



Guernsey Financial
Services Commission

Conduct Unit

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The Interaction of Business Culture with Regulation in the Past Decade

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
- Insurance Intermediary and other licensee supervisory and policy work
- our educational and consumer initiatives; and
- our plans for 2017 and beyond

Update on the Implementation of the Guernsey Financial Advice Standards

- 1 January 2015
 - new Conduct of Business Rules and new Codes of Conduct became effective Bullet level 3
- 31 December 2015
 - Financial Advisers had to attain an acceptable qualification, and if not, had to be de-authorised by their employer and no longer provide advice to retail clients
 - Guernsey Statement of Professional Standing

Guernsey Statement of Professional Standing

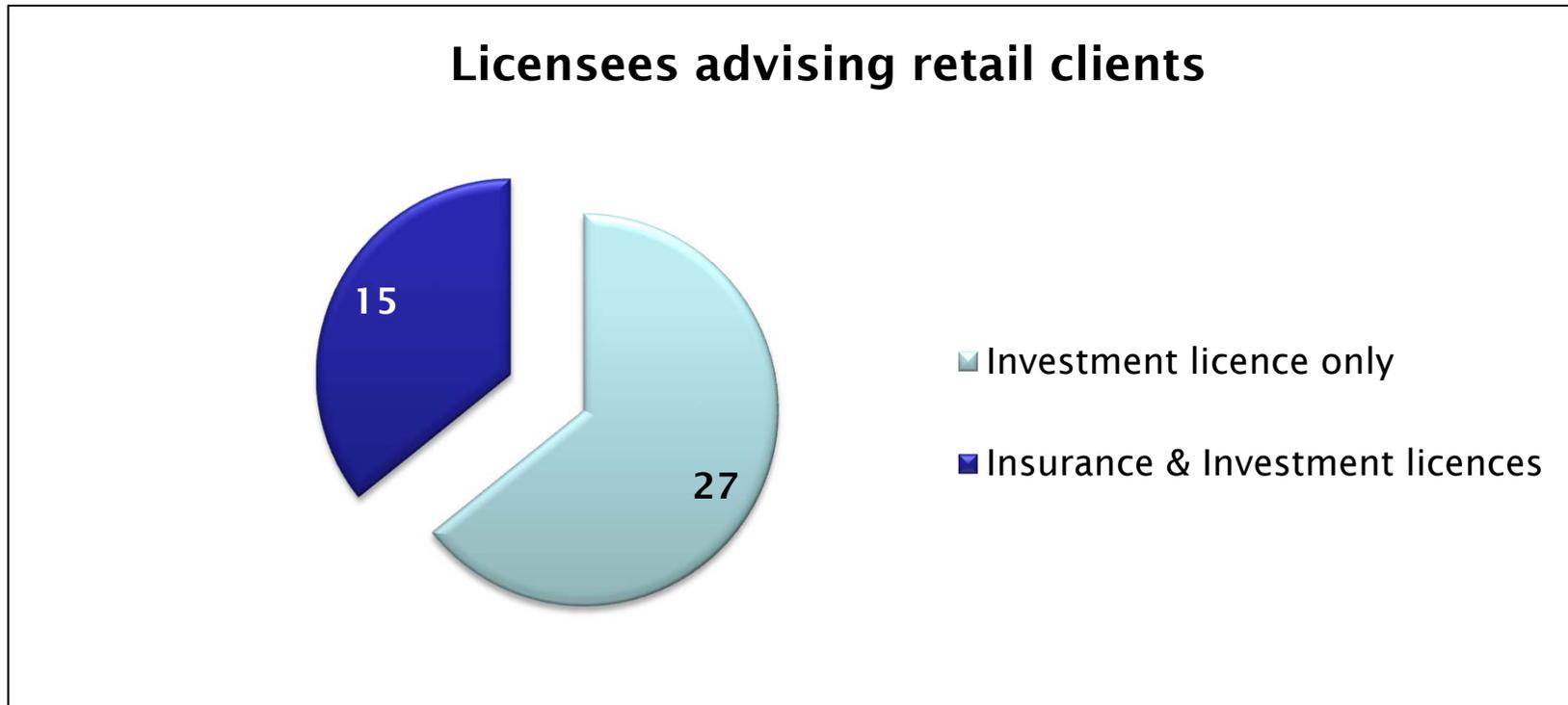
- Required by licensees from their Financial Advisers from 1 January 2016
- Consequence of not having an SPS
- Annual requirement
- Obtainable from UK accredited professional bodies
- Only required for Financial Advisers



