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EXTRACT FROM SCHEDULE 1 TO THE CRIMINAL JUSTICE (PROCEEDS OF

CRIME) (BAILIWICK OF GUERNSEY) LAW, 1999

Section 49

FINANCIAL SERVICES BUSINESSES¹

1. The businesses specified in Part I are financial services businesses for the purposes of this Law except where they are incidental or other activities falling within Part II, however, those businesses specified in paragraphs 2 to 19 (excluding paragraphs 4A and 8) are only financial services businesses when carried on by way of business for or on behalf of a customer and the business specified in paragraph 8 is only a financial services business when carried on for the account of a customer.

PART I
BUSINESSES

2. Lending (including, without limitation, the provision of consumer credit or mortgage credit, factoring with or without recourse, financing of commercial transactions (including forfeiting) and advancing loans against cheques).

3. Financial leasing.

4. Operating a money service business (including, without limitation, a business providing money or value transmission services, currency exchange (bureau de change) and cheque cashing).

4A. Buying or selling bullion or postage stamps, except –

(a) where –

(i) the business consists only in buying bullion or postage stamps from, or selling bullion or postage stamps to, persons, and

¹

Substituted by G.S.I. No. 33 of 2007 (which repealed and replaced G.S.I. No. 27 of 2002 which previously substituted this Schedule).

(ii) the value of each purchase or sale does not exceed £10,000, in total, whether the transaction is executed in a single operation or in two or more operations which appear to be linked, or

(b) selling postage stamps, in the course of –

(i) a postal services business carried on under the authority of a licence granted under the Post Office (Bailiwick of Guernsey) Law, 2001, or

(ii) a business authorized to sell postage stamps by the holder of a licence under that Law.

5. Facilitating or transmitting money or value through an informal money or value transfer system or network.

6. Issuing, redeeming, managing or administering means of payment, means of payment includes, without limitation, credit, charge and debit cards, cheques, travellers' cheques, money orders and bankers' drafts and electronic money.

7. Providing financial guarantees or commitments.

8. Trading ~~for account of customers~~ (by way of spot, forward, swaps, futures, options, etc.) in -

(a) money market instruments (including, without limitation, cheques, bills and certificates of deposit),

(b) foreign exchange, exchange, interest rate or index instruments, and

(c) commodity futures, transferable securities or other negotiable instruments or financial assets, including, without limitation,

bullion.

9. Participating in securities issues, including, without limitation, underwriting or placement as agent (whether publicly or privately) ~~for or on behalf of a customer.~~

10. Providing settlement or clearing services for financial assets including, without limitation, securities, derivative products or other negotiable instruments.

11. Providing advice to undertakings on capital structure, industrial strategy or related questions, on mergers or the purchase of undertakings.

12. Money broking.

13. Money changing.

14. Providing individual or collective portfolio management services or advice.

15. Providing safe custody services.

16. Providing services for the safekeeping or administration of cash or liquid securities on behalf of clients.

17. Carrying on the business of a credit union.

18. Accepting repayable funds other than deposits.

19.

20. Accepting deposits in the course of carrying on "deposit-taking business" as defined in the Banking Supervision (Bailiwick of Guernsey) Law, 1994.

21. Carrying on "controlled investment business" as defined in the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

22. Carrying on "insurance business" as defined in the Insurance Business (Bailiwick of Guernsey) Law, 2002, or doing anything which can only lawfully be done under the authority of a licence of the Commission under the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002,

23. Carrying on "regulated activities" as defined in the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, in circumstances where the activity is prohibited except under the authority and in accordance with the conditions of a licence granted by the Commission under section 6 of that Law (a "fiduciary licence") or carrying on by way of business the activities described in sections 3(1)(g) or (x) of that Law.

23A. Otherwise investing, administering or managing funds or money on behalf of other persons.

PART II

INCIDENTAL AND OTHER ACTIVITIES

24. (1) Any financial services business falling within paragraphs 2 to 19 carried out in the course of carrying on the profession of -

(a) ...

(b) ...

(c) an actuary where such business is incidental to the provision of actuarial advice or services.

(2) For the purposes of this paragraph, business is incidental to the provision of such advice or services, if -

(a) separate remuneration is not being given for the business as

well as for such advice or services,

- (b) such advice or services is not itself financial services business falling within paragraphs 2 to 19, and
- (c) the business being carried out is incidental to the main purpose for which that advice or services is provided.

25. The carrying on of any business in Part I -

- (a) by way of the provision of in-house legal, accountancy or actuarial advice or services to any business referred to in paragraphs 2 to 23A, or
- (b) in the course of carrying on the profession (respectively) of a lawyer, accountant or actuary for any client carrying on such a business.

~~26. Any financial services business falling within any of paragraphs 2, 3, 7, 9 and 11 or falling within paragraph 19 by virtue of it being a service carried out in relation to any such business described in those paragraphs where that business is only carried on by a body corporate ("first company") in the course of providing services to another body corporate—~~

~~(a) of which the first company is the sole shareholder,~~

~~(b) which is the first company's sole shareholder, or~~

~~(c) which has the same sole shareholder as the first company.~~

27. Activities constituting the restricted activities of dealing, advising and promotion for the purposes of Schedule 2 to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 provided that –

- (a) such activities are carried on by a person who is not

incorporated or registered in the Bailiwick,

- (b) such activities are carried on by a person who does not maintain a physical presence in the Bailiwick,
- (c) such activities are carried on from a country or territory listed in Appendix C to the Handbook,
- (d) the conduct of such activities is subject to requirements to forestall, prevent and detect money laundering and terrorist financing that are consistent with those in the Financial Action Task Force Recommendations on Money Laundering in respect of such activities, and
- (e) the conduct of such activities is supervised for compliance with the requirements referred to in item (d), by an overseas regulatory authority.

28. Any business falling within paragraph 22 which is -

- (a) carried on by a person who is licensed in the Bailiwick solely to carry on general insurance business under the Insurance Business (Bailiwick of Guernsey) Law, 2002,
- (b) carried on by a person who is not incorporated or registered in the Bailiwick,
- (c) carried on by a person who does not maintain a physical presence in the Bailiwick,
- (d) not managed in or from within the Bailiwick, and
- (e) subject to authorisation and supervision by the United Kingdom Financial Services Authority.

29. A business falling within paragraphs 2 to 18 of Part I provided that-

- (a) the total turnover of that business, plus that of any other business falling within Part I carried on by the same person, does not exceed £50,000 per annum,
- (b) no occasional transactions are carried out in the course of such business, that is to say, any transaction involving more than £10,000, where no business relationship has been proposed or established, including such transactions carried out in a single operation or two or more operations that appear to be linked,
- (c) the turnover of such business does not exceed 5% of the total turnover of the person carrying on such business,
- (d) the business is ancillary, and directly related, to the main activity of the person carrying on the business,
- (e) in the course of such business, money or value is not transmitted or such transmission is not facilitated by any means,
- (f) the main activity of the person carrying on the business is not that of a business falling within Part I,
- (g) the business is provided only to customers of the main activity of the person carrying on the business and is not offered to the public, and
- (h) the business is not carried on by a person who also carries on a business falling within paragraphs 20 to 23 of Part I."