

Statutory Review

1. The operation of the Financial Services Commission

Ombudsman

Tracking number: 304

Recommendation

The Commission continues to support the establishment of an Ombudsman for dealing with complaints against financial services businesses.

Response

06/12/2005 This recommendation simply reflects the current FSC position. We will continue to support the introduction of an Ombudsman

Internal Risk Assessment

Tracking number: 305

Recommendation

The FSC continues to develop its risk assessment analysis into a formal business planning process.

Response

06/12/2005 As the recommendation states, this was already actioned by the FSC. The recommendation merely reflects developments already initiated

Development of staff appraisal system

Tracking number: 306

Recommendation

The FSC also continues to develop its staff appraisal system as planned so that it is integrated into the business planning system and forms the basis for a training needs analysis as well as pay reviews.

Response

06/12/2005 The recommendation merely reflects the development already initiated. As the recommendation states, this was already actioned by the FSC. It now forms part of the work being undertaken by the FSC to obtain "Investors in People" accreditation

IT Planning

Tracking number: 307

Recommendation

The IT Committee produces a forward plan aligned with the priorities set in the business plan.

Response

06/12/2005 Accepted, recommendation has been actioned.

Risk assessment & IT planning to integrate with budget

Tracking number: 308

Recommendation

These processes be brought together in an annual budgeting and planning cycle so as to enable the FSC to set and hold to priorities and have a defensible system for setting its own fees and budget.

Response

17/01/2005 Accepted, recommendation has been actioned

11/01/2006 The IT development and prioritisation, together with the budgetary implications of the same, has been assigned to an IT Committee which meets frequently to set these in line with the FSC strategy as well as international and regulatory obligations.

Resources for Human Resources

Tracking number: 309

Recommendation

The FSC considers the need for a dedicated staff member dealing with human resources, business planning and budgeting, as the FSC grows.

Response

06/12/2005 Accepted, the role of Chief Operating Officer now includes responsibility for Human resource issues. The FSC will continue to keep the desirability of further resources for these areas under review as part of its ongoing assessment of resource requirements.

Statutory powers for Commission

Tracking number: 278

Recommendation

Proposes legislative changes to the FSCO to provide for the appointment of a Commission with the statutory powers currently provided to the Commissioner in the sector-specific Ordinances, as well as the other powers already given to the Commission in the existing provisions of the FSCO

Response

17/01/2005 Whilst any decision on this is a legislative matter and therefore is outside the FSC's sphere of control, the FSC does not consider a change at this time necessary

Appointment of independent Chairman and CEO

Tracking number: 279

Recommendation

Considers proposing legislative changes to the Financial Services Commission Ordinance 1989 ("FSCO") to provide for the appointment of an independent Chairman of the Commission, with the right to be consulted by the Governor on the appointment of other members of the Commission, including the chief executive

Response

06/12/2005 Whilst any decision on this is a legislative matter and therefore is outside the FSC's sphere of control, the FSC does not consider such a separation of roles to be necessary at this time. Nevertheless the FSC does consider that the legislation should make provision for such a separation of roles in the future and has recommended this as part of proposed changes to the Financial Services Commission Ordinance

Separate appointment of CEO

Tracking number: 280

Recommendation

Considers proposing legislative changes to the FSCO to provide for the separate appointment of a chief executive

Response

06/12/2005 Whilst any decision on this is a legislative matter and therefore is outside the FSC's sphere of control, the FSC has included the capability to separate the role of Commissioner and Chairman in its submission to Government to change the FSCO

Powers to make or withdraw delegation of Commission's powers

Tracking number: 281

Recommendation

Proposes legislative changes to the FSCO to provide the explicit power for the Commission to make and withdraw specific or general delegations of its powers to the chief executive (or any other person) as it sees fit

Response

17/01/2005 Power is currently vested in the Commissioner as Authority. Any decision to switch the Authority to the Commission is outside the power of the Commission but is a power vested in the Governor. The Commission does not support such a change at this time. Were this to occur there is provision in the FSCO for delegation

Statutory responsibility for performance of Commissioner

Tracking number: 282

Recommendation

Proposes legislative changes to the FSCO to impose a specific statutory responsibility on the members of the Commission to consider the performance of the chief executive, to determine his or her remuneration; and to be responsible for the efficiency, economy and effectiveness of the FSC.

