

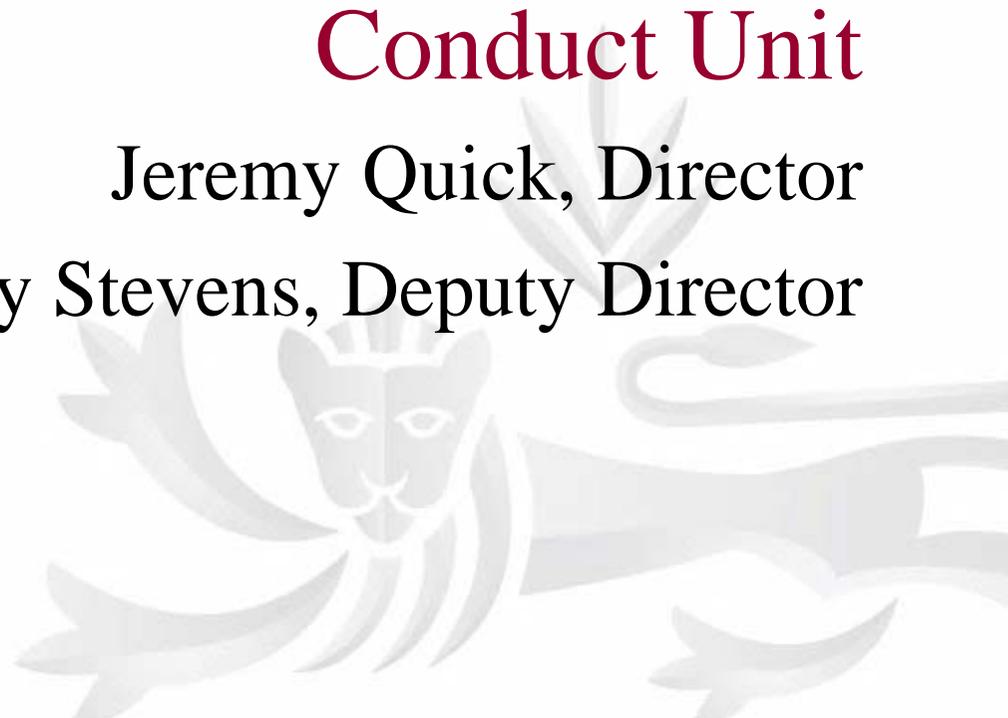


Guernsey Financial  
Services Commission

# Conduct Unit

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# Productivity and Prosperity for the Bailiwick

The objectives of the Commission include the provision of appropriate protection to consumers of financial services products

# The Conduct Unit

Today's presentation will cover:

- an update on the Guernsey Financial Advice Standards (“GFAS”);
- our on-site thematic visits and other supervisory and policy work;
- our consumer initiatives; and
- our plans for 2016 and beyond.

# Background to GFAS

- June 2009 – the FSA published Retail Distribution Review (“RDR”) proposals which were implemented on 1 January 2013
- October 2012 – consultation paper issued by Commerce & Employment Department
- March 2013 – summary issued by C&E and GFSC asked to implement GFAS in 2015

