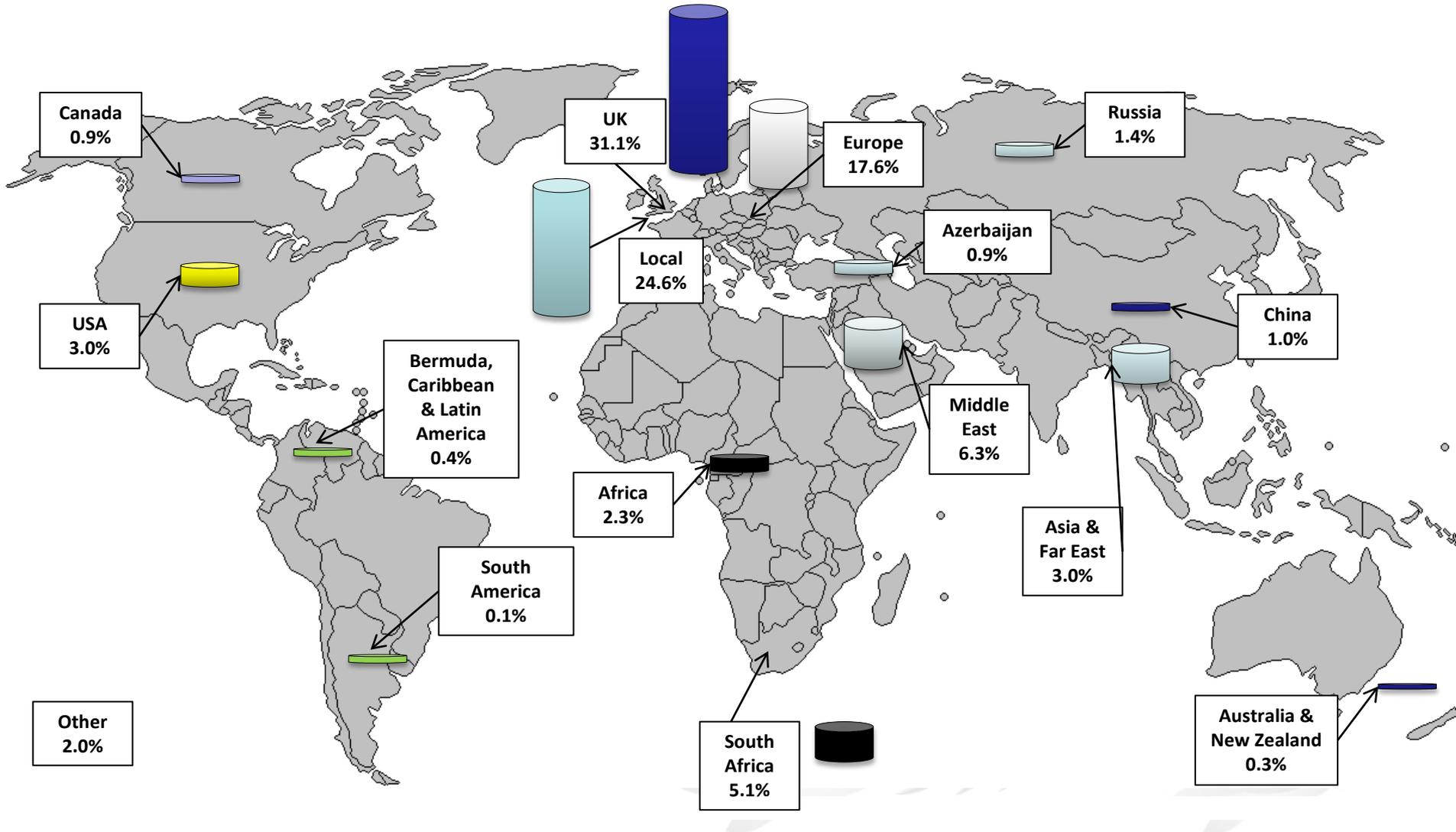
Whilst most closed ended funds have their origins in Europe, within Europe there is a wide dispersal of countries of origin



