# Schedule 2 – Compliance Return

**Compliance Return**

To: The Director of Investment Business

……………………………………………………………………………(“the Licensee”)

PERIOD OF RETURN

from…………………………(date) to …………………………………(date) (the “Period”)

We certify that the compliance return has been accurately completed in all material aspects to the best of the Licensee’s knowledge and belief.

Signed ……………………………………….. Chief Executive

……………………………………….. Compliance Officer

Dated ………………………………………..

Approved by resolution of the Board of the Licensee on ………………………...(date)

**Compliance Return**

The following questions should be answered with a YES or NO and, where indicated, appropriate details should be provided if applicable. If a particular question is inapplicable to the Licensee it should be deleted and the reason given. *The Licensees Rules* should be studied before answering the questions.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **1** | **Business** | 1.1 | Has the *Licensee* carried on any *controlled investment business* in the Period outside the restricted activities and categories stated in its Licence? | YES NO  If YES, give details |
|  |  | 1.2 | Is the *Licensee* satisfied that it has conducted its *controlled investment business* at all times in accordance with *the Law*, and all of the rules and regulations made thereunder (including the *Licensees Rules*), and any other legislation, regulation and rules as defined by Rule 3.1.2 of the *Licensees Rules*? (Please refer also to 3A.3) | YES NO  If NO, give details |
|  |  | 1.3 | Have the *audited financial statements*, submitted with this return, received an unqualified audit report from the auditors? | YES NO  If NO, give details |
|  |  | 1.4 | Has the auditor’s management letter for the *licensee* been attached? | YES NO  If NO, give reason |
|  |  | 1.5 | Have the *audited financial statements* of *collective investment schemes* for which the *licensee* acts as either *designated manager*, *principal manager* or *designated custodian* received an unqualified audit report from the auditors? | YES NO  If NO, give details |
|  |  | 1.6 | Have the auditors’ management letters for the *collective investment schemes* for which the *licensee* acts as *designated manager* been attached? | YES NO  If NO, give reason |
| **2** | **Conditions** | 2.1 | Is the *Licensee* subject to any Conditions on the Licence? | YES NO |
|  |  | 2.2 | If YES, has the *Licensee* complied with such Conditions? | YES NO  If NO, give details |
| **3** | **Compliance** |  |  |  |
| **3A** | **Compliance Arrangements** | 3A.1 | Does the *Licensee* have and make available to *directors* and *employees* (if any) written procedures which incorporate and ensure compliance with *the Law* and all of the rules and regulations made thereunder, including the *Licensees Rules*? | YES NO  If NO, give reason |
|  |  | 3A.2 | Does the *Licensee* have arrangements which it is satisfied are adequate to comply with Principle 9 (Internal Organisation) and the *Licensees Rules*? | YES NO  If NO, give details of action being taken to comply |
|  |  | 3A.3 | Is the *Licensee* satisfied that its arrangements for ensuring compliance (including complaints procedures) as required by the *Licensees Rules* have been effective throughout the Period? | YES NO  If NO, give details |
| **3B** | **Compliance Monitoring** | 3B.1 | Can the *Licensee* demonstrate that it carried out regular and sufficient monitoring procedures during the Period? | YES NO  If NO, give details |
|  |  | 3B.2 | Is the *Licensee* satisfied that sufficient action has been taken to correct deficiencies? | YES NO  If NO, give details of action still being taken |
|  |  | 3B.3 | Has the *Licensee*’s *Board* and senior management been made aware at regular intervals of compliance monitoring findings? | YES NO  If NO, give details of Board involvement |
| **3C** | **Records of Compliance** | 3C.1 | Is the record of occurrences which have, or may have, involved a breach of *the Law* and/or any of the rules and regulations made thereunder, including the *Licensees Rules*, and any other legislation, regulation and rules as defined by Rule 3.1.2 of the *Licensees Rules*, complete and accurate? **Please submit this record as part of this return.** | YES NO  If NO, explain reason, and action being undertaken |
|  |  | 3C.2 | Is there any material or significant matter or trend, revealed by such record, which should be drawn to *the Commission’s* attention? | YES NO  If YES, give details |
| **4** | **Client Money and Clients’ Assets** |  |  |  |
| **4A** | **Client Money** | 4A.1 | Does the *Licensee* have effective systems of control to enable it to comply with section 9 of the *Licensees Rules*? | YES NO  If NO, give details of action being taken |
|  |  | 4A.2 | Although forbidden by the *Licensees Rules*, did any *client money bank account* go intooverdraft during the period? | YES NO  If YES, give details of action taken |
|  |  | 4A.3 | Was the *Licensee* in compliance with section 9 of the *Licensees Rules* at all times during the Period? | YES NO  If NO, give details of breaches |
| **4B** | **Clients’ Assets** | 4B.1 | Has the *Licensee* effective systems to enable it to comply with the *Licensees Rules* in respect of *Clients’* Assets ? | YES NO  If NO, give details of action being taken |
|  |  | 4B.2 | Was the *Licensee* in compliance with those Rules at all times during the Period | YES NO  If NO, give details of breaches |
| **4C** | **Reconciliations** | 4C.1 | Have the following been performed in the Period, in the manner and at the times required by *the Licensees Rules*?   1. Client money reconciliations 2. *Client* title documents counts and reconciliations. | YES NO  If NO, give reasons  YES NO  If NO, give reasons |
| **5** | **Notifications Requirements** | 5.1 | Has *the Commission* been notified of all notifications relating to: Rules 12 and 13 of the *Licensees Rules*, any other notifications required elsewhere under the *Licensees Rules*, or any notifications required under *the Law* or the rules and regulations made thereunder, and any other legislation, regulation and rules as defined by Rule 3.1.2 of the *Licensees Rules*? | YES NO  If NO, give details |
|  |  | 5.2 | Has any event taken place which requires *the Commission’s* prior approval or statement of no objection, without the relevant approval or statement being given? | YES NO  If YES, give details |
| **6** | **Other Regulatory Action** | 6.1 | Has the *Licensee* notified *the Commission* of any relevant disciplinary action or investigation in another jurisdiction or other company in the same *group*? | YES NO  If NO, give details |
| **7** | **Completeness of Information** | 7.1 | Are there any material or significant matters concerning the *Licensee*’s *controlled investment business* or its compliance procedures which have not been disclosed to the GFSC in accordance with *the Law* and the rules and regulations made thereunder, including *the Licensees Rules*? | YES NO  If YES, give details |
|  |  | 7.2 | Are there any matters relating to an earlier compliance return or qualification in an auditor’s report which remain unresolved? | YES NO  If YES, give details |
| **8** | **Complaints** | 8.1 | Does the Licensee have a complaints policy. | YES NO  If NO, give details of action being taken |
|  |  | 8.2 | In respect of *Significant Complaints*, Licensees are required to provide the following statistical information for the Period:   1. the number of *significant complaints* received during the Period; 2. the number of *significant complaints* settled during the Period; and 3. the number of *significant complaints* that have remained unsettled three months after receipt.   Nil Returns are required. | Number:  Number:  Number: |