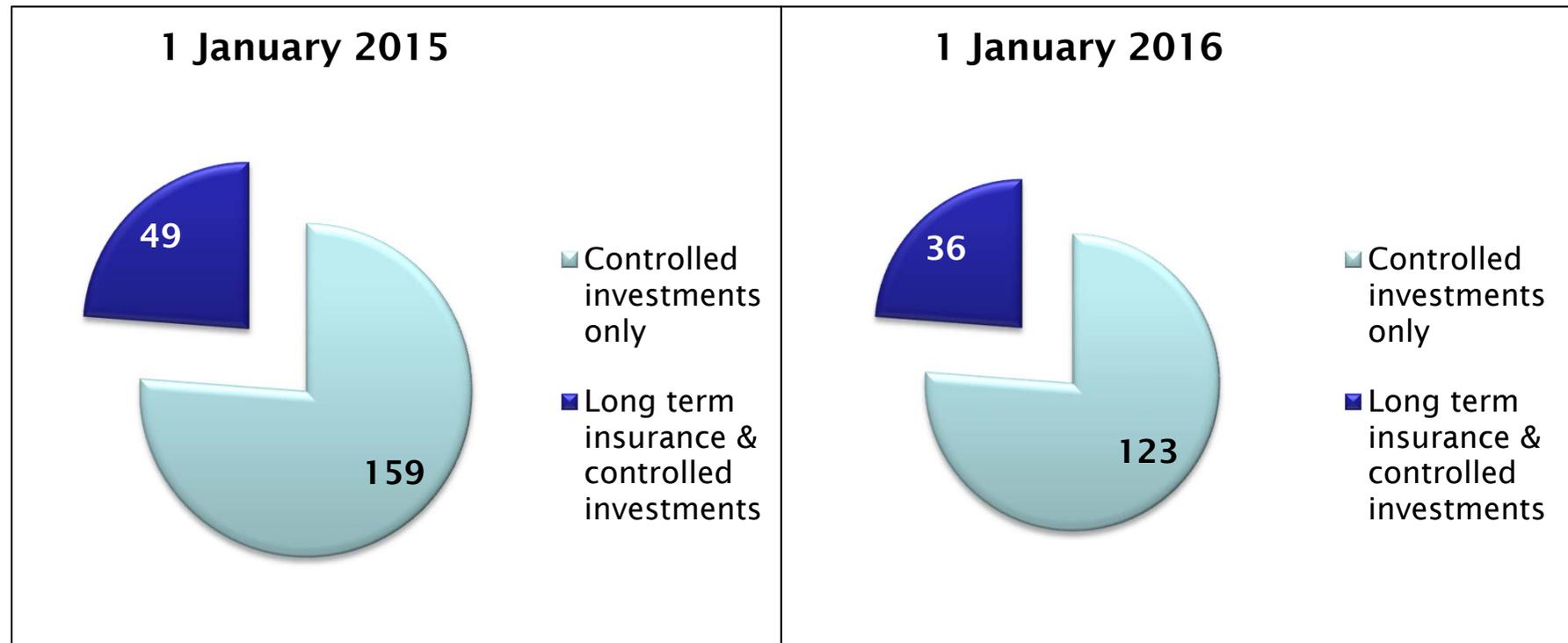
Competence of new Financial Advisers

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*.

Numbers of Licensees as at 1 January 2016



Numbers of Financial Advisers as at 1 January 2015 and 2016



Insurance Intermediary supervisory and policy work

- We concluded the 2015 thematic visits on sales practices in relation to general insurance add-on policies
- have reviewed and will be proposing a revision of the Code of Conduct for Authorised Insurance Representatives, and
- withdrawn the requirement for the Guernsey Insurance Certificate

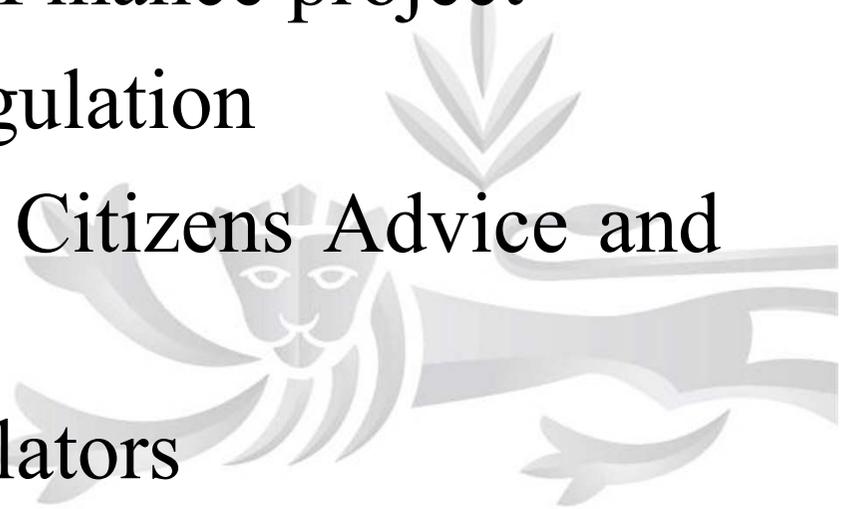
Other supervisory work

- We have carried out on-site visits and risk assessments at bank, insurance and insurance intermediary licensees
- continued to supervise reactively
- assisted and supported others within the Commission on matters of conduct, and
- are in regular contact with the Channel Islands Financial Ombudsman

Working with others

Other areas where the Conduct Unit has been involved include:

- the Lending, Credit and Finance project
- considering Pensions regulation
- working with Guernsey Citizens Advice and Trading Standards, and
- working with other regulators



Educational initiatives

Our initiatives have included:

- arranging a day seminar for industry on the UK's Insurance Act 2015
- work on vulnerability
- enhancing and expanding the consumer pages on the Commission's website, and
- presenting to sixth form and College of Education students on The Finance Sector in Guernsey

Plans for 2017 and beyond

Our priority is to provide appropriate protection to consumers of financial services products through:

- an effective supervisory framework
- encouraging licensee culture to have consumer interest at its heart, and
- further financial literacy initiatives to narrow the gap between providers and consumers