



NEWS RELEASE

Commission consults on implementation of Guernsey Financial Advice Standards (“GFAS”)

A consultation paper has been issued today by the Commission relating to the future implementation of the new Guernsey Financial Advice Standards (“GFAS”) for those providing investment advice to retail clients in the investment and insurance sectors. This move follows an earlier request from the Commerce and Employment Department (C&E) for the Commission to take appropriate steps to introduce these new standards.

This initiative has been jointly led by the Commission’s Investment Supervision and Policy Division and the Banking and Insurance Supervision and Policy Division who met with an industry working group to discuss the implementation of GFAS and has taken their feedback into account in the preparation of the consultation paper. That paper sets out the steps that have been identified by the Commission, together with the Commission’s proposals for changes to:

- the Licensees (Conduct of Business) Rules, 2009 issued under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (“POI Law”); and
- the Conduct of Business Rules and the Code of Conduct for Authorised Insurance Representatives issued under The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended (“the IMIL”).

Speaking about the launch of the consultation, Carl Rosumek, the Commission’s Director of Investment Supervision and Policy Division said *“the implementation of GFAS is intended to increase professional standards, make adviser charging more transparent and reduce potential conflicts of interest. This will contribute to the protection of the public against financial loss due to potential dishonesty, incompetence or malpractice by persons carrying on finance business.”*

Jeremy Quick, the Commission’s Director of Banking and Insurance Supervision and Policy Division explained that *“both the Commission and the Commerce and Employment Department believe that the introduction of GFAS will both protect and enhance Guernsey’s reputation as a leading International Financial Centre as well as providing better value service from more professional advisers and a more transparent fee structure - all of which should benefit consumers.”*

Of particular significance in the proposed changes will be the requirement for relevant Authorised Insurance Representatives (AIRs) and investment advisors, who are advising retail clients, to obtain a FCA level 4 qualification within a specified timescale.

A feedback statement covering the substantive issues raised by respondents will be issued by the Commission following the close of the consultation period on Friday 8th November 2013. The Commission’s newly established Conduct Unit* will take responsibility for reviewing the responses that are received and for the implementation of the final proposals once these have been determined in the light of the feedback received.

ENDS

*Note to Editors – The Conduct Unit was established in August 2013 with a remit to take a Commission-wide lead on conduct supervision and policy.