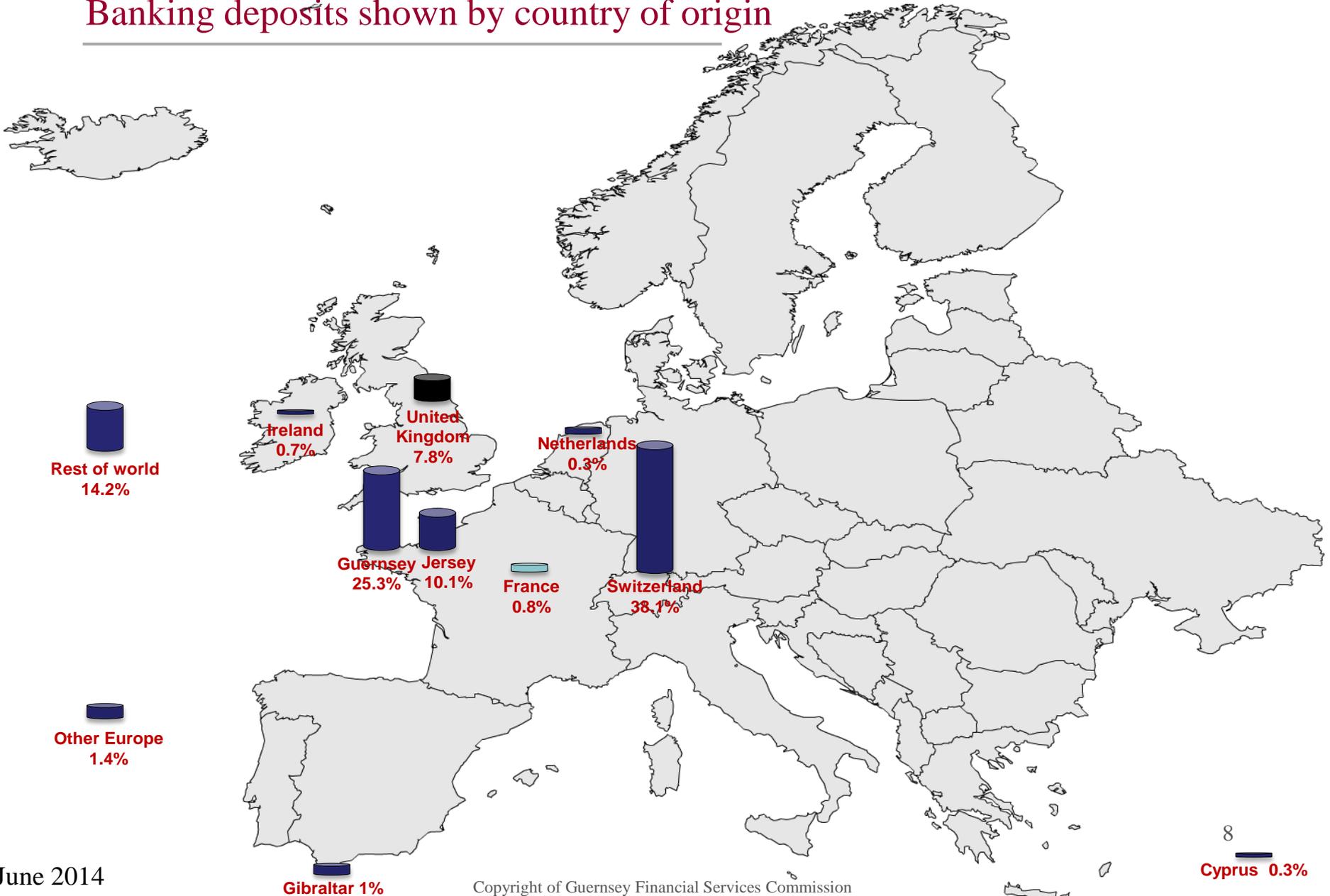
The jurisdictions of origin of our open ended funds are also widely dispersed



