



Guernsey Financial
Services Commission

Fiduciary Supervision Policy and Innovations Division

Gillian Browning, Director

Eamonn Finnerty, Deputy Director

“Brexit Landscape, Innovation and
International Standards”

Brexit: Fiduciary Economic Landscape



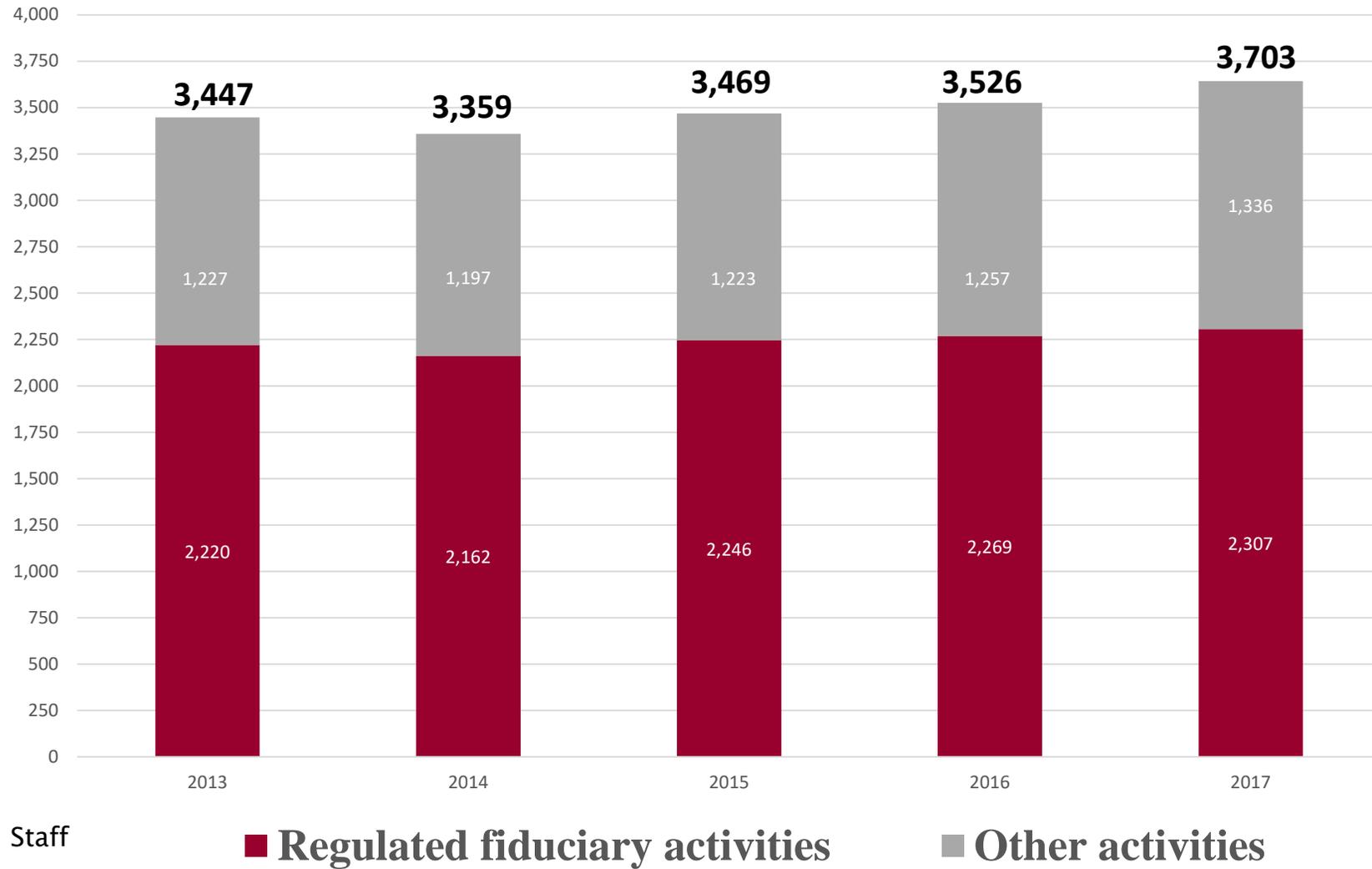
Fiduciary Economic Landscape

Offshore centres can aid recovery in the Caribbean

Sir, Our group's membership of international finance centres extends globally, and includes a number in the Caribbean which have been tragically devastated by Hurricane Irma (September 13). While commentators often like to criticise "offshore" activities, let's pause to rebalance views. Partly instigated with official encouragement to create economic diversity, we now find that this business – properly conducted – will play a crucial role in supporting a costly recovery, as it has with previous natural disasters.

