

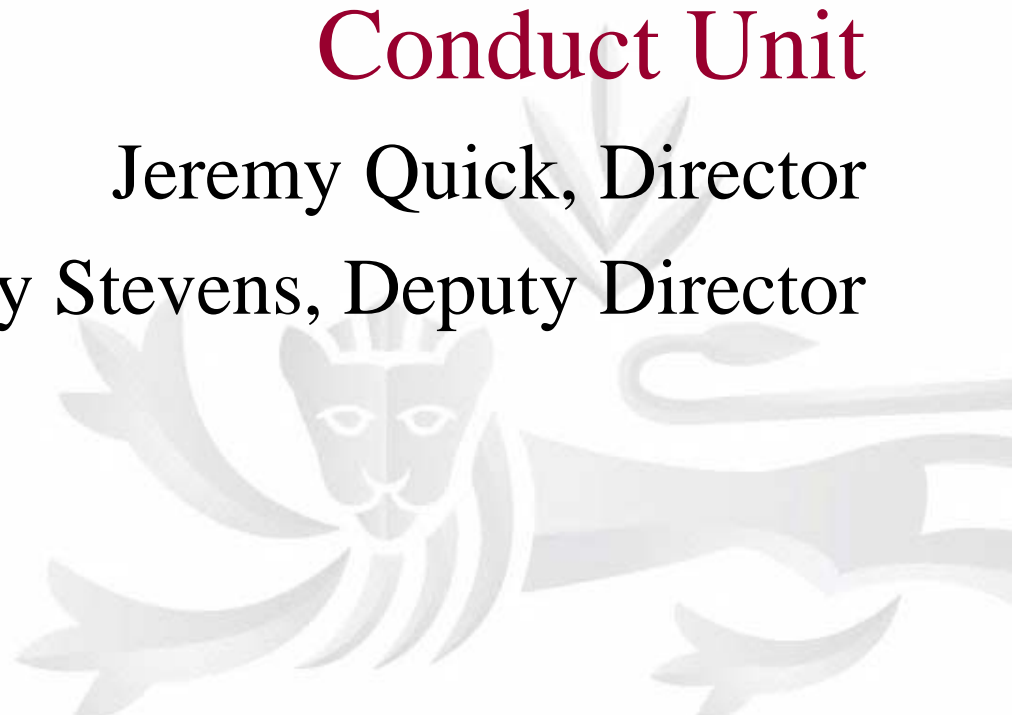


Guernsey Financial
Services Commission

Conduct Unit

Jeremy Quick, Director

Rosemary Stevens, Deputy Director



Productivity and Prosperity for the Bailiwick

The objectives of the Commission include the provision of appropriate protection to consumers of financial services products

The Conduct Unit

Today's presentation will cover:

- an update on the Guernsey Financial Advice Standards (“GFAS”);
- our on-site thematic visits and other supervisory and policy work;
- our consumer initiatives; and
- our plans for 2016 and beyond.

Background to GFAS

- June 2009 – the FSA published Retail Distribution Review (“RDR”) proposals which were implemented on 1 January 2013
- October 2012 – consultation paper issued by Commerce & Employment Department
- March 2013 – summary issued by C&E and GFSC asked to implement GFAS in 2015