This map shows the geographic distribution of new fiduciary clients



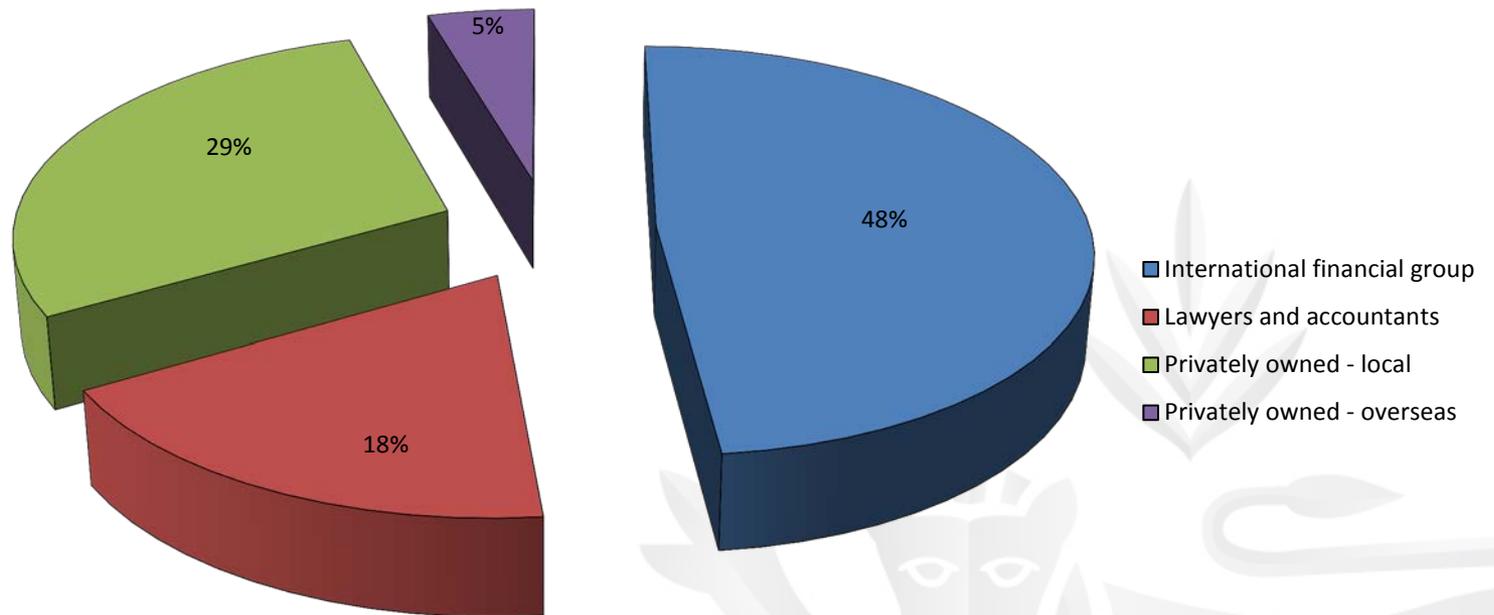
Banking deposits shown by country of origin



June 2014

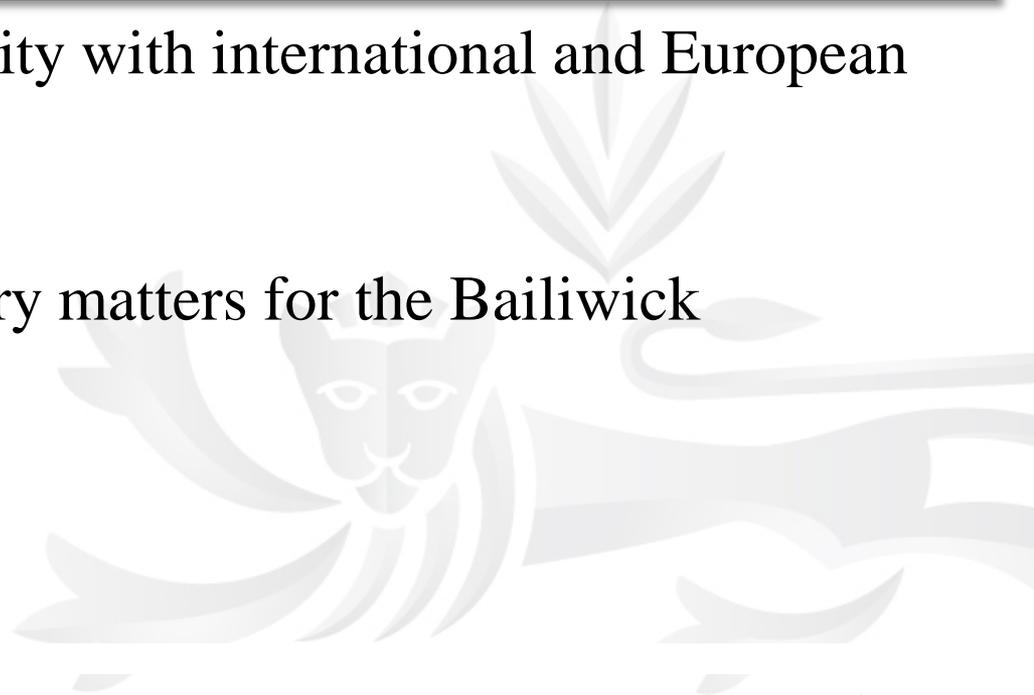
Percentage of total assets under regulated activities held by fiduciaries is shown based on ownership peer group.