Response

06/12/2005 Whilst any decision on this is a legislative matter and therefore is outside the FSC's sphere of control, the FSC does consider that the legislation should make provision for this in respect of the Commissioner and has recommended this as part of proposed changes to the Financial Services Commission Ordinance

Removal of areas of expertise of Commission Members

Tracking number: 283

Recommendation

Proposes the removal of the legislative requirement that members of the Commission should have specified areas of expertise or be from the UK

Response

06/12/2005 Whilst any decision on this is a legislative matter and therefore is outside the FSC's sphere of control, the FSC had already (i.e. before the review was commenced) considered and supported such a change and has included this in its submission to Government to change the FSCO

MoU with Government of Gibraltar

Tracking number: 287

Recommendation

The FSC seeks to agree an MoU to set out the lines of accountability and cover other matters as discussed in paragraph 2.41.8

[2.41.8. Finally, the FSC and Government of Gibraltar would draw up a Memorandum of Understanding in which they agree on a programme of meetings for briefing and accountability and which also determined what kind of information (consistent with the confidentiality provisions) would be passed to the Government to keep it reasonably informed of regulatory matters and indicating how they would propose to handle certain events (such as the failure of a financial institution).]

Response

06/12/2005 The FSC does not concur with a need for an MoU at this stage and therefore, after consulting with the Government of Gibraltar is not pursuing this recommendation at this time

Annual Report Content & Annual General Meeting

Tracking number: 288

Recommendation

The Commission continues to publish an Annual Report but includes a statement on how it has conducted its statutory duties and holds an Annual General Meeting in order to enhance accountability.

Response

06/12/2005 The FSC is fully committed to the principles of accountability and transparency to its stakeholders and will publish the recommended statement. The FSC does not however consider that an Annual General Meeting adds value to such accountability and will therefore continue to focus on its existing methods of accountability. This includes detailing how its proposals for regulatory developments accord with its regulatory objectives.

Fixed terms of appointment of Members

Tracking number: 284

Recommendation

The FSCO should provide explicitly for fixed terms of appointment for Members of the Commission and the Commissioner.

Response

06/12/2005 This is outside the FSC's sphere of control, however policy on the length of terms of appointments has been agreed with HE the Governor who is responsible for these appointments.

FSC to set its own fees

Tracking number: 285

Recommendation

The FSCO should be amended to give the Commission the power to set its own fees, subject to its duty to ensure economy, efficiency and effectiveness and with the safeguards outlined in paragraphs, 2.41.1, 2.41.3, 2.41.4

[2.41.1. The Commission would set its own fees and budget, subject to an industry consultation process. The fees should be set according to criteria set and announced by the Commission. That policy might be that the FSC would seek to cover its own costs and build up a reserve. The budget would be set according to the Commission's assessment of the level necessary to undertake its statutory duties, subject to its overall statutory responsibility to operate economically and efficiently and effectively.

2.41.3. However, in case the Government of Gibraltar considered that the FSC was behaving in a disproportionate or extravagant manner, it would have the statutory right to appoint an independent assessor to conduct a value for money review.

2.41.4. If that review revealed any wasteful or unnecessary expense, the Government of Gibraltar would be able to require the FSC to take appropriate action or to explain why action was inappropriate, provided that such action did not interfere with the FSC's ability to perform its regulatory duties.]

Response

06/12/2005 This is outside the FSC's sphere of control. The FSC has brought this recommendation to the attention of the appropriate authorities

FSC to be able to borrow outside from GoG

Tracking number: 286

Recommendation

The FSCO should be amended to remove the restriction that the FSC can only borrow from the Government of Gibraltar.

Response

06/12/2005 Following discussions with GOG, this recommendation will not be being pursued as such borrowing will add to national debt figures .

Publication of how the FSC Matches the UK

Tracking number: 289

Recommendation

The Commission reviews its interpretation of the matching requirement and reconsiders adopting that recommended by the review team, as well as publishing an assessment of the extent to which it regards the requirement as being met in the Annual Report.

Response

06/12/2005 The FSC will keep its interpretation under review and will be taking account of the observations in the report when doing so. An assessment has been included in the annual report 2004/05

Assessment of how the matching requirement is met

Tracking number: 290

Recommendation

The FSC assesses whether that interpretation is applied at present in its supervisory approach and activities, taking account of the observations in this report.

Response

06/12/2005 The FSC has reviewed its interpretation and detailed this in its annual report for 2004/05

How new policies meet the matching requirement

Tracking number: 291

Recommendation

The FSC includes an assessment of the consistency of any new policy proposal with its interpretation of the matching requirement in internal submissions and external consultation and policy papers.

Response

06/12/2005 Accepted, changes have been made to policy papers to implement this

Development of tracking document of EU Directives

Tracking number: 292

Recommendation

The FSC develops the tracking mechanism for EU Directives so that, in addition to the working document now used, the Commission makes a formal submission to the Government on a regular basis that includes an assessment not only of the relative priority of outstanding EU Directives for the FSC but also of the extent to which proposed implementing legislation instruments would allow the Commissioner to fulfil his statutory duties to supervise financial institutions in line with EU obligations.