John R Aspden, Chairman, Group of International Finance Centre Supervisors

Fiduciary Staff Employed



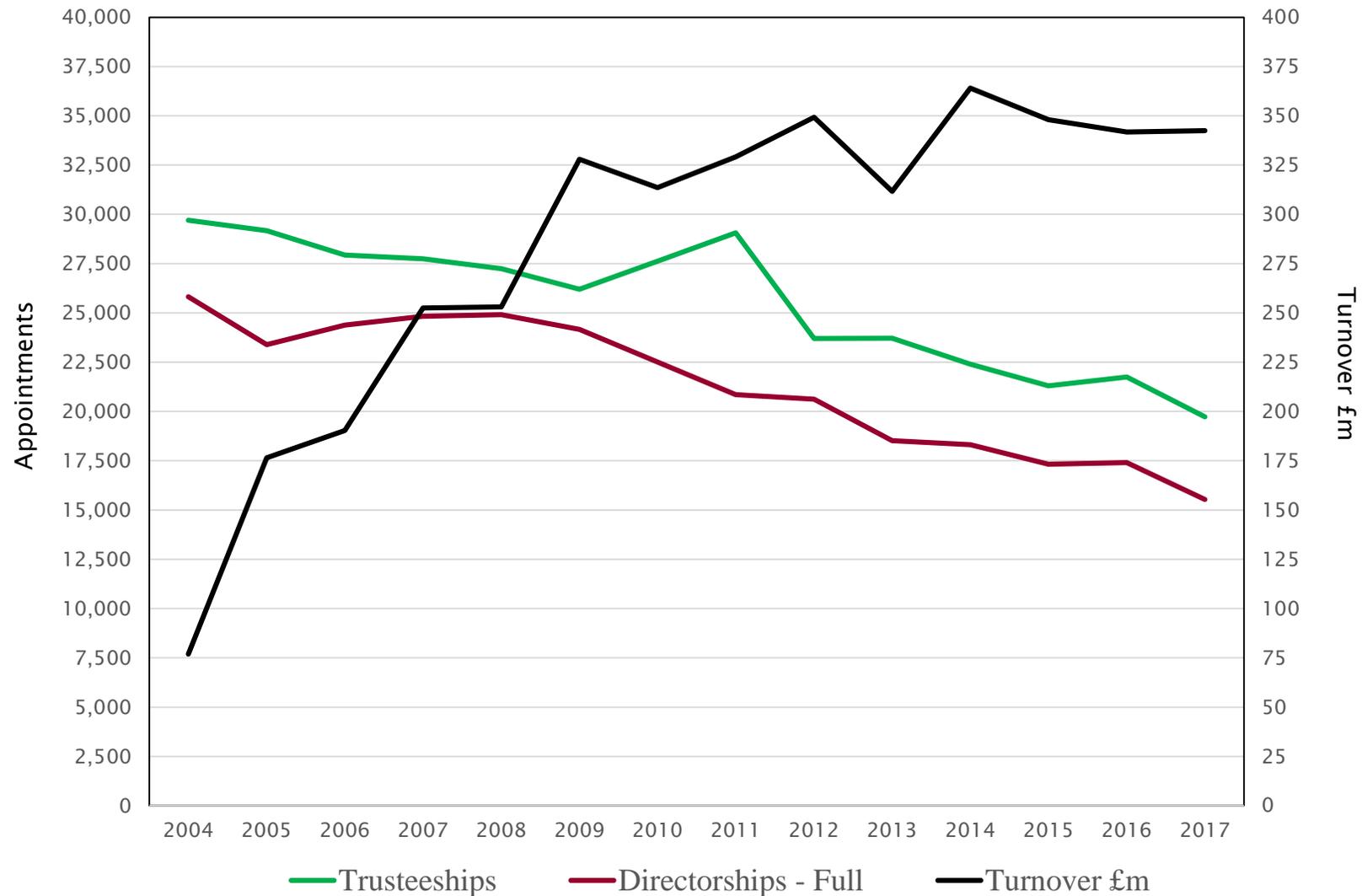
Staff

■ Regulated fiduciary activities

■ Other activities

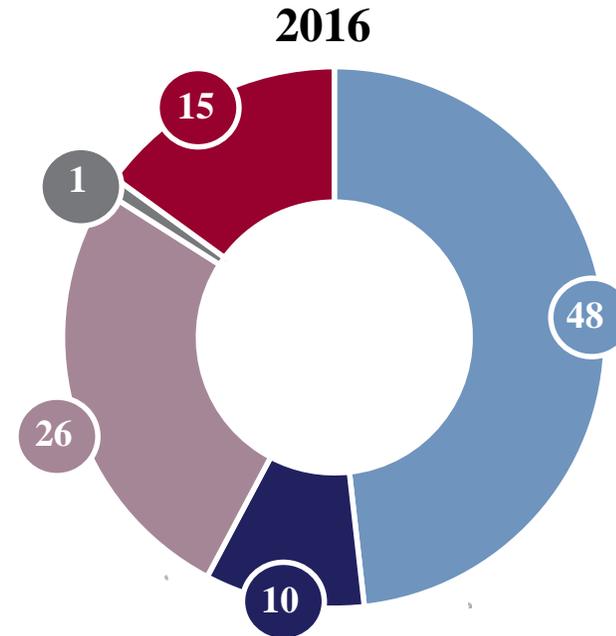
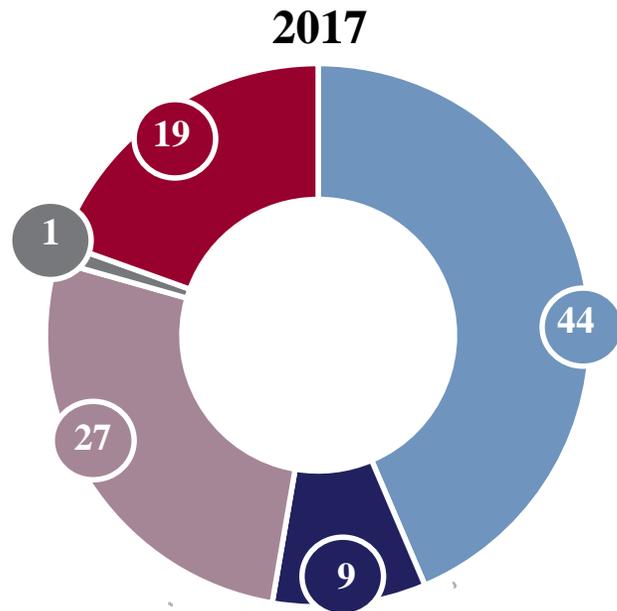
Source data - Fiduciary Annual Returns as at 30th June

Fiduciary Turnover and Appointments



Source data - Fiduciary Annual Returns as at 30th June.
2017 turnover figure is not based on audited data.

