



1. Engagement on the draft amendments to Insurance Business (Bailiwick of Guernsey) Law 2002 (the “Insurance Business Law”)

On the 30th of October 2015, the States of Deliberation approved the Policy Letter submitted by the Policy Council on the Revision of the Financial Supervisory and Regulatory Laws. Representatives of the States of Alderney and the Chief Pleas of Sark has previously indicated their support for the proposals which followed a public consultation process, together with the Law Officers of the Crown, the Commerce and Employment Department and the Policy Council.

Following approval of the Policy Letter by the Bailiwick legislative bodies, the Law Officers, and the Commission, with the assistance of members of industry, have now produced an Ordinance amending the Insurance Business Law. The Ordinance is in near final form, and the Law Officers have confirmed that the final version of the Ordinance will include gender neutral language.

In August and September 2020, the States of Guernsey, the States of Alderney and the Chief Pleas of Sark approved the Banking Supervision (Bailiwick of Guernsey) Law, 2020, the Protection of Investors (Bailiwick of Guernsey) Law, 2020, the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020 and the Financial Services Business Law, 2020. These Laws form part of the suite of amended legislation contemplated in the Policy Letter and are complementary to the amendments in Insurance Business Law.

The Commission is now seeking feedback and assistance from the financial services industry specifically on whether the proposed amendments to the Insurance Business Law have any unintended consequences or fatal flaws.

Feedback is sought no later than 5pm on Friday, 18 December 2020.

The engagement paper and a copy of the amended Insurance Business law is available on the GFSC article here:

<https://www.gfsc.gg/news/article/engagement-draft-amendments-insurance-business-bailiwick-guernsey-law-2002-%E2%80%9Cinsurance>

2. Remote working business model

Over the course of this year, licensees had to change their business working practices rather rapidly due to Covid-19 and for most licensees and their staff this involved moving to home working. Many licensees have since returned to office working although the Commission is aware that a number are continuing to operate some form of home working.

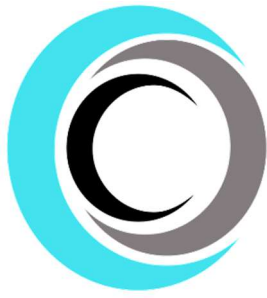
The Commission is also aware that one or two licensees are currently contemplating moving to a home working model on a permanent basis. The Commission has therefore drafted some guidance to help inform the decision-making process for any licensee considering this option.

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3. Gratuity Schemes

The States of Guernsey published their Annual Budget on 16th November.

Within the Annual Budget it is proposed to make a change in respect of Gratuity Schemes and their treatment under section 40(nn) of the Income Tax (Guernsey) Law, 1975. The proposal would make a technical change to the exemption under section 40(nn) of the Income Tax (Guernsey) Law, 1975 to include income paid from an international savings plan as being exempt from tax.

The Annual Budget describes international savings plans as savings plans aimed at benefitting employees of multinational and international companies. Such plans must have for their sole purpose the provision of benefits in respect of the persons' employment wholly outside Guernsey in a trade or undertaking. They must be established under the law of Guernsey and must also be administered by fiduciary licensees subject to regulation by the Guernsey Financial Services Commission.

Fiduciary Licensees should be aware that, if successful, the proposal to amend section 40(nn) of the Income Tax (Guernsey) Law, 1975 to exempt income paid from international savings plans will also require an amendment to the definition of gratuity scheme within section 2(1)(e) of the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000 covering the regulated activity of the formation, management and administration of gratuity schemes.

4. Commission signs MOU with the Board of Guernsey's Banking Deposit Compensation Scheme

The MOU provides a formal basis for co-operation, including for the exchange of information and provides a framework for the working relationship between the Commission and the Board which are both independent bodies. In particular, it establishes how the Commission and the Board of the GBDCS will, as necessary and relevant, exchange certain specific information and in

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other respects work together to support the carrying out of each other's statutory functions and responsibilities under the relevant legislation.

The GBDCS was formed in Guernsey in 2008 during the financial crisis as an important safeguard for Guernsey depositors. The Scheme would manage applications from personal customers, sole trader businesses and certain local charities and issue payments up to £50,000 per depositor to support the local community in the event of a Guernsey licensed bank failure.

Click here to read the full report:

<https://www.gfsc.gg/news/commission-signs-mou-board-guernseys-banking-deposit-compensation-scheme>

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