All licensees

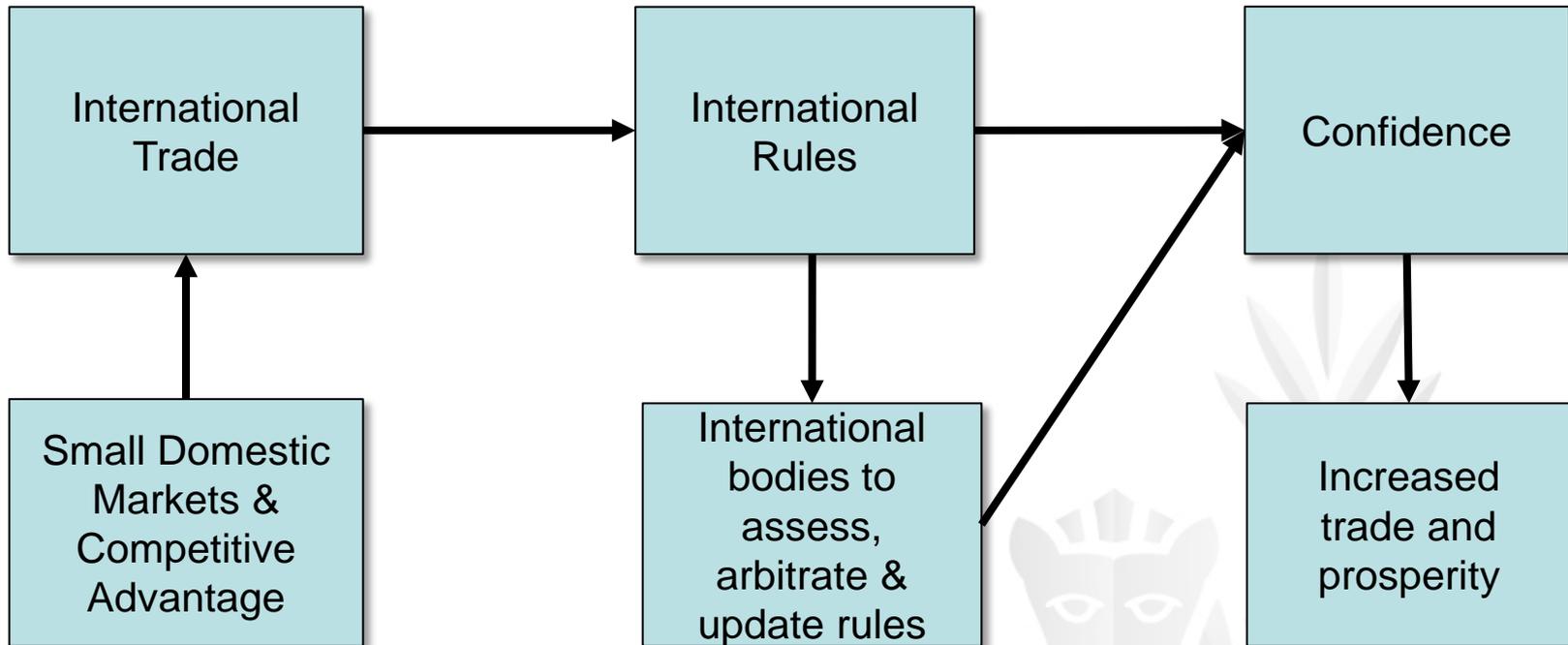


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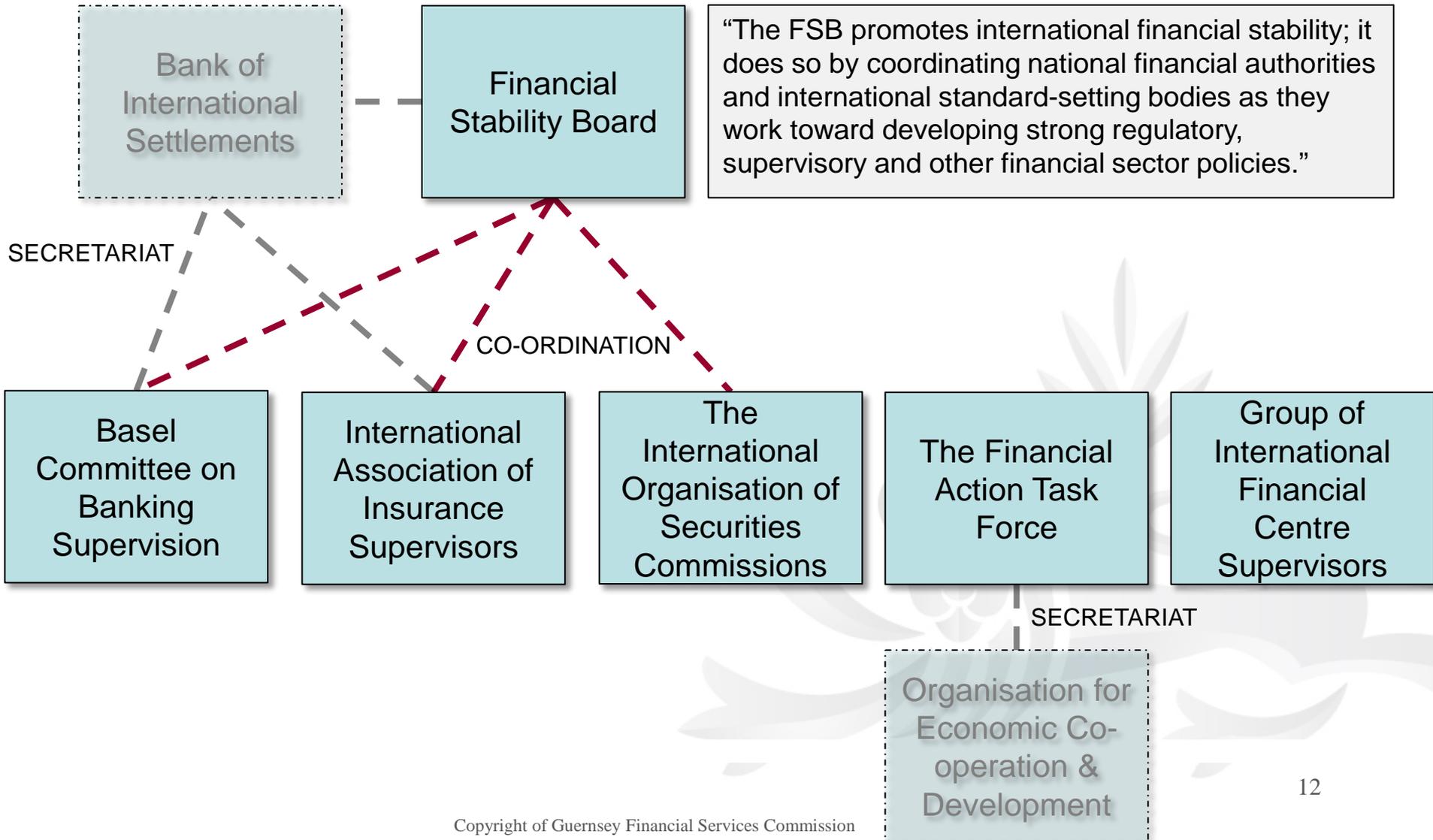


Guernsey's financial service firms do much of their trade with external counterparties and are often owned by off-island groups

