

10th Conference – 22nd April 2021

Revision of Laws

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Good morning everyone.

- The Revision of Laws Project is the work underway to update the Bailiwick's regulatory laws to reflect current international standards. Some say that it has taken a long time. I'll refrain from making any comment other than to observe that the Project started when I had just returned from maternity leave with my younger daughter and to put this into perspective, Ariana is now about to turn 8.
- But enough jokes. Today I am here to update you on the Revision of Laws Project.
- To recap, the main aims of the project were:
 - Firstly, to create efficiencies for both the industry and the Commission;
 - Secondly, to future-proof the legislative regime, of course as far as this is possible; and
 - Thirdly, and in my view most importantly, to help the Bailiwick to continue to meet international standards.
- The importance of the Bailiwick meeting relevant International Standards cannot be understated. It is no exaggeration to say that the Bailiwick's continued access to international markets and future access to these markets is dependent upon this, particularly as we look to enhance our participation in international trade deals in a post-Brexit world.

- The Revision of Law Project together with its practical and proportionate implementation will help to ensure that the Bailiwick is able to demonstrate its compliance with International Standards and hence should cement, maintain and improve the Bailiwick's access to relevant international markets.

NEW SLIDE

- As you can see, we have come a long way since the States approved the policy letter back in 2015. That said, there is still some important work that we need to complete.
- We are currently proposing, following consultation with the Law Officers and Policy & Resources, an implementation date for the revised laws of 1 November.

NEW SLIDE

- In order to meet this deadline, the Insurance Business Law Amendment Ordinance, the Insurance Managers and Insurance Intermediaries Amendment Ordinance as well as the various commencement Ordinances will need to be sent to the Legislation Review Panel and to the Policy & Resources shortly.
- Hopefully, they will then be submitted for consideration by the States of Deliberation at the September meeting.

NEW SLIDE

- Between now and the summer, the Commission will be undertaking public consultations on areas around the practical implementation of the revised regulatory Laws.
- This week the Commission published 3 consultation papers on rules it is proposing as part of the implementation of the Revision of Laws.
 - The first is the Ancillary Vehicles Rules consultation and I'd like to extend my thanks to those that responded to the discussion paper published in August 2020. We've taken on board your feedback and moved to consult on the draft rules which are likely to affect you if your firm holds a Fiduciary or a POI licence.
 - The Revised Supervisory Laws create a new exemption from licensing under the Fiduciaries Law for certain activities, ancillary to funds or investment business,

once these have been notified to the Commission. We hope the new rules, once published, will provide clarity on the Commission's expectations regarding these vehicles. These rules should also help to provide certainty and a more streamlined process to those establishing new fund structures, as it would see the removal, in some circumstances of the need to apply to the Commission for a discretionary exemption from licensing under the Fiduciaries Law. Some might regard this as deregulation. Irrespective of whether it is actually that, it should certainly reduce regulatory duplication and bureaucracy.

- The second are some amendments to the Fiduciary Rules. These are necessary because of changes brought in by the Revised Supervisory Laws. The headline changes are the re-categorisation of full fiduciary licensees as either primary or secondary licensees. This will make the requirements for different types of licensee clearer. It also sees some tidying up of the Fiduciary Law framework, for example, repealing Annual Return Regulations and consolidating identical requirements into the Fiduciary Rules.
- The final consultation is relevant to all industry sectors and addresses the proposed re-issuing and minor amendments to the Commission's rules. We need to do this because under the Revised Supervisory Laws, there will be some new terminology and new references for rules coming from the new laws. Rest assured that there are no material policy changes set out in this paper. Save for the new terminology, the proposed rules will be familiar to firms and should be consistent with your current practices. This paper has clear signposts contained in it so you will only have to look at the rules relevant to your sector.
- Please visit the Commission's website to review the consultation papers and provide your feedback. The consultation closes in eight weeks' time on 17 June.
- The Revised Supervisory Laws will also need new guidance and codes to help firms navigate the new requirements. As such, the Commission plans to issue a further consultation on updated guidance and codes in June.
- I appreciate that we are producing an awful lot of revision of laws related papers at the moment but we are doing our best to signpost which ones you may find helpful to read and

which ones you can safely ignore or skim read because they don't affect your sector or because nothing material has changed.

- We are hoping these new and amended Rules, Codes and Guidance will provide clarity for industry and make the transition to the Revised Supervisory Laws easier. Thank you for listening.