Response

06/12/2005 The tracking mechanism has been enhanced to cover these areas. Further enhancements will be made as other areas for improvement are identified

UK to advise FSC of regulatory/legislative developments

Tracking number: 293

Recommendation

The FSC asks the UK Government, through the relevant sponsoring department, to undertake to keep the FSC advised at all stages of UK drafting and implementation of relevant EU legislation and advises the Government of Gibraltar to do the same.

Response

06/12/2005 The FSC has already sought to advance this and will continue to do so. The FSC has raised the recommendation at a subsequent Financial Services Liaison Group meeting with HMT and FSA

Relationships with HMT

Tracking number: 294

Recommendation

The FSC continues to develop relations with HMT and the FSA so as to keep in touch with developments in emerging EU legislation.

Response

06/12/2005 This recommendation simply reflects the current position and the efforts of the FSC to develop its regulatory relationship with the FSA and HMT (for example through the Financial Services Liaison Group meetings which were instigated in 2004 at the FSC's request).

HMT & FSA to circulate papers to FSC

Tracking number: 295

Recommendation

The FSC invites HMT and the FSA to circulate relevant papers to the FSC as a matter of routine, so that it can comment on proposals where they are of particular significance to Gibraltar and asks the UK authorities to invite Gibraltar representatives, as appropriate, to join the UK representatives in discussions of emerging EU legislation.

Response

06/12/2005 The FSC has already sought to advance this and will continue to do so. The FSC will be writing to the appropriate authorities and has raised the recommendation at its subsequent Financial Services Liaison Group meeting with HMT and FSA and their agreement has been obtained

Extension of MoU signed with FSA

Tracking number: 296

Recommendation

The FSC seeks to add these measures* (* these measures being having a Gibraltar representative at EU meetings, exchange of information and a formalised approach of information regarding EU directives between the Financial Services Authority ("FSA") and Her Majesty's Treasury ("HMT") designed to assist the FSC in meeting its responsibilities, to the Memorandum of Understanding ("MoU") that the FSC has recently concluded with the FSA.

Response

06/12/2005 The FSC has raised this recommendation with the FSA. The FSA do not have MOUs of the type suggested and do not consider it appropriate to amend the MOU. The MOU is designed for the particular purpose of the exchange of information and technical assistance of the kind envisaged by the review does not have to be provided on a formalised basis.

Trilateral Meetings

Tracking number: 297

Recommendation

The FSC seeks to ensure that other relevant parties be included in formal working arrangements for trilateral meetings between the FSC, FSA and HMT, as the FSC advises us they now propose.

Response

06/12/2005 Financial Services Liaison Group meetings with HMT and FSA take place two times per year. The Foreign and Commonwealth Office now participates in these. Where necessary other parties are included or separate meetings held with those other parties.

High level analysis of EU directive requirements

Tracking number: 298

Recommendation

The FSC includes a high level analysis of the implementation of EU Directives and a description of the action it has taken to monitor implementation in its Annual Report, drawing attention to those Directives that will require action during the following year.

Response

06/12/2005 Agreed. This is contained in the FSC's annual report 2004/05 and will be contained in future annual reports

Resources for policy development

Tracking number: 300

Recommendation

The FSC seeks additional staff to support policy development so as to ensure that policy proposals are properly researched and their consequences fully identified.

Response

06/12/2005 Staffing needs are regularly considered and this recommendation will be included in such consideration. The recent recruitment of further staff means that greater resources can be put to support policy development.

Combined Code on Corporate Governance

Tracking number: 301

Recommendation

The Commission reviews the Combined Code on Corporate-Governance and determines how it should respond to the Code provisions, reporting the result in the Annual Report.

Response

06/12/2005 The Combined Code had already been considered. Indeed a number of good governance principles such as an audit committee had already been introduced at the FSC prior to the review. Nevertheless a full further review was undertaken and details on how the Code is applied at the FSC has been placed on the FSC website (which is felt a preferable method of publication rather than the annual report) Where deficiencies were detected the action taken/being taken to resolve them - has also been posted on the website.

Review of Commissioner's Committee

Tracking number: 302

Recommendation

The Commissioner keeps under review the operation of the Commissioner's Committee so that the

senior staff of the FSC can thereby discuss all aspects of the FSC's policy and operation and drive forward its agenda.

Response

06/12/2005 This recommendation simply reflects improvements already actioned in the operation of the Commissioner's Committee.

Peer review of regulatory actions

Tracking number: 303

Recommendation

The FSC puts in place a programme of peer review of regulatory actions (including visits) at any rate on a sample basis to ensure consistency.

Response

06/12/2005 This is now achieved through including staff from other divisions on on site inspections, peer reviews and the internal audits undertaken by the FSC as part of its ISO9000 programme. This is supplemented by considerations at Commissioner's Committee which further ensure consistency across divisions.

