

THE FINANCIAL SERVICES COMMISSION (BAILIWICK OF GUERNSEY) LAW, 1987

GUIDANCE NOTES FOR COMPLETION OF INVESTMENT AUDITED FINANCIAL STATEMENTS AND COMPLIANCE RETURNS (LICENSEE) – FORM 142

FINANCIAL INFORMATION SECTION

Income

This is income accruing to the Licensee and may include, among others, investment management fees, administration fees and performance fees. Please note, the sections in Form 142 do not total and are not necessarily expected to do so.

- **Total income** – This means all income received, not just for regulatory business. Please take directly from the Financial Statements.
- **Fees earned from Controlled Investment Business** – This means all fee income from Category 1 and Category 2 controlled investment business conducted by the Licensee. This includes fees earned from administering POI regulated entities and regulated collective investment schemes.

Expenditure

- **Bonuses** – Total bonuses for all staff, including directors. Bonuses made by way of stock awards or any non-cash means should be calculated/stated at fair value, as would be required in the Financial Statements.
- **Directors' remuneration** – This information is requested in isolation from Bonuses. Please include here details of salaries and bonuses as well as loans made in the period and also written-off in the period.
- **Annual audited expenditure** – Please take directly from the Financial Statements.

Gains/Losses

- **Profit (loss) before tax** – Please take directly from the Financial Statements.

Assets

- **Total assets** – Please take directly from the Financial Statements.
- **Cash and cash equivalents** – Please take directly from the Financial Statements.
- **Intangible assets** – Please take directly from the Financial Statements.
- **Intra-group debtors** – This is the total inter-company debtor balances with group entities.
- **Trade receivables** – Please include management fee, administration fee and performance fee debtors in this line. If there is any provision for bad or doubtful debts, this can be a net figure.

Equity

- **Total capital and reserves** – Please take directly from the Financial Statements.
- **Total dividends paid during the return period** – Please take directly from the Financial Statements.

Capital Adequacy

If any other regulatory law takes precedence in accordance with 2.2.3 of the Licensees (Capital Adequacy) Rules 2010, please input zero in each of the below fields.

THE FINANCIAL SERVICES COMMISSION (BAILIWICK OF GUERNSEY) LAW, 1987

- **Actual financial resources** – Please refer to the Licensees (Capital Adequacy) Rules 2010 for necessary adjustments to make the Financial Resources calculation.
- **Minimum financial resources requirement** – Please refer to the Financial Resources Requirement in the Licensees (Capital Adequacy) Rules 2010.
- **Actual liquidity** – Please refer to the Licensees (Capital Adequacy) Rules 2010 for necessary adjustments to make the Liquidity calculation.
- **Minimum liquidity requirement** – Please refer to the Liquidity Resources in the Licensees (Capital Adequacy) Rules 2010.

COMPLIANCE SECTION

- **Number of regulatory breaches recorded during the period** – This means any breaches by the Licensee of the Commission’s regulatory laws, rules or guidance.

STATISTICAL REPORTING SECTION

The questions appearing in the Statistical Reporting Section are conditionally related to the main regulated activity of the Licensee. Therefore not every Licensee will be asked every question or combination of questions. Licensees should review the version of the form appearing on their specific Online Submissions timeline.

- **Total number of POI regulated collective investment schemes serviced** – “POI regulated collective investment schemes” means any scheme that is authorised, registered or classed as a Non-Guernsey Scheme under the POI Law. “Serviced” means where the Licensee has a contractual relationship with a POI regulated collective investment scheme to perform a restricted activity.
- **Gross assets under regulated activity (in Sterling)** – This means the total gross value of all Category 1 and Category 2 controlled investment business conducted by the Licensee. This includes the gross value of assets for any POI regulated entities administered by the Licensee.
- **Net assets under regulated activity (in Sterling)** – This means the total net value of all Category 1 and Category 2 controlled investment business conducted by the Licensee. This includes the net value of assets for any POI regulated entities administered by the Licensee.
- **Assets under management for top 3 clients** – This means the total value of all Category 1 and Category 2 business conducted by the Licensee, as well as the total value of any other non-POI business conducted by the Licensee.
- **Fees earned from top 5 clients** – This means any income earned by the Licensee from the client, not just fees earned from controlled investment business.
- **Number of staff** – This means the total number of full-time equivalent staff with a physical presence in Guernsey.
- **Number of Clients** – “Client” means the entity/individual with which the Licensee has a contractual relationship. This is the total number (rather than value) of clients with which the Licensee has a relationship for controlled investment business.
- **Turnover of stockbroking activities** – This means the value of stockbroking activities undertaken by the Licensee. For the purposes of this form, this includes the total consideration, including commissions, relating to these activities.