Fiduciary Asset Distribution

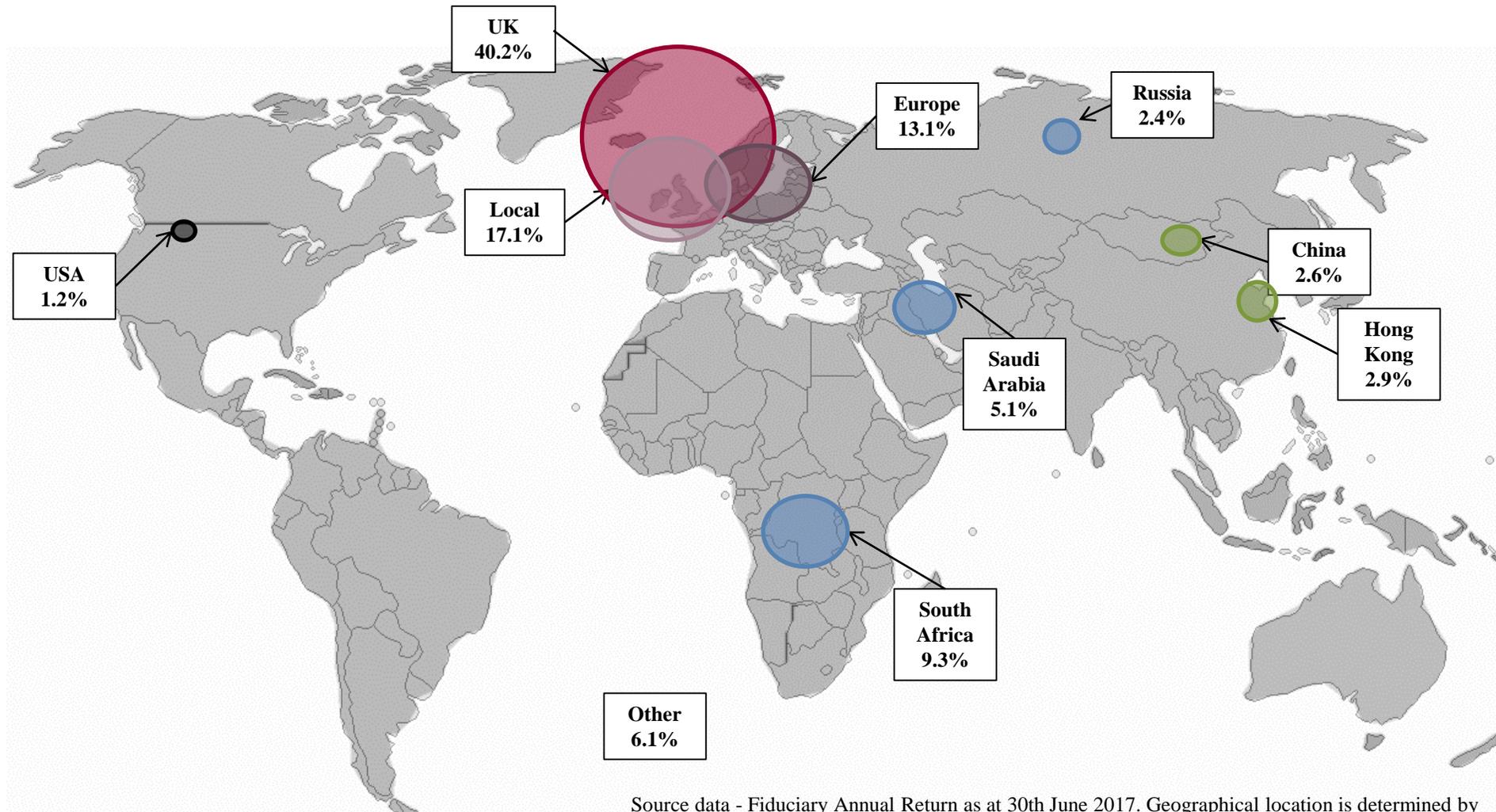


- Other Diverse Assets
- Liquid and near liquid assets
- Real estate
- Private Company Shares and other trading assets
- Works of art and antiques

Licensee data – Percentage of total assets under regulated activities held based on asset type

Source data - Fiduciary Annual Returns as at 30th June

Fiduciary Location of New Business



Source data - Fiduciary Annual Return as at 30th June 2017. Geographical location is determined by the residence of the settlor of a trust, founder of a foundation or beneficial owner of a company.

Regulatory Self Assurance



Regulatory Self Assurance



Regulatory Self Assurance

What do you think the impact of Brexit will be on your business?

184

Positive



Negative



Neutral



Regulatory Self Assurance

Which thematic topic would make you sweat in 2018?

192

(1/2)

Fiduciary duty in respect of tax advice



Pensions / RATS



Outsourcing



Client money / assets



Beneficial ownership



Data security



Financial resources requirement



Regulatory Self Assurance

Which risk causes you, in your business,
most concern?

199

(1/2)