# GFAS – The rules and codes

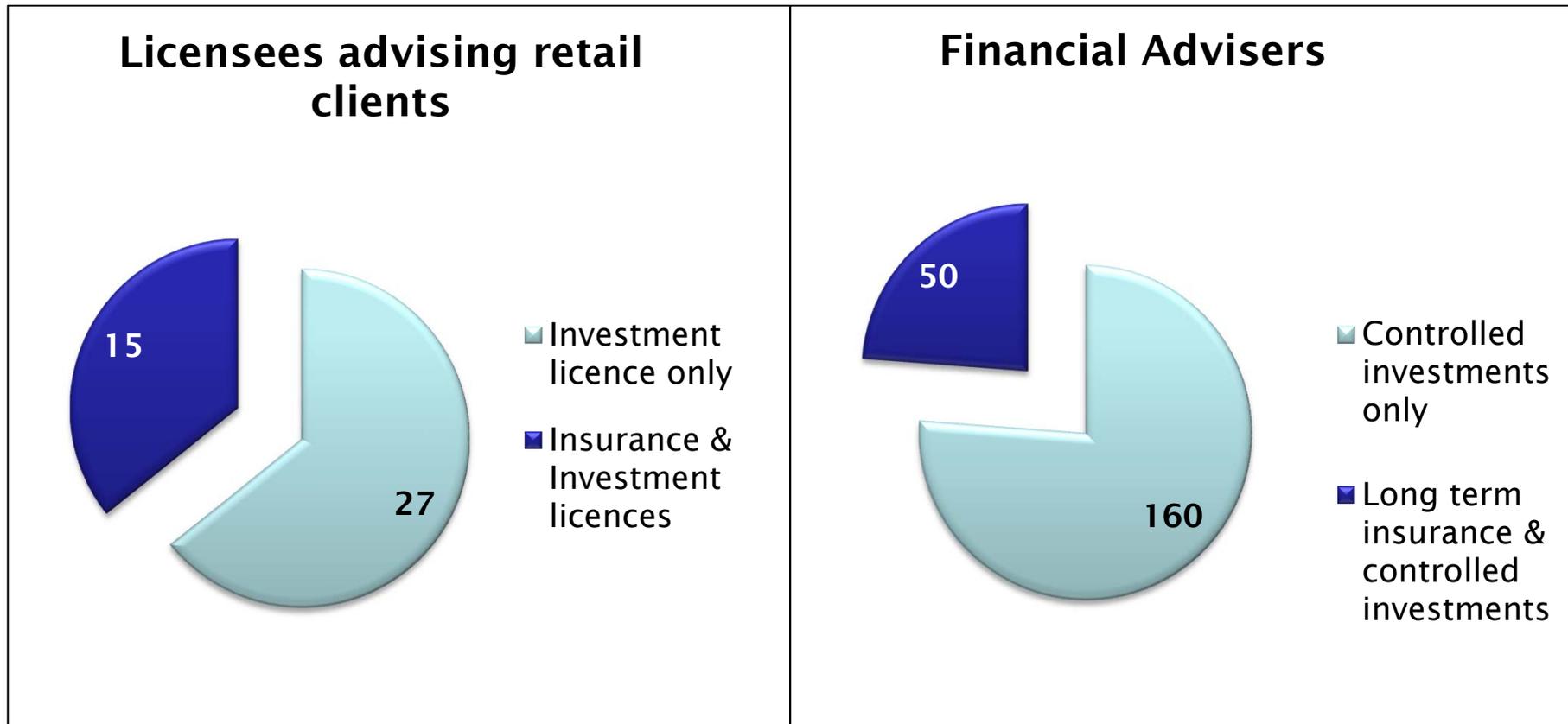
On 1 January the following became effective:

- New Conduct of Business Rules for:
  - Investment licensees;
  - Insurance intermediary licensees; and
  - Insurance manager licensees
- New Codes of Conduct for:
  - Financial Advisers; and
  - Authorised insurance representatives