2. Cross-cutting issues

Consultation of the Financial Services Industry

Tracking number: 419

Recommendation

We recommend that the Commission proposes that a statutory duty to consult the financial services industry be included within the FSCO

Response

19/01/2005 As the Report itself acknowledges the FSC has a full and detailed consultative process, although the FSC acknowledges that this is undertaken as part of the FSC's commitment to transparency and accountability rather than a statutory obligation. Whilst any decision on making this a statutory requirement is a legislative matter and therefore outside the FSC's sphere of control, the FSC will consider the desirability of proposing such a change.

Regulatory Objectives to be included in statute

Tracking number: 310

Recommendation

The Commission continues to seek amendments to the FSCO whereby the objectives already adopted would be incorporated into the FSCO.

Response

06/12/2005 Proposals for the inclusion of statutory objectives into legislation have already been discussed with the Government of Gibraltar. Formal proposals were forwarded by the FSC to the Government of Gibraltar as part of its proposals for changes to the FSCO

Continuation of FSC's risk based approach to supervision

Tracking number: 311

Recommendation

The FSC continues to roll out the new risk-based approach across all sectors and make the visits and assessments necessary to ensure successful use of the model.

Response

06/12/2005 The FSC has applied the risk framework to all sectors and a programme of on-site visits to all regulated entities is already being effected as part of the risk assessment processes.

Publication of high level summary of risk findings

Tracking number: 312

Recommendation

The FSC considers the publication of high level summary results (once a useful aggregate number of assessments have been completed) describing the overall level of risk within the Gibraltar financial system and the common risks and weaknesses the FSC is finding, to help supervised institutions proactively deal with them.

Response

17/01/2005 The FSC has already been designed and implemented Management Information Systems which provide the required data. Once the underlying assessments are of sufficient numbers, these summaries will be published on the FSC's web-site and as a newsletter to licensees.

Adoption of principles for business

Tracking number: 313

Recommendation

The Commission adopts principles for business along the lines of those adopted by the FSA and proposes that they be given the status of regulations or rules, a breach of which would be a basis for regulatory sanction.

Response

17/01/2005 The FSC has submitted proposed revisions to the Conduct of Business regulations in the Fiduciary and Investment Services Sectors, and these are presently being considered by the Government of Gibraltar. The FSC will consider whether there is a need to have similar principles applying in the Banking and Insurance sectors.

Rule making powers

Tracking number: 314

Recommendation

The Commission proposes that it be given the power to make rules that are binding on the financial services industry in that a breach of the rules would be grounds for regulatory sanctions if the FSC judged it appropriate to apply them in the circumstances.

Response

17/01/2005 Whilst any decision on this is a legislative matter and therefore is outside the FSC's sphere of control, the FSC has raised this recommendation with the Government of Gibraltar.

Publication of regulatory waivers

Tracking number: 315

Recommendation

Where the Commissioner makes waivers from regulatory requirements, he generally makes them public (in all sectors where this power exists and where the requirement to make them public does not).

Response

06/12/2005 The powers to provide regulatory waivers exists in the Collective Investment Scheme Regulations and proposals are already with Government of Gibraltar to seek the removal of this discretion.

These waivers also exist under the Insurance Legislation and where these have been granted, must be published in the annual returns which are available publicly.

No further action is required.

Skilled Persons

Tracking number: 316

Recommendation

The Commission proposes that it be given the power to require any regulated financial business to appoint a skilled person to prepare a report (where the power does not already exist).

Response

17/01/2005 Accepted. The FSC has already been discussed proposals for the inclusion of skilled persons reports into the relevant Ordinances with the Government of Gibraltar. The FSC has made formal proposals to the Government.

Powers to appoint skilled persons already exists under the Banking and Insurance legislation.

Pre-notification of key positions

Tracking number: 317

Recommendation

The FSC continues to develop and then implements its proposals to insist on pre-notification of the appointment of key people in financial services businesses and requires that no appointment be made until the FSC gives consent.

Response

17/01/2005 Accepted, the FSC has already submitted proposals to the Government of Gibraltar for the introduction of an industry wide regime for the pre-approval of key personnel as well as apportioning senior management responsibilities for the operation of a firm.

Tracking number: 318

Notification requirements for Money Laundering Reporting Officers ("MLROs") and Compliance Officer

Recommendation

The Commissioner expands the requirement for notification and approval of key persons to those conducting compliance and audit functions.

Response

17/01/2005 Accepted. The FSC has already submitted proposals to the Government of Gibraltar for the introduction of an industry wide regime for the pre-approval of key personnel as well as apportioning senior management responsibilities for the operation of a firm.

Senior Management Responsibilities

Tracking number: 319

Recommendation

The Commission seeks the necessary changes to regulations to impose a regulatory requirement on senior managers of regulated financial services businesses that they should appoint someone with the duty to apportion responsibilities and to ensure that systems and controls are adequate.

