

THE ANCILLARY VEHICLE NOTIFICATION RULES and GUIDANCE, 2021

The Ancillary Vehicle Notification Rules, made in accordance with the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (“the Law”) are set out in this document. Guidance, provided by the Guernsey Financial Services Commission (“the Commission”) can be found in blue boxes.

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PART 1 INTRODUCTION

1.1 Application

Guidance Note: This document take a two-level approach –

- the Rules set out the standards to be met; and
- guidance notes present suggested ways of showing compliance with the Rules.

Licensees may adopt alternative measures to those set out in the guidance so long as it is possible to demonstrate that such measures achieve compliance.

The text contained in shaded boxes contains guidance from the Commission and does not form part of the Rules.

- (1) The Ancillary Vehicles Notification Rules apply to all notifications made, in accordance with section 20 of the Law.
- (2) The Commission may in its absolute discretion, by written notice to a licensee, exclude or modify the application of any provision of these Rules.
- (3) The Commission may issue supplementary guidance regarding the standards of conduct and practice expected in relation to any aspect of the regulatory framework. Such guidance will not constitute rules of the Commission.

Guidance Note:

The Commission recognises that there are entities, which are carrying out notifiable activities, which have historically been granted with a discretionary exemption under section 3(1)(y) of the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000.

These entities are not required to make a notification under these Rules.

However, it is encouraged that when circumstances change and the discretionary exemption reviewed, a notification is made for such entities.

For instance, where a new co-investment vehicle is established within a funds structure, the Commission would expect that a notification is also made for that exempt entity and the discretionary exemption is surrendered at the same time.

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PART 2 NOTIFICATION TO THE COMMISSION

2.1 Notifiable activities

- (1) Notifications, received by the Commission, must be in relation to the activities listed at Schedule 1.

2.2 Notification form

- (1) All notifications must be made either –
 - (a) by completing the relevant form available on the Commission's website; or
 - (b) in any such other form as the Commission may prescribe from time to time.
- (2) The licensed fiduciary making the notification must ensure that the information supplied at the time of notification is complete and accurate to the best of their knowledge.

2.3 Fee

- (1) All notifications must be accompanied by the relevant fee, as set out in the Fees Regulations.

PART 3 CHANGES TO STATUS OF NOTIFIED ANCILLARY VEHICLES

3.1 Changes to be notified to the Commission

- (1) The Commission must be notified as soon as reasonably practicable, and at the latest within fourteen days, of –
- (a) changes to any information supplied during the notification process; or
 - (b) the notifiable activities no longer qualify for such an exemption.

Guidance Note:

Examples of cases where the notifiable activity is deemed to no longer qualify for the exemption, in accordance with section 3(1)(aa) of the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020, may include –

- in relation to a carried interest vehicle or a co-investment vehicle –
 - the life of the relevant fund comes to an end; or
 - the relevant fund ceases to be authorised or registered;
- in the case of a single investor vehicle –
 - the general partner ceases to operate.

PART 4 GENERAL PROVISION

4.1 Interpretation

- (1) In these Rules terms have their ordinary meaning unless specifically defined in the Law or in these Rules.
- (2) The following definitions should be followed –

“**co-investment vehicle**” means a limited partnership, or company, administered by a licensed fiduciary, whose business is to co-invest alongside an authorised fund or a registered fund, in companies or other entities, in which the fund invests, and which is owned or controlled by the manager or the promoter of the fund;

“**carried interest vehicle**” means a limited partnership, or company, administered by a licensed fiduciary that is established with the intention to receive carried interest from an authorised fund or a registered fund; where “**carried interest**” or “**carry**” is a share of fund profits that are distributed to a fund’s management team;

“**single investor vehicle**” means a limited partnership which –

 - (a) is administered by a licensed fiduciary;
 - (b) has, as its beneficial owner, one individual or non-collective investment scheme vehicle; and
 - (c) holds assets which constitute controlled investments which are managed by a third party investment manager.
- (3) The Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016¹ applies to the interpretation of these rules.
- (4) A reference in these rules to an enactment should be taken to include any amendments, re-enactments (with or without modification), extensions and applications.

¹ Order in Council No. V of 2018, as amended.

PART 5 CITATION AND COMMENCEMENT

5.1 Citation and commencement

- (1) These rules may be cited as the Ancillary Vehicle Rules 2021.
- (2) These rules come into force on *****.

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SCHEDULE 1
Notifiable Activities

Notifiable activities	Ancillary vehicles
1. Acting as a general partner of a carried interest vehicle structured as a limited partnership 2. Acting as director of the general partner of a carried interest vehicle structured as a limited partnership 3. Acting as a director of a carried interest vehicle structured as a company	Carried interest vehicle
4. Acting as a general partner of a co-investment vehicle structured as a limited partnership 5. Acting as director of the general partner of a co-investment vehicle structured as a limited partnership 6. Acting as director of a co-investment vehicle structured as a company	Co-investment vehicle
7. Acting as a general partner of a single investor vehicle	Single investor vehicle

Guidance Note:

Only notifications in relation to the notifiable activities listed in the table above are accepted under the Ancillary Vehicle Rules 2021.

Other activities, such as the formation or administration of companies, partnerships, or other unincorporated bodies, are not accepted.

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