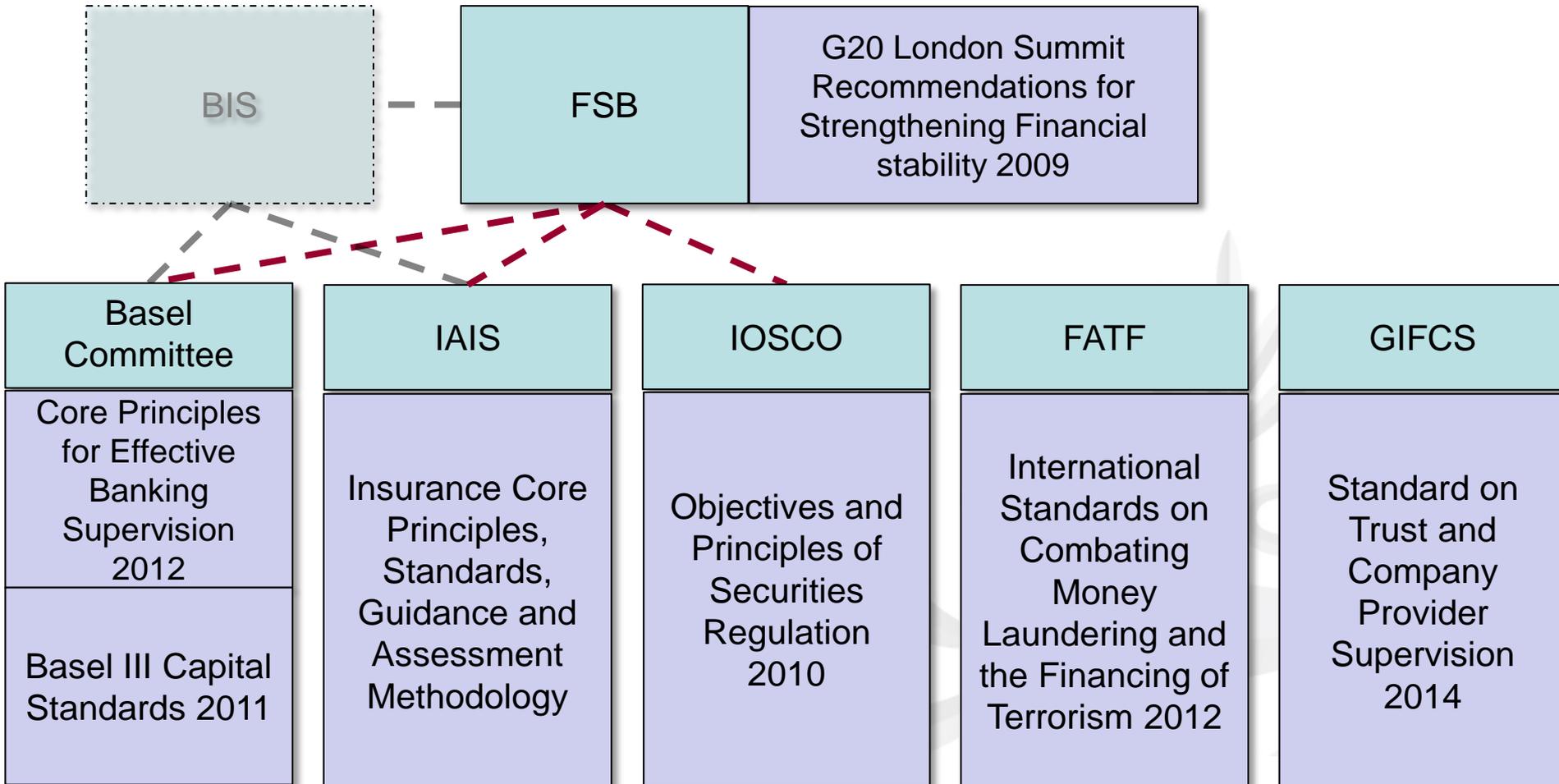


International standards are much more relevant for us than for a country whose financial service firms are focused predominantly on its domestic market

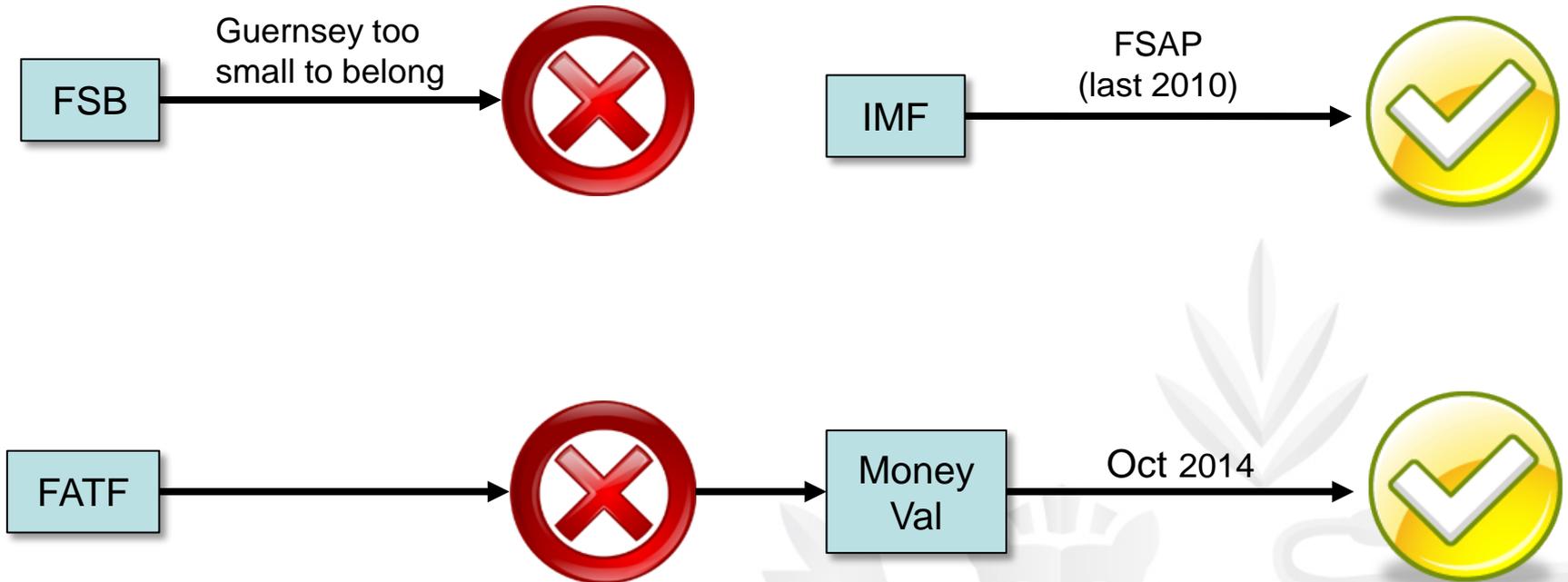
There are now a significant number of global standard setting bodies for financial services