Response

17/01/2005 Accepted. The FSC has already submitted proposals to the Government of Gibraltar for the introduction of a sector-wide regime for the pre-approval of key personnel as well as apportioning senior management responsibilities for the operation of a firm.

Public censure

Tracking number: 320

Recommendation

The Commission has the power to make public statements of censure and that it should be able to impose fines.

Response

17/01/2005 Whilst this decision is a legislative one and therefore outside the sphere of influence of the FSC, the FSC will give consideration to the desirability of proposing such an approach.

Directions

Tracking number: 321

Recommendation

The power to issue a Direction in different Ordinances be consolidated into a general power to issue a Direction to take or refrain from taking any action and that a breach of a Direction should be a criminal offence.

Response

17/01/2005 Whilst any decision on this is a legislative matter and therefore is outside the FSC's sphere of control, the FSC supports the recommendation and is considering the best manner in which to take this recommendation forward.

Power to petition Court to wind-up a company in the public interest

Tracking number: 322

Recommendation

The Commission has the power to petition the court to wind up a company in the public interest where it does not already have this power.

Response

06/12/2005 Accepted. The FSC had already discussed proposals to be able to petition the court to wind up a company suspected or known to be conducting an illegal financial services activity with the Government of Gibraltar and received their support. Proposed revisions to the FSC to implement this have been submitted to the Government

Review of approach in providing assistance to overseas authorities

Tracking number: 323

Recommendation

The FSC reviews its approach to providing assistance to overseas authorities in the light of the outcome of the judicial review, including the obiter dicta, as well as developments in UK practice and the provisions of EU Directives in relation to data protection and the protection of the confidentiality of regulatory information, so as to ensure that the FSC can continue to provide good assistance to foreign regulators as it has in the past.

Response

17/01/2005 The FSC implemented a number of changes to its process following the judgement.

A full review of this area has been undertaken and legislative changes were proposed to Government in June 2005

Changes required to FSCO to assist overseas regulators

Tracking number: 324

Recommendation

The FSC seeks changes in the FSCO as necessary to implement the outcome of the review recommended by the report in improving the way the FSC provides assistance to overseas authorities in the light of the outcome of the judicial review.

Response

06/12/2005 Whilst any decision on this is a legislative matter and therefore is outside the FSC's sphere of control, the FSC has already discussed proposals for the clarification of its regulatory co-operation powers with the Government of Gibraltar. Following an internal review and assessment of its existing powers, the FSC has forwarded proposals to GOG in the form of a draft Cooperation Ordinance for its consideration. If accepted this Ordinance will replace the cooperation powers contained in the other ordinances for which the FSC has regulatory responsibility

Use of post-boxing arrangements

Tracking number: 325

Recommendation

The FSC takes every opportunity to explain to EU regulators that Gibraltar is fully capable of responding directly to requests for assistance.

Response

17/01/2005

Various presentations to overseas regulators have been provided by the Foreign and Commonwealth Office ("F&CO") and the FSC directly as to the use of the post-box. An explanatory presentation is also available on the FSC's website. Nevertheless the FSC will further raise the priority of its work in this area and has, since the review presented on this issue to the Italian Regulator, Consob

3. Prevention of financial crime and money laundering

Communications with HMT & FSA

Tracking number: 328

Recommendation

The FSC asks the Home Office as the sponsoring department for criminal justice legislation and HMT as the sponsoring department for the Money Laundering regulations to factor the FSC into advance consultation on all Anti Money Laundering ("AML") and financial crime legislation and Regulations, so that it can determine the appropriate supervisory response; that the FSC asks the FSA to factor the FSC into consultation on amendments to the Money Laundering Sourcebook and other issues relating to the prevention of financial crime and that the FSC advises the Government of Gibraltar to make a similar request on its own behalf.

Response

17/01/2005

The FSC has raised this the Financial Services Liaison Group meeting with HMT and the FSA. FSC continues to remind the FSA and HMT of the need for good communications. FSC will also notify the Government of Gibraltar of this recommendation

Analysis of Legislation

Tracking number: 329

Recommendation

The FSC gives more consideration to analysing the effects of legislation that is implementing EU Directives and to the consequences for its supervisory practices of any departure from the UK approach

Response

17/01/2005

The FSC already liaises closely with the Government of Gibraltar on legislative changes which have a regulatory impact. The FSC will look at ways of further formalising its advice but is anxious to avoid introducing unnecessary bureaucracy

Revision of the Anti Money Laundering Guidance Notes ("AMLGNs")

Tracking number: 330

Recommendation

That the FSC rewrites the Guidance Notes to take account of the increased understanding of the risks of money laundering since the Notes were first drafted and to overcome the difficulties that arise when a document of this kind is subject to repeated amendment and that it waits for the publication of the first consultation paper by one of the Crown Dependencies before doing so.