Financial Crime



Governance



Operational



Strategy / Business Model



Insurance Risk



Conduct

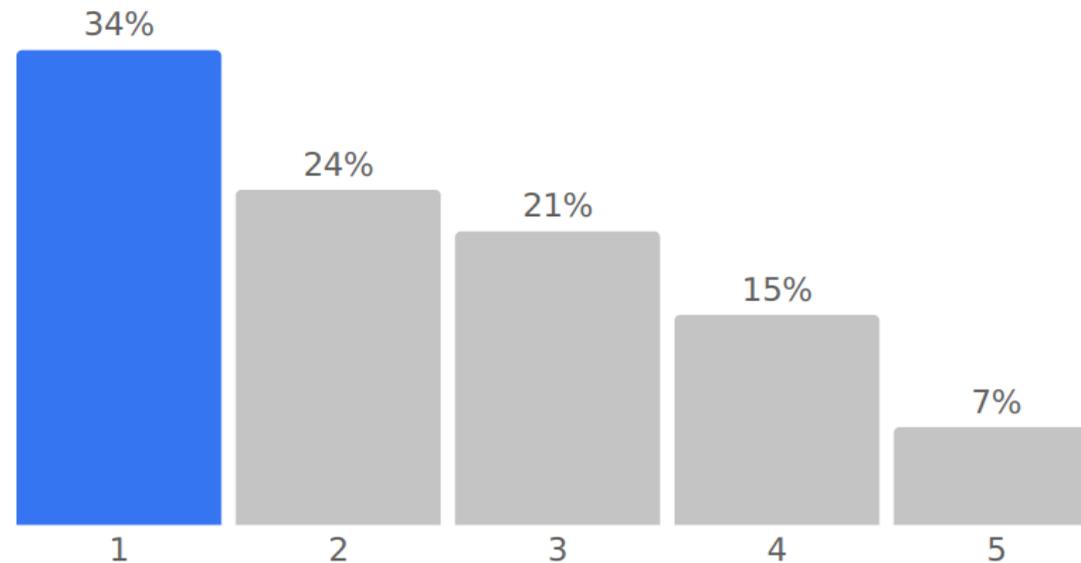


Regulatory Self Assurance

What level of impact do you think the Blockchain will have for your business in the next 5 years? (1 = little/none - 5 = significant).