These international bodies produce standards which national governments and regulators are expected to follow



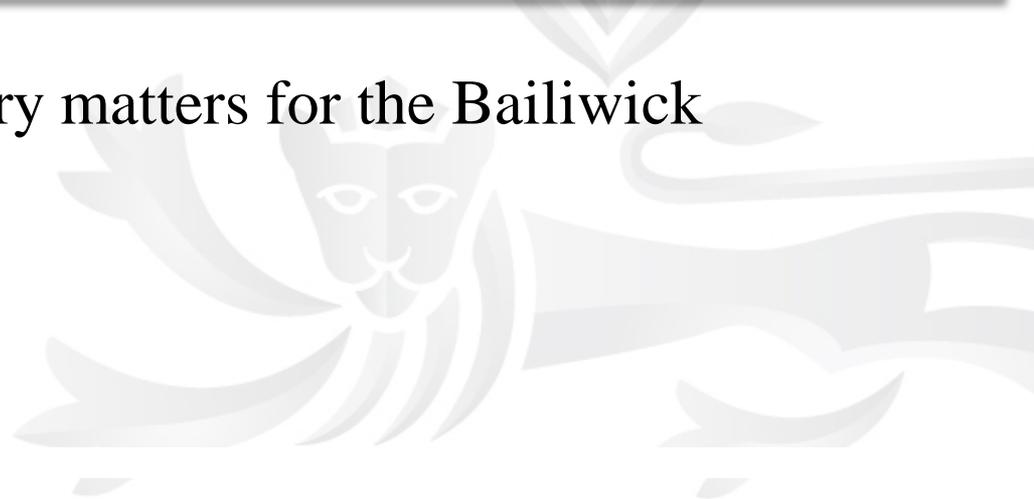
There are also several international bodies which assess how jurisdictions comply with these international standards



Non-compliance, beyond a certain point can lead to grey lists, black lists and high quality international firms withdrawing from a jurisdiction for fear of reputational and financial damage

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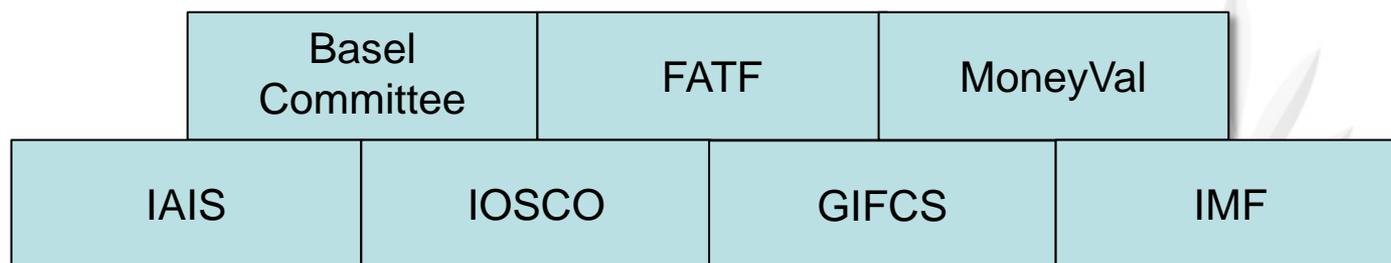


Faced with the plethora of international standards the Commission seeks to engage constructively on behalf of the Bailiwick, building its credibility