Response

17/01/2005

The FSC has consistently amended the AMLGNs to take into account developments in the UK. It will consider the implications of the amendments introduced in the UK and Channel Islands. Once these have been produced the

FSC will take a view as to whether the AMLGNs should be amended.

The FSC will await the publication of these notes and consider the local implications, if any.

To add specific risks and requirements to products & services

Tracking number: 331

Recommendation

In its Guidance Notes, the FSC discusses the specific risks and vulnerabilities to the products and services offered by the Gibraltar financial services industry – especially the professional trusteeship and company management sector - and shows how the measures in the Guidance Notes are intended to address them.

Response

06/12/2005 These risks are already covered in AMLGNs.

Gibraltar specific training and awareness

Tracking number: 337

Recommendation

The FSC formally supports the need for awareness and training materials that address the specific financial products and services that are delivered in Gibraltar, with particular reference to the professional trusteeship and company management sector.

Response

17/01/2005 FSC already makes its support clear. The FSC has already provided AML training and will consider the need for sector specific training

Competence testing for MLRO

Tracking number: 338

Recommendation

The FSC requires that key personnel in financial services businesses, especially the MLROs, are subject to competence testing on AML defences.

Response

17/01/2005 This will be addressed through the FSC proposals to introduce an approved persons regime and the introduction of a Financial Sector Skills Council which has already been submitted to the Government of Gibraltar.

Sector specific training for FSC staff

Tracking number: 339

Recommendation

The FSC provides all regulatory staff with tailored ongoing AML awareness raising and training covering the specific vulnerabilities of the products and services provided by Gibraltar's financial sector businesses.

Response

06/12/2005 The recommendation is based upon an incorrect assumption; the FSC is committed to a continuous training programme for all staff.

The FSC already provides training for all of its staff on AML issues and the requirements of the Criminal Justice Ordinance and the Anti-Money Laundering Guidance Notes. As division sizes are small there is little additional value in sector specific training to be designed and delivered.

Use of permissive language in AMLGNs

Tracking number: 340

Recommendation

As part of the recommended redraft the FSC ensures that the Guidance Notes maintain a clear distinction now achieved between the permissive language appropriate for guidance and the more direct language appropriate for what are, in the FSC's view, mandatory provisions.

Response

06/12/2005 The FSC conducted a full review of the AMLGNs with the review team to identify remaining permissive language issues. These have all been addressed in the latest revision of the AMLGNs and this is recognised by the review.

Report to senior management by MLRO

Tracking number: 341

Recommendation

The FSC requires in the Guidance Notes that senior management should receive an annual report from the MLRO with an exemption for the smallest institutions.

Response

17/01/2005 The FSC will be giving consideration to this recommendation and determining the size of firm for which such a recommendation would be appropriate.

Themed reviews

Tracking number: 342

Recommendation

The FSC commences, a series of themed reviews either by its own staff or by skilled persons in sectors other than banking to assess the awareness of AML requirements and the training and competence provisions in financial services businesses.

Response

06/12/2005 This recommendation is based upon an incorrect assumption and is not accepted.

The FSC maintains a regular visit programme to all firms which includes an assessment of the anti-money laundering controls, therefore themed visits are not needed except where specific sector wide issues are identified.

The closeness of the regulator to the industry already provides the FSC with a good picture of the risks facing the industry sectors and how these are being mitigated.

Objective Test

Tracking number: 343

Recommendation

The FSC amends the Guidance Notes to position the financial services industry for the adoption of the objective test for reporting suspicions and the consequent changes to Know Your Customer ("KYC") and account monitoring procedures, in line with the situation that already exists in the UK and in anticipation of the change that will be required under the Third Directive.

Response

06/12/2005 Not accepted.

Whilst the objective test may be a requirement under the proposed 3rd Money Laundering Directive, any changes to the regulatory guidance notes must carry the force of law behind it. To meet this recommendation at this time, the FSC would be acting without legislative support.

The objective test will be discussed with Government of Gibraltar once the text of the 3rd MLD is agreed.

Identification of vulnerabilities

Tracking number: 344

Recommendation

The FSC discusses, with the law enforcement agencies and the financial services industry, the particular vulnerabilities of Gibraltar's financial institutions to financial crime and develops guidance and awareness training to address those risks and the more general risks of financial fraud.

Response

17/01/2005 Agreed, to be addressed.

11/01/2006 The FSC meets regularly with the Royal Gibraltar Police, Customs, GCID, GFU and a representative of the Attorney General's Chambers with the Government of Gibraltar's Finance Centre Division as a group, to discuss enforcement related issues and concerns.

This cross sharing of information allows the FSC to obtain information about enforcement issues affecting the law enforcement agencies, as well as to contribute its experiences to the group.

This then enables the relevant agencies to draw up guidance and training to its officers, or to draw up policy based on this knowledge.

