

**Industry Conference – 11<sup>th</sup> March 2025**

**Innovation and collaboration**

**Alison Gavey and Caroline Bradley, Co-Directors**

**Alison Gavey**

Good morning everyone

Our theme today is Innovation and Collaboration and our message is that we are open to both, we are keen to collaborate with all stakeholders in industry to take forward innovative projects that are good for the Bailiwick.

I'm happy to be able to update you on the Commission's own innovative project, the Applications and Authorisations portal, this latest major technological change centres on the work carried out by the Authorisations and Innovation Division.

We are moving towards the submission of applications via an online portal. The change in process will benefit anyone who submits an application to the Commission and also our staff who carry out the assessments on your submissions.

In a major change from our current portals, anyone can register on the portal and submit an application – you do not need to be an existing licensee or a current user of the Commission's portals.

The Commission's assessment of applications will also take place on the portal and, if successful, an applicant will receive their licence, registration or authorisation via the portal. This process will provide greater transparency to the applicant because the user will be able to see when their application is under review and the messaging facility will enable secure exchange of information during the process. The vast majority of our applications are turned around in line with our service level standards but the new system will enable us to monitor these even more closely and accurately.

One of the key messages from industry at the beginning of this process was the need for several parties to be able to collaborate on an application. We took this on board and have developed options for multiple individuals to be involved in the drafting of an application, sharing all or just specific sections, redacting where necessary and managing user permissions. Just to note

that the Authorisations team will not be able to see draft applications so just as now, the team will not see your application until it has been submitted.

The new mode of submission is not going to change our risk-based approach to applications, but we will be carrying out our assessments on the internal side of the portal, enabling us to give feedback to the applicant or to request further information or clarification. So, as you will see, the collaborative approach continues throughout the application process. We have seen a number of recent attempts by malicious individuals to use the Commission's identity to phish our licences – this new mode of submission will be more secure and help to reassure licences that their information is secure.

We have been working on the development of the portal for well over a year and we haven't been carrying out this work in isolation, we are aware that for the project to be a success it has to work for both industry and the Commission. With this in mind we have collaborated with both trade bodies and individual firms to seek input and challenge to help us fine tune the features of the portal.

The Alpha release took place on 14 November with some selected firms and a few of the most common types of application. We will continue to develop the system in response to feedback and to gradually introduce more types of applications during the period of this Alpha release which will run into Q2 of this year.

The development will bring multiple benefits to applicants; the conditionality in the applications means that only relevant questions will need to be answered. Previous submission information can be imported into new applications, reducing the need for manual input for follow-on structures or repeat submissions. All documents and correspondence will be saved along with the application, making a comprehensive audit trail, plus the ownership of both current and past submissions made via the portal can be transferred both within an organisation and to external third parties.

It is important to note that we remain at the end of the phone and happy to discuss prospective applications and innovative structures in the same way we do now. We value the early contact we have with applicants as it enables us to understand the business and to provide a steer as to what we will be looking for in an application or any particular requirements the firm might need to meet.

We will also continue to operate our Authorisations email inbox for more general enquiries.

Some of you may have seen the short video demonstration of the portal that we showed at the Commission's Finnovation event last year. The development has moved on a lot since then and we are pleased to be able to show you a more up to date version. This has been achieved in collaboration with our industry volunteers and we are very grateful for their continued input.

## **A&A Portal video**

### **Caroline Bradley**

I hope that demonstration gives you a good flavour of what to expect when the portal reaches its Beta launch and is available to all. I would encourage you to have a look at the portal when it becomes available so that you are familiar with it the next time you have an application to submit. We will of course be doing further outreach to industry, when the time comes, because we want everyone to be comfortable with the new process before we stop accepting the old word document applications.

The innovation and collaboration carried out by the Division isn't just limited to the development of the new A&A system. As already mentioned, we and our team are always available to discuss any applications or ideas you would like to raise with the Commission. The Bailiwick is very much open for new entrants into the sector and whilst we have our role as gatekeepers for the jurisdiction we also have an important role as business enablers.

The Division successfully demonstrated to MoneyVal that our market entry requirements are sufficiently robust to ensure only the right quality of business is allowed to enter the Bailiwick and, now that the development of the A&A system is well underway, we are in a position to ensure that the Bailiwick capitalises on the opportunities the completion of these two major workstreams will represent.

The A&A system will essentially be a new 'shop window' for the jurisdiction, demonstrating that we are open for business, illustrating that as a regulator we are willing to embrace the use of technology and to make it simpler to deal with the regulatory processes that come from being licenced in the Bailiwick.

We are aware that speaking to and even meeting with the regulator easily is one of the advantages the Bailiwick has over other jurisdictions when you are talking to potential applicants. We always recommend speaking to us at an early stage so we can work with you to see how the local regulatory framework may interact with your business proposal. We are currently speaking to a number of potential applicants regarding tokenisation in the investment sector, it is a development which we recognise can potentially enhance services to investors and increase efficiency and effectiveness of operations in the Bailiwick.

We thought it might be interesting for you to hear about a couple of the more interesting and innovative applications we received last year.

In the first example, the Commission was approached regarding a proposal for a fund which had an investment strategy aimed at ongoing, lifelong machine learning algorithms which made investment selections based on employing deep multiple source data analysis focused on resilient long-term capital appreciation. Early engagement with the proposed designated

administrator meant that the application process, even though it was thorough and robust, was completed in a matter of weeks. I hope this example illustrates the Commission's openness to innovative products and services.

Another example concerns an insurance structure to facilitate insurance and reinsurance capacity for war risks in Ukraine. This project was discussed with the Commission very early in 2024 when we did a Teams call with some of the project team from Aon in Guernsey and their client, the European Bank for Reconstruction and Development. This discussion was really helpful for us to understand the proposal and, I hope, for the EBRD in getting comfortable with Guernsey as a jurisdiction. We then held an in person meeting later in the year, when the plans were more developed, and all of this meant that when the application was received it only took around three weeks until we issued the insurance licence.

We would encourage all of you to make use of our Sound Box facility when developing proposals for you or your clients as this is certainly a key way in which we can collaborate with you as you innovate. We can draw on the resources and subject matter experts from around the Commission to ensure you know what is required for the application, and what to expect from the supervisory teams after the licence is issued.

Finally we should mention our personal questionnaire update project. Some recent analysis has shown us that around 50% of individuals who hold a supervised role have not updated their personal questionnaire for more than three years and many of those are considerably older than that. It is important that the Commission ensures that we hold accurate information on individuals and therefore we have embarked on a project to encourage those individuals to log on to the PQ portal and update their information. This is really simple to do and we have a support function available for anyone struggling with logging in if they haven't done so for a while. In a few month's time it will become a requirement for individuals to revalidate the information on their PQ when submitting a new appointment if the PQ has not recently been reviewed or revalidated. So whilst you are all here today it is a good opportunity to remind you all to log on and check that your information is up to date.

Thank you all for listening and we look forward to seeing you in person soon.