GFAS – The rules and codes

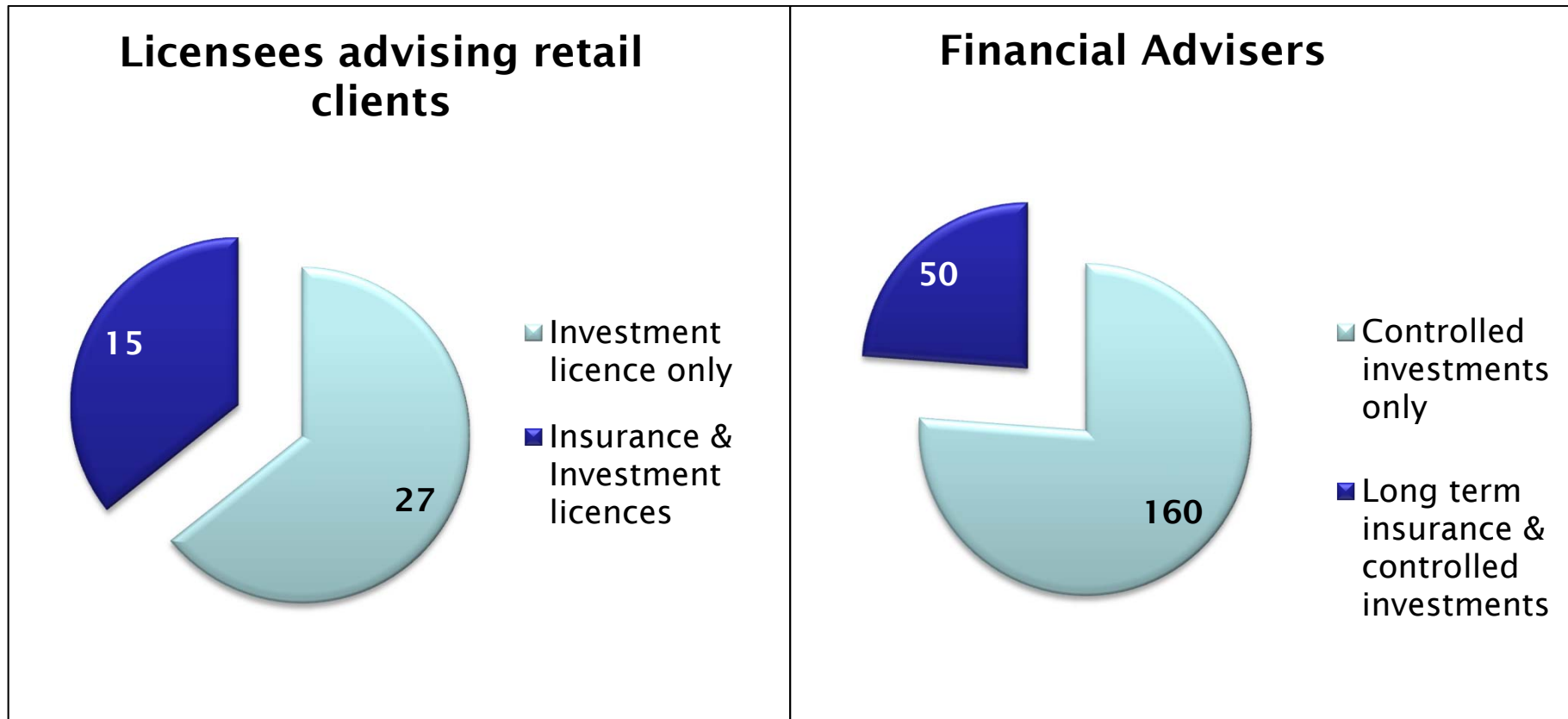
On 1 January the following became effective:

- New Conduct of Business Rules for:
 - Investment licensees;
 - Insurance intermediary licensees; and
 - Insurance manager licensees
- New Codes of Conduct for:
 - Financial Advisers; and
 - Authorised insurance representatives