4. Banking

Additional Resources

Tracking number: 352

Recommendation

The FSC seeks resources sufficient to be able to absorb the impact of the greater reliance on staff for inspections, as opposed to the use of reporting accountants, as well as dealing with impending developments such as the implementation of Basel II and taking account of the additional duties now placed on banking supervisory staff.

Response

06/12/2005

The FSC has recruited additional capacity at regulatory officer level for the banking division and reallocation some responsibilities These changes should provide the

additional capacity necessary to meet the recommendation.

Understanding of the Risk Model

Tracking number: 353

Recommendation

The FSC continues to mount communications initiatives with the banks and the financial sector more generally to increase understanding of the risk assessment methodology, taking the steps set out in paragraph 5.49

5.49. We conclude, from observations and comments we received that it would be helpful if the FSC were to step up its efforts to explain its risk assessment methodology to the banking community so as to ensure it is adequately understood. The FSC could take a number of measures to improve the understanding of the new risk assessment framework as it is being rolled out to all regulated entities, including:

5.49.1. in addition to the workshops already held, making further presentations to regulated firms and their auditors to explain and launch the new risk assessment methodology;

5.49.2. elaborating the FSC's letter to a bank upon completion of the risk assessment, so that it makes clear the FSC's overall high level assessment of the bank's risk and establishes deadlines for when each action has to be completed (the final letter should also be copied to the bank's external auditors and either the Board or Head Office to ensure that they are aware of the FSC's assessment);

Response

06/12/2005 The FSC, in association with the Gibraltar Association of Compliance Officers have hosted awareness and training seminars on the risk assessment model. Further initiatives will be conducted in 2005.

23 Feb 2005 FSC in conjunction with GACO presented Risk Based model to industry. Presentation covered methodology and practical elements to the risk based framework.

11/01/2006 With the roll-out of the FSC-wide Risk Assessment Methodology, awareness training was delivered to the entire industry including the external auditors. The roll-out has been well accepted and understood by the regulated firms and the auditors and the FSC continues to receive praise for its implementation of the same.

The FSC also conducted a review of the Risk Assessment feedback letters issued to regulated firms at the end of the risk assessment process to ensure that these delivered added value to the firm and that these were consistently being applied across all divisions.

Feedback to firms on risk assessment

Tracking number: 354

Recommendation

The FSC provides more information on its opinion of the risk posed by an institution in the risk assessment letter sent to banks and all items in the action plan should have a specific deadline.

Response

06/12/2005 The risk feedback letter has been considerably improved through internal processes already identified by the FSC and addresses the recommendation.

Use of supervisory tools

Tracking number: 355

Recommendation

The FSC makes greater use of the tools already available to it as described in its risk assessment framework and in paragraph 5.50

5.50. We further conclude that the FSC should make more use of the wide range of tools available to it by:

5.50.1. asking the senior management to deal with the risks identified, where the risk assessment shows the bank to have reliable and adequate senior management, and not use their own resources to do so or to verify the results;

5.50.2. making use of the firm's own internal audit and compliance functions, again once their reliability has been tested;

5.50.3. otherwise following the recommendations in chapter three on supervisory tools.

Response

06/12/2005 The implementation of the revised risk assessment model ensures greater use of all the supervisory tools at the FSC's disposal.

Corporate Governance in banking subsidiaries

Tracking number: 356

Recommendation

The FSC draws up guidance setting out its expectations in respect of corporate governance in subsidiaries of banks and includes an assessment of compliance with this in its routine inspections and in its risk assessment.

Response

17/01/2005 It is expected that the introduction of an approved persons regime will address the recommendation.

Liquidity Monitoring

Tracking number: 358

Recommendation

The FSC reviews its approach to liquidity and consider the issues set out in paragraph 5.52

[5.52. While the review team accepts that practice adopted for the Gibraltar market is consistent and adequate for the nature of the banking market and the limited treasury functions performed in Gibraltar (including the lending of surplus funds to parent organisations) nor does the team believe there is a danger that a bank would conceal liquidity difficulties from the FSC, we conclude that the FSC should consider reviewing its approach to liquidity, in particular

5.52.1. To move to an approach requiring banks to measure and monitor their liquidity on a daily basis, using total cash flows and not just the residual maturities of balance sheet items;

5.52.2. To require banks to meet their liquidity mismatch ratio on a daily basis and inform the FSC of any breach; and,

5.52.3. To consider making more use of global liquidity concessions in light of the structure of the Gibraltar market.]

Response

06/12/2005 Not accepted.

We consider that the present liquidity monitoring arrangements are adequate for the nature and scale of the activities of Gibraltar banks.

