

### 1. 2020 Financial Crime Risk Return Reminder

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The Commission wishes to remind all financial services businesses and prescribed businesses (with the exception of personal fiduciary licensees) that the Financial Crime Risk Return ("the Return") is due for submission by 31 October 2020.

The Return can be found through the Commission's Online Submissions Portal.

### 2. Consultation Paper on Proposals for a Green Investment Discount for Life Insurer Capital Requirements

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The Commission has issued a consultation paper seeking views from interested parties on proposed amendments to the Insurance Business (Solvency) Rules, 2015.

The proposed amendments would introduce a "Green Discount", which would reduce the capital requirements applicable to the green fixed income assets of life insurers. Additional measures would be put in place to ensure policyholder interests continue to be protected.

The Consultation Paper can be found on the GFSC website.

### 3. June Quarter 2020 Investment Statistics

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#### Second Quarter 2020

#### Guernsey Funds

The total net asset value of Guernsey funds has decreased in Sterling terms during the last quarter by £6.4 billion (-2.7%) to £226.8 billion. Over the past year, total net asset values have decreased by £0.9 billion (-0.4%)

#### Open-ended Schemes

Within these totals, Guernsey domiciled open-ended funds increased over the quarter by £3.1 billion (6.8%) to £47.8 billion. This represents an increase of £0.5 billion (1.0%) in the past year.

#### Closed-ended Schemes

The Guernsey closed-ended sector decreased over the quarter by £9.5 billion to £179.0 billion. This represents a decrease of £1.4 billion in the past year.

#### Guernsey Green Funds

Within the totals for Guernsey Funds, Guernsey Green Funds held a total net asset values of £.3. billion at the end of the quarter.

#### Non-Guernsey Schemes

Non-Guernsey open-ended schemes, for which some aspect of management, administration or custody is carried out in the Bailiwick, had a net asset value of £39.1 billion at the end of the quarter.

The statistics are available here:

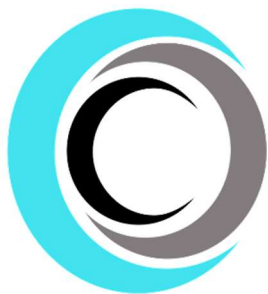
<https://www.gfsc.gg/news/article/june-quarter-2020-investment-statistics>

### 4. Bank of England Interest Rates

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On 12th October 2020 The Bank of England ("BoE") published a letter that it had sent to a selection of UK financial services firms. This letter requested feedback in relation to any possible operational implications that firms would encounter if the Bank of England's Monetary Policy Committee ("MPC") implemented a zero or negative policy rate. A copy of the letter is available here.

Although the BoE state that its engagement on this issues should not to be considered indicative of an imminent negative or zero policy rate being set by the MPC, Guernsey regulated firms should consider if and



how they would be affected by the implementation of a such a rate. Firms should consider if there are any technical operational issues relating to entering zero or negative rates in their systems as well as if there are any contracts in place that would be materially affected by the change.

### 5. GFIN, Cross-Border Testing

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The GFSC are participating in the GFIN's Cross Border Testing which launched on 29<sup>th</sup> October 2020. The Global Financial Innovation Network – a group of over 60 international organisations committed to supporting financial innovation in the interests of consumers – is inviting applications from firms to test innovative financial products, services, business models or regulatory technology across more than one country or jurisdiction.

Firms interested in applying to take part in the cross-border testing can be found on the GFIN website:

<https://www.thegfin.com/>

### 6. Handbook on Countering Financial Crime and Terrorist Financing

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The Commission updated Appendix I to the Handbook on 30<sup>th</sup> October, because of the outcomes of the FATF plenary held 21-23 October 2020 where it was announced that Iceland and Mongolia are no longer under increased monitoring by FATF. Iceland and Mongolia have strengthened the effectiveness of their AML/CFT regimes and addressed related technical deficiencies to meet the commitments in their respective action plans regarding the strategic deficiencies that the FATF identified in October 2019. Iceland has been removed from Appendix I, but Mongolia will remain as it continues to be listed by a relevant external source.

Appendix I lists countries and territories that are identified by relevant external sources as presenting a higher risk of money laundering and/or financing of terrorism. The Commission has taken the opportunity to update the list to consider revisions by other external sources to their country assessments. This has resulted in the addition of the North Sinai region and the removal of Bhutan and Saudi Arabia from Appendix I. Firms are encouraged to review the updated Appendix I in order to assess the impact that these changes may have on their business.

The full announcement can be found here:

<https://www.gfsc.gg/news/article/handbook-countering-financial-crime-and-terrorist-financing-5>

Platinum's Values

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Collaboration...

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