

Consultation Paper

# Registered Funds

Proposed Registered Collective Investment Scheme Rules 2015



Guernsey Financial  
Services Commission

The Guernsey Financial Services Commission invites comments on this consultation paper, preferably by e-mail, by no later than Friday 27 February 2015.

Responses should be sent to:

Investment Supervision & Policy Division

Guernsey Financial Services Commission

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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:

**Emma Bailey**, Director - Investment Supervision & Policy Division

**Nick Herquin**, Assistant Director – Investment Supervision & Policy Division

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## **1. Overview**

Following amendments to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (“the POI Law”) in 2008, collective investment schemes could be either authorised or registered under the POI Law. The key difference between an authorised and registered scheme, is that in respect of registered schemes, the Commission would not undertake detailed due diligence into the parties associated with the scheme, and detailed prospectus reviews, as it would rely on the certifications provided by designated managers licensed under the POI Law. As this was a sea change The Registered Collective Investment Scheme Rules 2008 could not be offered directly to the public in Guernsey.

The Commission publically stated in guidance that it would assess licensees’ application due diligence as part of its post-facto monitoring of licensees. If the Commission were to find that certifications provided were defective, or misleading, the Commission would take action against the licensee and in appropriate cases would exclude that licensee from future participation in the self-certification programme.

## **2. What is proposed?**

Guernsey has a mature fund industry and its licensed designated managers have over six years’ experience of providing certifications to the Commission. The Commission has identified from its post-facto monitoring of licensees that in overall terms the standard of due diligence is good, and therefore, it is considered that the certification process has been a success. Accordingly, the Commission considers that it is no longer appropriate to prohibit the direct offering of registered schemes to the public in Guernsey.

It is proposed that The Registered Collective Investment Scheme Rules 2008 be repealed and replaced by The Registered Collective Investment Scheme Rules 2015 (“the draft rules”). In the draft rules the Commission has removed references to the prohibition on direct offering of registered schemes to the public in Guernsey and also corrected various typographical errors. As part of this consultation both clean and tracked versions of the draft rules have been released for your ease of reference.

The Commission is currently liaising with the Guernsey Investment Fund Association regarding Guernsey’s regulatory framework, and therefore, further changes may be made to

the registered scheme regime in the future, however, in the interim, the Commission considers that the restriction on direct offering of registered schemes to the public in Guernsey should be removed forthwith and hence the draft rules have been released for consultation.

### **3. How to respond**

The consultation period runs to 5pm on Friday 27 February 2015. Participants are encouraged to feed back any comments as soon as possible.

Responses should be sent to [minvestment@gfsc.gg](mailto:minvestment@gfsc.gg).