



Financial Services Commission

IMF Report

FSC Update to Recommendations

Updated 18th May 2005

The IMF team made several recommendations covering basically the same point applicable to all sectors covered by the FSC's operations. For ease of reference, and to minimise repetition, where possible these points have been grouped together under generic headings as set out below.

Anti-Money Laundering Issues

Recommendation		Response
Revision of Anti-Money Laundering Guidance Notes Recommendation in paragraphs 56, 58 & 240.	Various amendments should be made to the Anti-Money Laundering Guidance Notes in order to clarify several issues and the implementation of the consultation paper. Also recommended that the AMLGN be available on the FSC's website.	Recommendation accepted. The Anti-Money laundering Guidance Notes have been revised twice since the original evaluation including implementing the consultation paper.
Anti-Money Laundering Arrangements Recommendation in paragraph 99.	The FSC should adopt a more structured approach to overseeing compliance with anti-money laundering procedures.	Recommendation accepted. Anti-money laundering compliance across all sectors has been incorporated in the FSC generic risk-assessment programme and on-site work.

Banking

Recommendation		Response
Loan Classification & Country Risk Regime Recommendation in paragraphs 96 & 97.	The FSC should require banks to introduce a loan classification regime that would reflect best international practice.	The FSC accepts the principle. However, the statutory review of the FSC conducted in 2005 found that there was no requirement to implement this recommendation based on the size and nature of the market.

Insurance

<i>Recommendation</i>	<i>Response</i>
<p>Insurance Groups Directive Recommendation in paragraph 117.</p>	<p>Gibraltar should implement the EU Insurance Groups Directive as soon as possible.</p> <p>Recommendation accepted. Legislation was implemented in 2004 relating to all companies' accounting periods beginning after 31.12.03.</p>