199

Score: 2.4



Fiduciary + GFSC RMP Actions

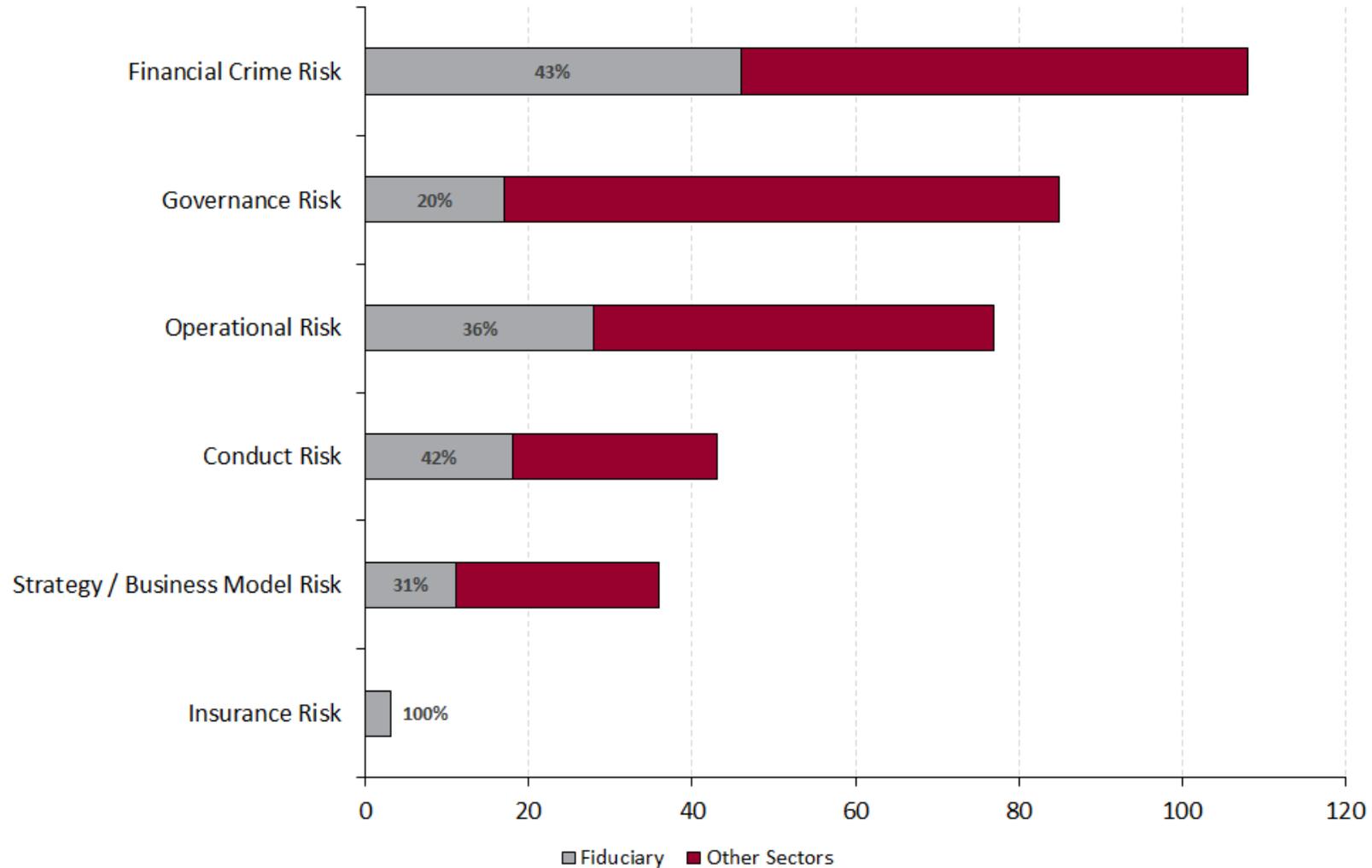
