



Guernsey Financial
Services Commission

**CONSULTATION PAPER
NOVEMBER 2015**

**GUIDANCE NOTES – PRICING
CONTROLS IN RESPECT OF OPEN
ENDED COLLECTIVE INVESTMENT
SCHEMES**

The Guernsey Financial Services Commission invites comments on this consultation paper, preferably by e-mail, by no later than 16 December 2015.

Responses should be sent to:

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If you require assistance or clarification in respect of any aspect of the proposals prior to formulating a response, the Commission's contacts are:

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Glossary of Terms

In this Guidance Note:

Collective Investment Scheme	means any arrangement such as is identified as described in paragraph 1 of Schedule 1 to the Law that is declared by the Commission to be Open-Ended Authorised or Registered;
de minimis provisions	means as detailed in 5.4.1, - the threshold below which compensation will not normally be required to be paid to share/unitholders on a pricing error;
Law	means the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
Manager	means: (a) the designated administrator/designated manager or (b) where there is a principal manager and a designated administrator/designated manager each such person or (c) where there is more than one designated administrator/designated manager each such person;
Rules	means the Rules issued under the Law, from time to time, by the Commission in connection with Collective Investment Schemes as defined above; and
Trustee	means: <ul style="list-style-type: none">• a person designated as such by the Commission for the purposes of the Law (as designated in the Commission's authorisation or registration of the scheme under Section 8 of the Law),• a designated trustee in the case of a unit trust scheme• a designated custodian in the case of an authorised or registered scheme other than a unit trust scheme

1. Overview

Following-on from the Alternative Investment Fund Management Directive (“AIFMD”) and the issuance by the Commission of the Article 36 of AIFMD Depositary Requirements Guidance Notes, the Commission undertook to review its Incorrect Pricing of Authorised Collective Investment Schemes – Guidance Notes on Correction and Compensation.

2. What is proposed?

The Commission, in conjunction with the GIFA Custodian and Depositary Committee, has been reviewing its Incorrect Pricing of Authorised Collective Investment Schemes – Guidance Notes on Correction and Compensation which have been in force in their current format for some years.

This has been done taking into account the ‘IOSCO Principles for the Valuation of Collective Investment Schemes’ (in particular, Section 5 – ‘Pricing Errors’) and, where applicable, revisions have also been made in the context of the aforementioned Article 36 of AIFMD Depositary Requirements Guidance Notes. The result is the Guidance Note, which is attached to this consultation document, both clean and tracked versions for your ease of reference.

3. Who would be affected?

Guernsey Managers, Trustees and Collective Investment Schemes.

4. Next steps

Please respond to this consultation paper by no later than 5.00pm on 16 December 2015. The Commission will take all responses into account before publishing the Guidance Notes.