



Guernsey Financial  
Services Commission

Consultation feedback

# Anti-Greenwashing Guidance and update to the Finance Sector Code of Corporate Governance



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## **1. Introduction**

This paper provides feedback on the responses received to the Commission’s consultation on the proposed introduction of a new Guidance Note on Anti-Greenwashing and proposed updates to the Finance Sector Code of Corporate Governance. These two proposals formed Schedules 1 and 2 respectively of the Commission’s Feedback and Consultation paper titled “Enhancing Biodiversity – Sustainability Reporting in the Bailiwick of Guernsey” issued on 30 July 2025. These Schedules are referred to in the following sections as the Consultation Paper or “CP”.

It explains how we have responded to that feedback, and, where considered appropriate, how this has impacted any changes we have made to the final versions of the Guidance Note and to the Code from the proposals originally put forward.

### **Who is affected by the new Guidance Note on Anti-Greenwashing?**

The new Guidance Note on Anti-Greenwashing will apply to all persons who are licensed under one or more of the Commission’s supervisory laws.

### **Who is affected by the updates to the Finance Sector Code of Corporate Governance?**

The updates to the Finance Sector Code of Corporate Governance will impact all companies who are subject to that code – these may be summarised as companies which hold a licence under one of the following laws (subject to certain exemptions as set out in the Code), or are companies authorised or registered as collective investment schemes under (a) below:

- a) The Protection of Investors (Bailiwick of Guernsey) Law, 2020;
- b) The Banking Supervision (Bailiwick of Guernsey) Law, 2020;
- c) The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020;
- d) The Insurance Business (Bailiwick of Guernsey) Law, 2002 (please note that only Appendix 3 of the Code applies to persons licensed under this law);
- e) The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002; and
- f) The Lending Credit and Finance (Bailiwick of Guernsey) Law, 2022.

## **2. Background**

### **Anti-Greenwashing Guidance Note**

The CP sought comments on the proposed introduction of a new Guidance Note on Anti-Greenwashing. The proposal came about following feedback received to an earlier Discussion Paper (The Future of Sustainability Reporting in the Bailiwick of Guernsey issued in July 2024, the “Discussion Paper”), where the majority of respondents were generally supportive of the introduction of anti-greenwashing provisions.

In drafting the proposed Guidance Note the Commission was conscious that the Minimum Criteria for Licensing includes a duty to act with integrity, probity, competence, experience and soundness of judgement. The Commission considers that this encompasses not engaging in, or otherwise knowingly facilitating, greenwashing.

To that extent, the new anti-greenwashing guidance, whilst clearly demonstrating the Commission's stance on the practice, should not be onerous or introduce new obligations for well-managed licensees who are already fulfilling the aforementioned duties which form part of the Minimum Criteria for Licensing.

### **Finance Sector Code of Corporate Governance**

The CP also sought comments on a proposed amendment to the Finance Sector Code of Corporate Governance to include the consideration of relevant environmental sustainability risks by the Board. This proposal resulted from the acknowledgement of many in their feedback to the previously mentioned Discussion Paper of the growing importance of considering a wider range of environmental risks beyond just climate change.

Both of the proposals sought to reflect the Bailiwick's attitude as a forward thinking, responsible and well-respected financial centre, without placing overly burdensome requirements on firms which are already well run and in practice would already be meeting the expectations which the proposals would introduce.

## **3. Responses**

### **Feedback Summary**

Only a very limited number of responses were received in respect of the proposals raised in the CP. The Commission takes this low rate of response as an indication that the majority of parties who would be impacted by the proposals are in agreement, or are at least content, with what has been proposed. This position is perhaps not entirely unexpected, given that the drafting of the CP already took into consideration the much larger volume of feedback received from the Commission's initial Discussion Paper which gave rise to the CP.

The following sections aim to address any possible misunderstandings regarding the proposals, respond to certain comments received where appropriate, and explain the course of action we intend to take.

### **Anti-Greenwashing Guidance Note**

Noting that the majority of respondents to the original DP were supportive of the introduction of anti-greenwashing provisions, the Commission sought to create guidance that effectively documents what is already implicitly expected of licensees in meeting the Minimum Criteria for Licensing.

It was not intended to create new obligations but rather, to reinforce existing requirements for licensees to be fair, clear and not misleading in their communications and dealings with their existing, and potential new, customers and other stakeholders. In particular, and in order to address certain concerns raised as part of the consultation, the contents of the Guidance Note are not intended to generate new responsibilities for Designated Administrators of Authorised or Registered Collective Investment Schemes, where those Designated Administrators are not responsible for preparing the Prospectus of the Scheme.

The Commission has made some minor amendments to the Guidance Note to help avoid any misunderstanding in this respect.

The new guidance clearly demonstrates the Commission's stance on the practice of greenwashing, both to observers on the international stage as well as to all persons wishing to conduct finance business in the Bailiwick, whilst not being onerous for well-managed firms for whom fairness and transparency are already embedded as core attributes.

## **Amendments to the Finance Sector Code of Corporate Governance**

### **Part 5 of the Code:**

Again, the proposed amendments to the Finance Sector Code of Corporate Governance reflect the largely supportive stance of respondents to the Commission's earlier Discussion Paper, with many respondents agreeing that expanding the Code to include broader environmental risks is a logical and necessary step, which reflects the growing recognition of the importance of environmental sustainability alongside climate-related risks.