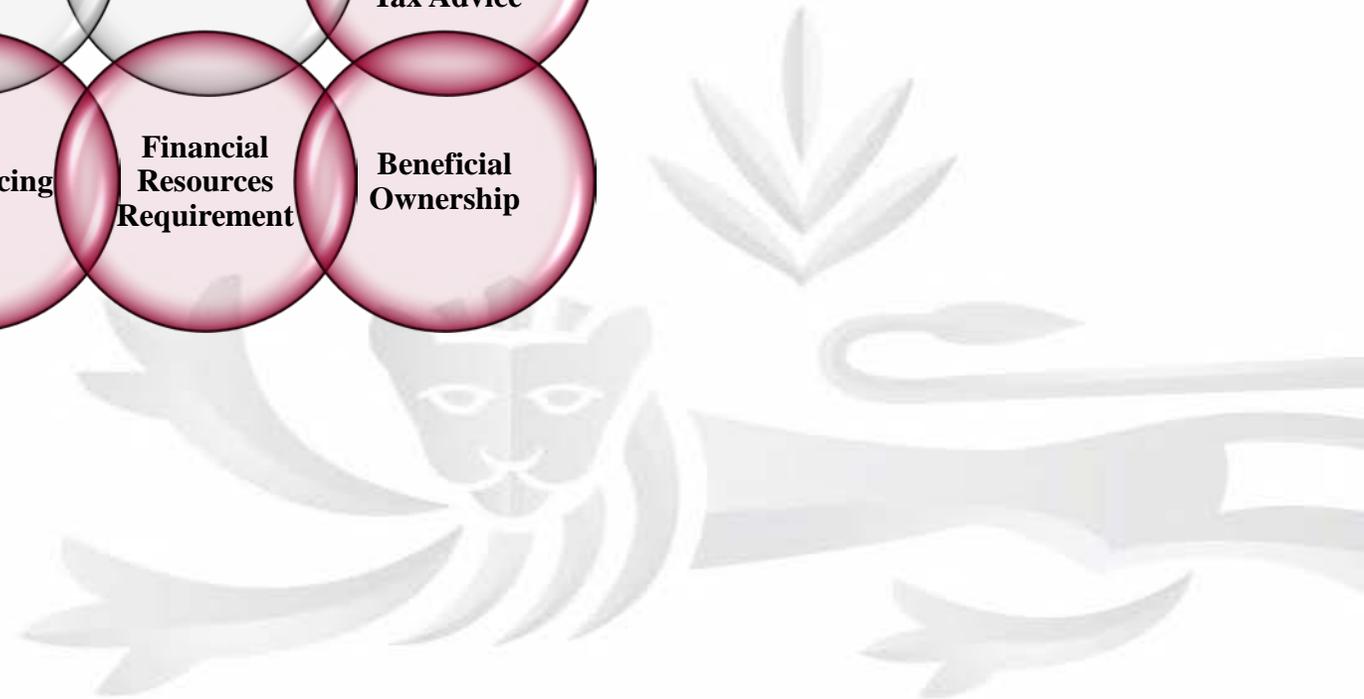
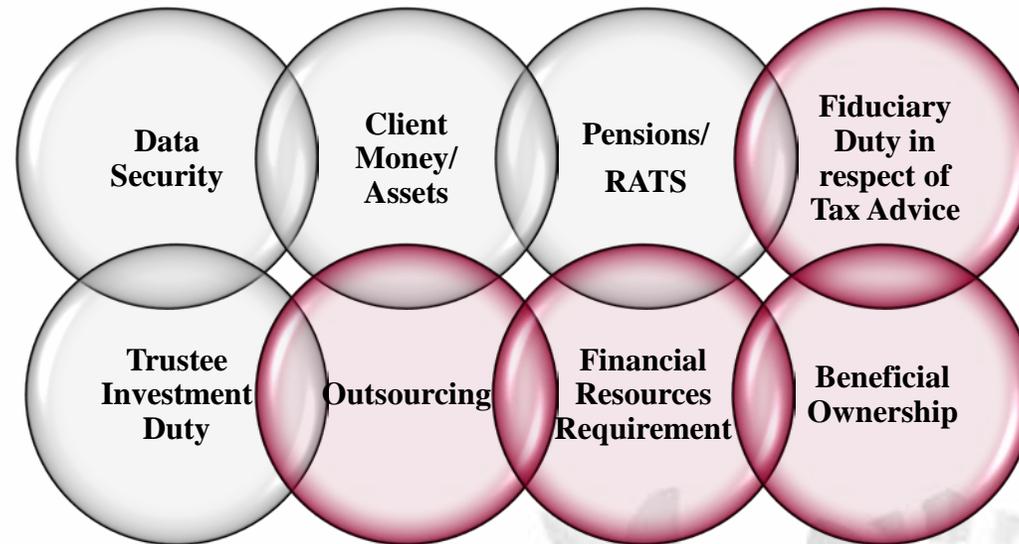