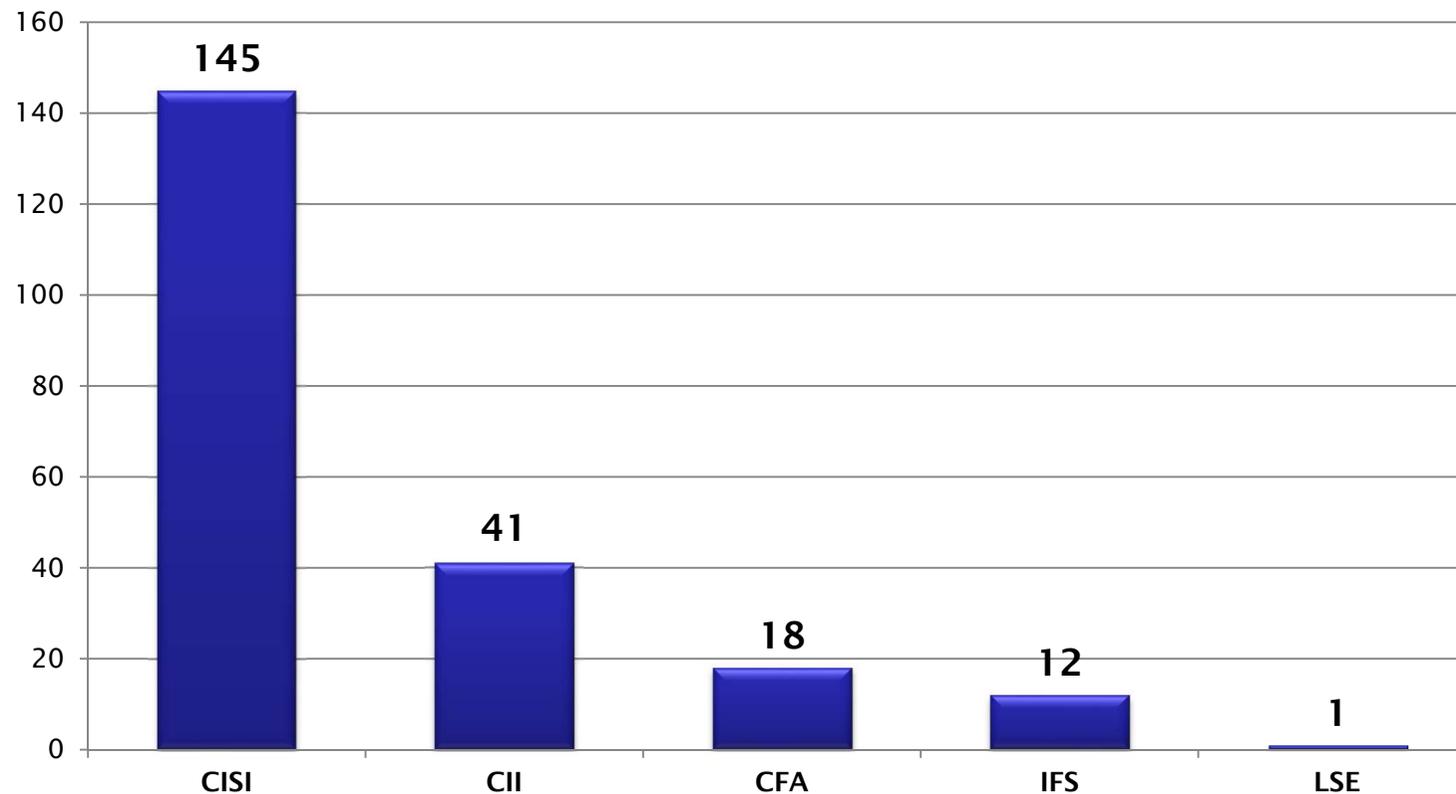
# Qualification deadline for Financial Advisers

- By 31 December 2015
  - Financial Advisers must have attained an acceptable qualification, and
  - if not, they must be de-authorized by their employer and no longer provide advice to retail clients

# Numbers of Licensees and Financial Advisers as at 1 January 2015



# Financial Adviser Qualifications as at 1 January 2015



# Competence of Financial Advisers

The *Licensee* and its *Board* shall ensure that each of its *financial advisers* hold such qualifications to at least the minimum standard as published by *the Commission* from time to time or satisfy such requirements as *the Commission* may determine and are assessed as competent to undertake that position by the *licensee*.

# Guernsey Statement of Professional Standing

- Financial Advisers – apply for a Guernsey Statement of Professional Standing to:
  - CFA Society of the UK; or
  - The Chartered Insurance Institute; or
  - The Chartered Institute for Securities and Investment; or
  - The ifs School of Finance (acting through its Institute of Financial Services).

## On-site Supervision

- We concluded the 2013 thematic visits on sales practices in relation to long term insurance and controlled investments; and
- this quarter our thematic visits have focused on the sale of general insurance add-on policies.

## Other supervisory work

- Continued supervision of the retail banks
- Seminars for insurance intermediaries and investment licensees who provide advice to retail clients
- Meetings with insurance intermediaries regarding proposed changes to the Retirement Annuity Trust Scheme rules
- Assisting other Commission staff

## Other policy work

Since last year's presentation we have been liaising:

- on the establishment of the Channel Islands Financial Ombudsman;
- with Guernsey Citizens Advice;
- with Trading Standards;
- on potential financial exclusion; and
- possible consumer credit legislation.

# Consumer initiatives

Our consumer initiatives have included:

- the release of dedicated consumer pages on the Commission's website (March)
- coordinating the Stop the Scam leaflet that was delivered Bailiwick-wide (April)
- supporting Trading Standards in their Scams Awareness Month (July)

## Plans for 2016 and beyond

- Complete the implementation of GFAS
- Explore consumer credit legislation
- Enhance, expand and socialise the consumer pages of our website
- Continue our liaison with the Channel Islands Financial Ombudsman
- Hold seminars for industry
- Thematic work focused on conduct