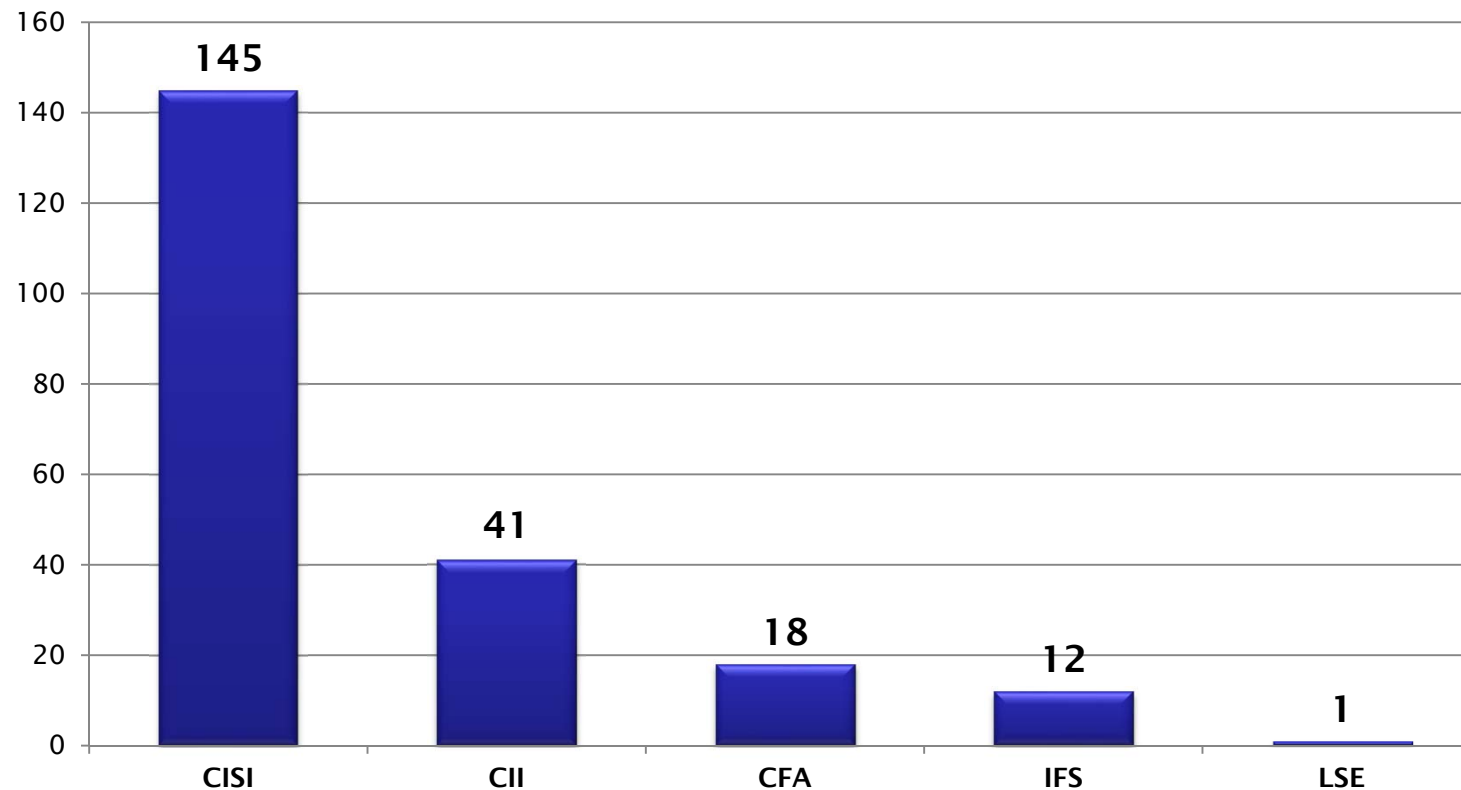
Qualification deadline for Financial Advisers

- By 31 December 2015
 - Financial Advisers must have attained an acceptable qualification, and
 - if not, they must be de-authorized by their employer and no longer provide advice to retail clients

Numbers of Licensees and Financial Advisers as at 1 January 2015



Financial Adviser Qualifications as at 1 January 2015



Competence of Financial Advisers

The *Licensee* and its *Board* shall ensure that each of its *financial advisers* hold such qualifications to at least the minimum standard as published by *the Commission* from time to time or satisfy such requirements as *the Commission* may determine and are assessed as competent to undertake that position by the *licensee*.

Guernsey Statement of Professional Standing

- Financial Advisers – apply for a Guernsey Statement of Professional Standing to:
 - CFA Society of the UK; or
 - The Chartered Insurance Institute; or
 - The Chartered Institute for Securities and Investment; or
 - The ifs School of Finance (acting through its Institute of Financial Services).

On-site Supervision

- We concluded the 2013 thematic visits on sales practices in relation to long term insurance and controlled investments; and
- this quarter our thematic visits have focused on the sale of general insurance add-on policies.

Other supervisory work

- Continued supervision of the retail banks
- Seminars for insurance intermediaries and investment licensees who provide advice to retail clients
- Meetings with insurance intermediaries regarding proposed changes to the Retirement Annuity Trust Scheme rules
- Assisting other Commission staff

Other policy work

Since last year's presentation we have been liaising:

- on the establishment of the Channel Islands Financial Ombudsman;
- with Guernsey Citizens Advice;
- with Trading Standards;
- on potential financial exclusion; and
- possible consumer credit legislation.

Consumer initiatives

Our consumer initiatives have included:

- the release of dedicated consumer pages on the Commission's website (March)
- coordinating the Stop the Scam leaflet that was delivered Bailiwick-wide (April)
- supporting Trading Standards in their Scams Awareness Month (July)

Plans for 2016 and beyond

- Complete the implementation of GFAS
- Explore consumer credit legislation
- Enhance, expand and socialise the consumer pages of our website
- Continue our liaison with the Channel Islands Financial Ombudsman
- Hold seminars for industry
- Thematic work focused on conduct