Figure 1: Number of RMP actions created between 1st October 2016 and 30th September 2017.

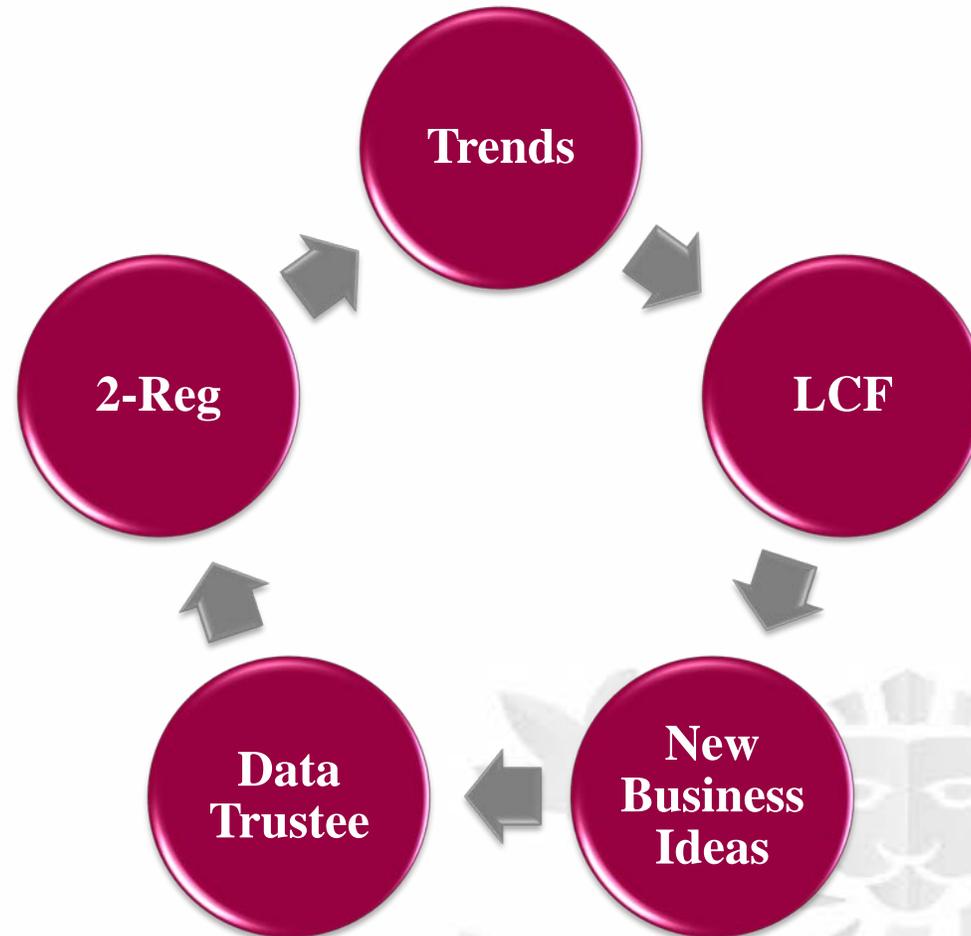
Fiduciary Regulatory Risks



Fiduciary Thematic Reviews



Innovation & Opportunities



Innovation : 2 REG Aircraft Registry

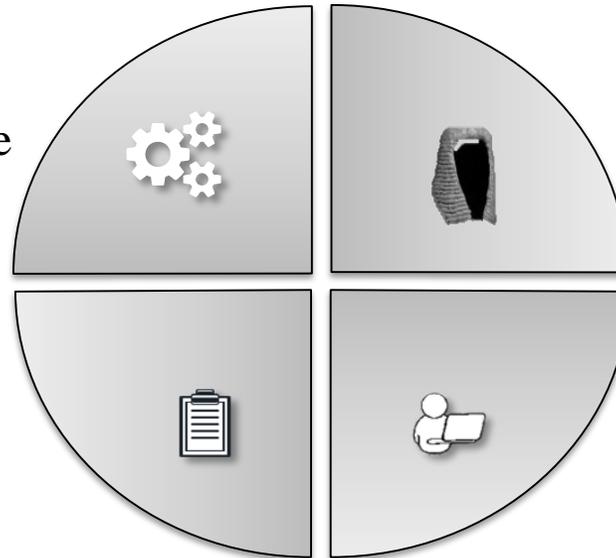


International Standards – Lending Credit and Finance (LCF)



Objectives

- Enables Bailiwick digital strategic aims
- A framework supporting the reputation of the Bailiwick
- Introduce Consumer financial protection



Legal Framework



- Alternative Financial Services & Products
- AML/CFT
- Consumer Financial Protection



Consultation Paper Feedback

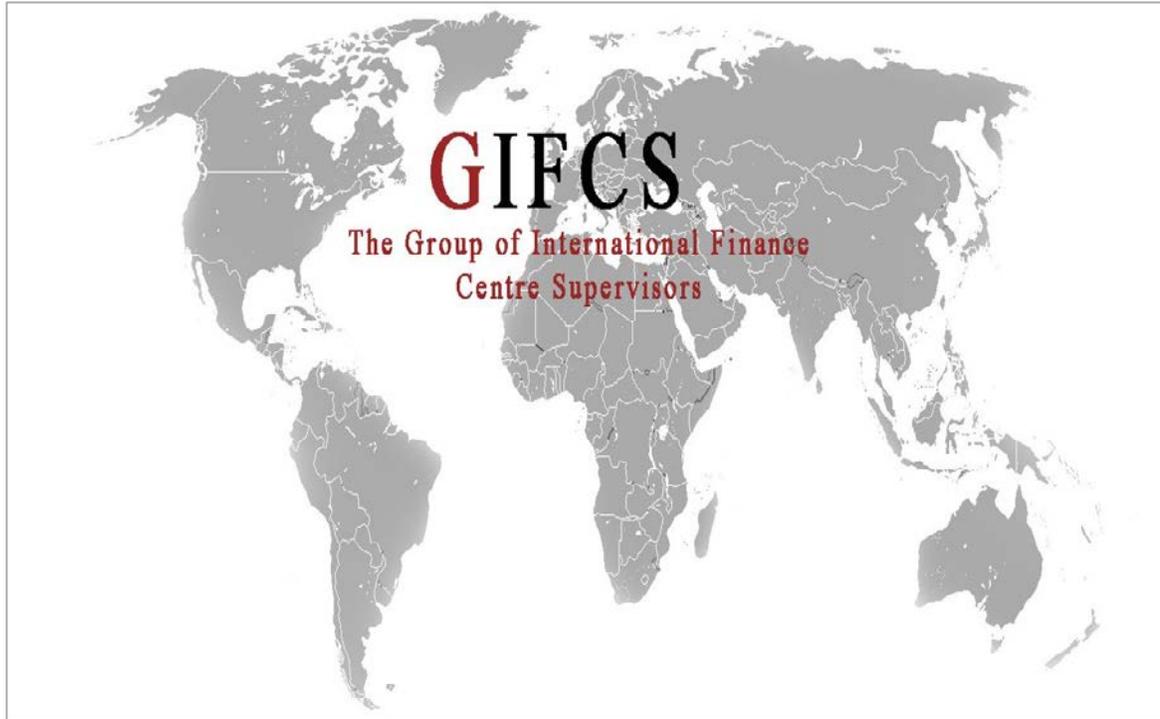
- Expected standards of a mature IFC
- Support for legislation

Next Steps

- Policy Letter and Legislation



International Standards – GIFCS



- TCSP Standard
- TCSP Colleges

International Standards – Pensions

“the formation, management or administration of pension schemes or gratuity schemes, and the provision of advice in relation to the formation, management or administration of pension schemes or gratuity schemes”

Section 2(1)(e) The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000

International Standards – Fiduciary Law



2017 - 2018 Overview



- Regulatory Risk Themes
- Enabling opportunities from: Brexit, Innovative developments and International Standards