ACHIEVING EQUIVALENCE

INFLUENCING POLICY

CHALLENGING AND CHANGING PERCEPTIONS



UNDERSTANDING REQUIREMENTS

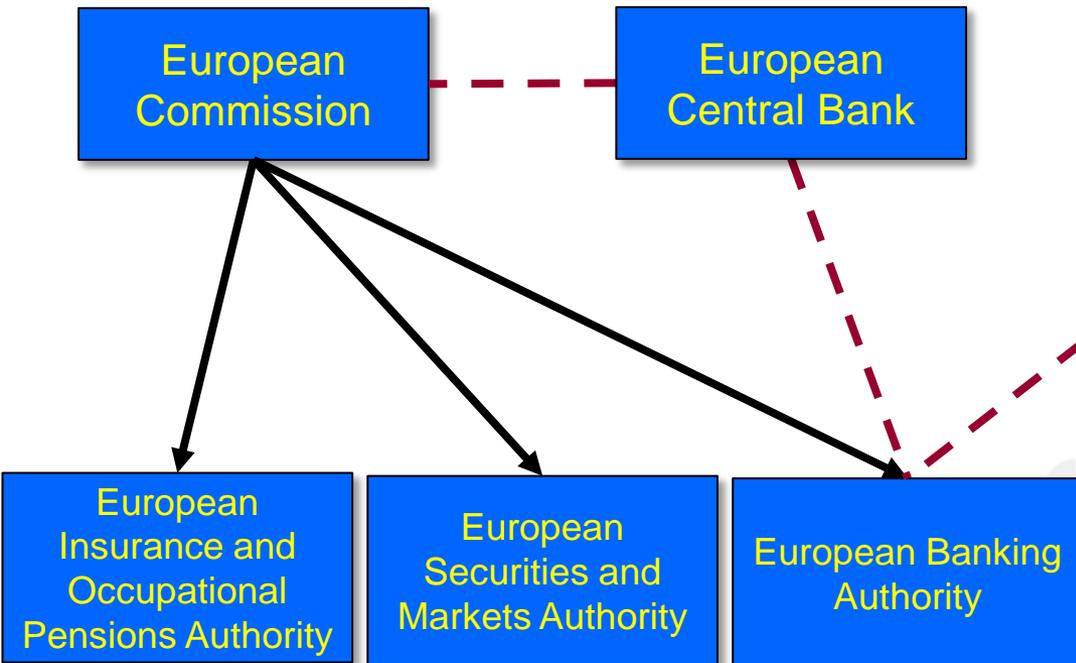
FIGHTING FINANCIAL CRIME

PROMOTING PROPORTIONALITY

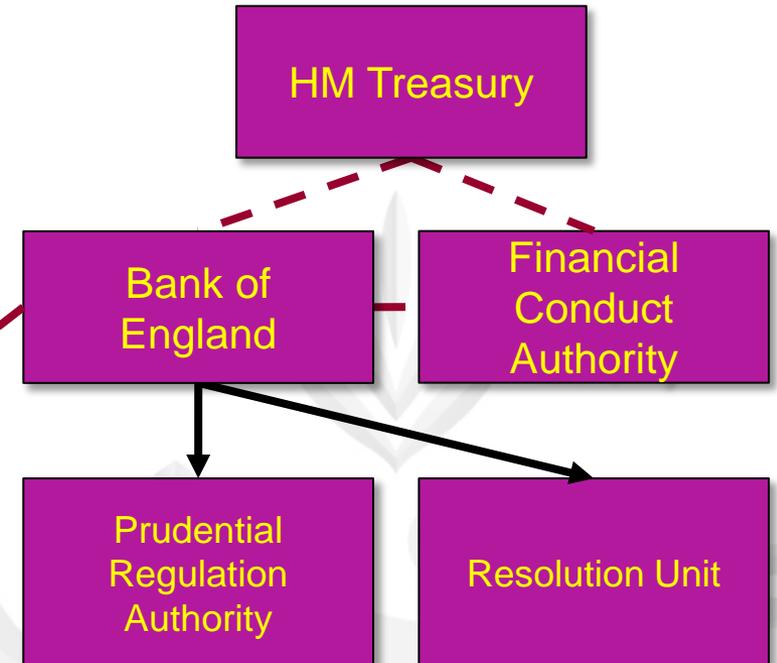
CONFIDENCE IN THE BAILIWICK

In addition to international bodies the Commission seeks to engage with EU bodies which have regulatory functions

EU Bodies with Regulatory Functions



UK Bodies with Regulatory functions



We also seek good working relationships with UK authorities as they are our most important operational counterparties, although policy responsibility is now largely ceded to the EU.

Guernsey – interconnected and international – there are threats and opportunities



“Don’t let the worship of the past or the confusion of the present interfere with realistic planning for the future”

A. Lincoln