A very limited number of respondents to the CP felt that biodiversity risks might not apply equally to every licensee (or even at all to some), and therefore the proposed amendment to the guidance within the Code that all boards should consider the impact of relevant environmental sustainability risks *including climate change and bio-diversity risks*, could be onerous or inequitable. Equally, small numbers questioned whether the guidance should rather be amended to refer to "*material* environmental sustainability risks, including climate change and biodiversity risks", and to then let the board determine whether they are material or not.

The Commission would like to emphasise that it is not proposing to amend the Principle (number 5) of the Code which would continue to state that the "The Board should provide suitable oversight of risk management and maintain a sound system of risk measurement and control." We are of the opinion that this Principle remains valid, relating as it does to any risk that a business faces.

Whilst environmental sustainability risks (including climate change and bio-diversity risk) will clearly have different levels of impact and materiality to each different licensee, it is only by first considering those risks that a board will be able to determine what that impact and materiality (if any) will be to its specific business. It may well transpire that after having given due and appropriate consideration to these risks, that a board concludes that the risk is low or not material. However, it is important that consideration is at least given in order to be able to reach any such determination in a properly informed manner.

It is also important that these risks are periodically re-considered, as both the risks themselves change and as a licensee's business model and those of its suppliers, service providers and key stakeholders evolve.

The Commission is therefore proceeding with the changes to paragraph 5.2.1 of the Code as proposed in the CP and considers that the amendments should not prove onerous to well-run boards who should already be taking consideration of all risks faced by their business.

### **Appendix 3 to the Code:**

The CP also proposed a change to paragraph A:18 of Appendix 3 to the Code (which relates specifically to Licensed Insurers). The proposed change mirrored the changes to paragraph 5.2.1 of the Code as referred to above.

One respondent requested clarification on whether the referenced risk pertains to the insurer's portfolio or to the insurer itself. This is not a new matter brought about by the changes proposed in the CP, and the same clarification would apply to the current wording of the Code. In this respect, an insurer's business strategy and risk profile should consider all of the risks to which the business is exposed, including its portfolio. For the avoidance of doubt this is not intended to restrict the range or type of assets in the insurer's portfolio.

The Commission will proceed with the changes to paragraph A:18 of Appendix 3 to the Code as proposed in the CP. Again, this change should not prove burdensome to well-run boards of insurers who should already be taking consideration of all risks faced by their business.

#### **4. Next steps/Conclusion**

The new Anti-Greenwashing Guidance Note will be officially issued by the Commission in final form on 1 February 2026. It will apply to all persons licensed under one of the Commission's supervisory laws and will take effect from that date. A copy of the amended Guidance Note is attached at Appendix 1.

The amendments to the Finance Sector Code of Corporate Governance, as proposed in the CP will also come into effect on 1 February 2026. A copy of the amended paragraphs 5.2.1 of the Code and A:18 of Appendix 3 to the Code is attached at Appendix 2. The full Code in its amended form may be found on the Commission's website [link](#).

The Commission would like to thank all persons who responded to the CP as well as those respondents to the original DP for their valued input.

## Appendix 1



### **Guidance Note on Anti-Greenwashing for entities licensed under the Commission's Supervisory Laws**

All persons licensed by the Commission under its supervisory laws have an ongoing duty to meet the Minimum Criteria for Licensing, as set out in such laws. Such criteria include requirements to operate with "Integrity and Skill", which embrace, amongst others, acting with integrity, professional skill and in a manner which will not tend to bring the Bailiwick into disrepute.

The Commission considers that this encompasses an implicit duty not to engage in, or otherwise knowingly facilitate, greenwashing.

As such, the Commission would expect that where a licensee issues, or approves the issue of, a communication in relation to a product or service it should ensure that any reference to the environmental sustainability characteristics of the product or service are: –

- (a) consistent with the environmental sustainability characteristics of the product or service; and
- (b) fair, clear and not misleading.

Where a communication issued, or approved for issue, by a licensee includes a prospectus or other offering document (regarding a product or service) which is prepared by an unrelated third party, it is accepted that the licensee cannot be directly responsible for ensuring the veracity of any claimed environmental sustainability characteristics described in that third party prospectus or offering document.

Nonetheless, a licensee should not communicate a prospectus or offering document where it knows, or should reasonably be expected to know, that it contains incorrect or misleading information.

The Commission treats material breaches of any aspect of its Minimum Criteria for Licensing very seriously.

Date: 1 February 2026

## Appendix 2

Text of the amendments made to the Finance Sector Code of Corporate Governance with effect from 1 February 2026 – underlining represents new text and where text is removed, this is shown with a strikethrough:

Code:

### 5.2.1 ~~Climate Change~~ Environmental Sustainability Risks

The Board should consider the impact of ~~climate change~~ relevant environmental sustainability risks, including climate change and biodiversity risks, on the firm's business strategy and risk profile and, where appropriate in the judgement of the board, make timely ~~climate change related~~ disclosures relating to these.

Appendix 3 Licensed Insurers:

A:18 - The Board should consider the impact of ~~climate change~~ relevant environmental sustainability risks, including climate change and biodiversity risks, on the insurer's business strategy and risk profile and, where appropriate in the judgement of the board, make timely ~~climate change related~~ disclosures relating to these.

The full text of the amended Code may be found on the Commission's website [link](#).