

Industry Seminar 20 October 2011

Presentation to Fund Service Providers - Extranet

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The next presentation is regarding the Commission's Extranet project. I am going to highlight to you: -

- the key benefits of the Extranet to both the industry and the Commission;
- explain how the project is internally structured; and
- finally, outline the scope, costs and timeline envisaged.

Firstly, what is it?

The Extranet will allow licensees to submit information electronically via a web portal directly to the Commission.

What are the key benefits of the Extranet?

- It will enable us to be more efficient in that time spent inputting data will be reduced, thereby enabling Commission staff to deal with licensee's enquiries more efficiently. It should provide efficiencies for licensees, in particular, with regard to the submission of statistics to the Commission. For example, potentially licensees may be able to extract information from their databases via the Extranet onto the Commission's databases.
- It will enable a better analysis of information. For example, if we receive more statistical information as part of your quarterly returns then this could reduce the number of ad hoc requests for information such as the recent Eurozone request.
- It will provide increased data security. Currently the Commission receives data in a number of formats, many of which are not secure, for example, unencrypted e-mails, USB keys and CDs and of course hard copy correspondence through the post.
- It will provide improved quality of data as there will be less chance of keying in mistakes.
- Ongoing regulatory risk will be reduced as significant issues would be flagged by the system. This will assist the Commission in taking a risk based approach to regulation.

- And finally improved business continuity, as data submitted via the Extranet will automatically be backed up to our business continuity suite.

Extranet Project Structure

The project is led by the regulatory divisions supported by IT, rather than the other way round. It will be driven by senior staff. The overall sponsor is Nik van Leuven and the project owner is Carl Rosumek. Each of the divisions are represented by staff senior enough to drive the project forward, for example I am the Investment Business Division's representative.

Scope of the Project

We are right at the start of the project; therefore we do not know what type of Extranet system will be used or the scope of information/documentation to be included in the system. All stakeholders need to be involved in the project. Hence we have already met with representatives of GIMSA to see what they consider would be beneficial for your industry sector. We are currently awaiting their written considerations. Therefore, the scope of the project will not be finalised until we receive these comments, but the system is likely to include the following:

1. Annual and quarterly returns including statistics
2. Routine notifications such as change of auditor
3. Risk Assessments
4. Forms PQ, PD and 28A

Costs

The Commission has budgeted costs for the project, but the figures cannot be finalised until we have defined the scope of the project, which will partly be down to what the Industry wants. However, we are looking for efficiency savings, for example we have visited the Guernsey Registry and had initial discussions with the JFSC.

Timeline

Our proposed indicative timeline is:

- By November 2011 – Licensee requirements taken into account
- December 2011 – Detailed specification and scope
- Quarter 1 2012 – Tender process
- December 2012 – Aim to finish the project

Conclusion

I would like to conclude by stating that this is one of the largest projects undertaken by the Commission and therefore it is important that you are involved. Furthermore, this is a

Commission wide project, so if you see areas that you think are particularly beneficial to your sector, please contact Nick Herquin or myself, or alternatively if you are a member of GIMSA contact your management committee.