Outstanding Recommendation (Ombudsman)

Tracking number: 359

Recommendation

The FSC maintains its efforts to encourage the legislative changes necessary to implement the remaining recommendations from earlier reviews that are described in paragraph 5.54

[5.54. We note that there are some residual points left over from previous reviews which have not been translated into Gibraltar law and practice. These are:

5.54.1. The 1997 and 1998 reviews both recommended the appointment of a Banking Ombudsman. We support this recommendation, as indicated in chapter three, and note that responsibility for this lies with the Government of Gibraltar;

5.54.2. The IMF review noted that the FSC did not have the power to fine banks for the late submission of returns or for breaching prudential requirements (this aspect is dealt with in chapter two);

5.54.3. The IMF recommended that the FSC should require banks to introduce a loan classification regime that would reflect best international practice. In response, the FSC accepted the principle but given the straightforward nature of the bank's business in Gibraltar had no plans to implement it at the moment and prefers to rely on the existing approach. The FSA adopts the same practice for banks in the UK. We agree with the FSC that there is no need for any change and so recommend.]

Response

06/12/2005 The review team considered that two of the International Monetary Fund ("IMF") recommendations which dealt with loan loss accounting and reporting practice were not appropriate. The remaining recommendation was the introduction of a banking ombudsman. This is dealt with under the cross-cutting issues.

Home State Supervisors

Tracking number: 360

Recommendation

The FSC continues its programme of meeting home state supervisors where the need arises.

Response

06/12/2005 Accepted however the FSC already meets and effects visits to home state regulators wherever there is a requirement to do so. The FSC also encourages visits to Gibraltar by home state regulators.

Mortgage Regulation

Tracking number: 361

Recommendation

The FSC monitors the regulation of mortgages in the UK and, in the second half of 2005, consider the need for recommending similar regulation in Gibraltar.

Response

06/12/2005 Mortgage regulation is not an issue for which the FSC has been given responsibility. Should the Government of Gibraltar wish to grant such responsibility the FSC will assess the impact of this recommendation.

5. Investment Services

Resources

Tracking number: 345

Recommendation

That the FSC seeks additional resources to ensure that it is able to implement its risk assessment programme and to implement the recommendations of this report.

Response

06/12/2005 Two additional members of staff have been recruited during the course of the review, bringing the staff complement of division now up to 4. The risk assessment programme is now well under way. The need for further resources is being kept under review.

FSC responsibilities with respect to the Insider Dealing Ordinance

Tracking number: 364

Recommendation

As part of the implementation of the Market Abuse Directive, the Commission advises Government of Gibraltar to review the extent of the FSC's responsibilities for insider dealing investigations.

Response

11/01/2006 The Commissioner has been appointed the Competent Authority under the ordinance implementing the Market Abuse Directive and therefore now has responsibility for this area.

Financial Services (Miscellaneous Provisions) Ordinance 2004

Tracking number: 365

Recommendation

The FSC discusses with the Government of Gibraltar the implementation of the draft Financial Services (Miscellaneous Provisions) Ordinance 2004, thereby providing for the recognition of foreign exchanges.

Response

17/01/2005 The Government of Gibraltar is currently considering the draft.

Training & Competency (T&C)

Tracking number: 366

Recommendation

The FSC considers introducing a formal training requirement on the lines of that suggested in paragraph 6.80

[6.80. It may be impracticable to insist on specific qualifications for key individuals. We note that Principle 12 of the Conduct of Business regulations states that licensees must have adequate arrangements to ensure they are suitable, adequately trained and properly supervised. However, we consider that the FSC should impose on investment firms a requirement to ensure that each individual performing specified roles has been assessed as competent either through a relevant qualification or through specific affirmation from senior management.]

Response

17/01/2005 The FSC issued a letter to industry requesting proposals as to the best way to take Training & Competency issues forward. Industry response was positive and the FSC has made proposals to GoG.

Following feedback from industry as to how stakeholders wished to see this issue progressed the FSC produced a paper with proposals which was submitted to the Government of Gibraltar. It is currently being considered and the issue is progressing.

Consolidation of FSO 89 & 98

Tracking number: 346

Recommendation

The Commission proposes the consolidation FSO 89 and FSO 98 at the time of the implementation of the Markets in Financial Instruments Directive (MiFID)

Response

06/12/2005 The FSC has proposed to the Government of Gibraltar that consolidation of the FSOs would be beneficial in light of the changes that will be required to both pieces of legislation as a result of the implementation of MiFID during 2006/7.

Capital Adequacy

Tracking number: 347

Recommendation

The capital adequacy requirements of non-Investment Services Directive ("non-ISD") firms be clarified and formalised.

Response

06/12/2005 Whilst we do not accept the premise on which this recommendation was made, it should be noted that the Insurance Mediation Directive was implemented on 15th January 2005. This clarified the capital requirements on insurance intermediaries which make up the bulk of non-ISD firms.

Revision of Conduct of Business Regulations

Tracking number: 348

Recommendation

The FSC seeks to ensure that newsletters and circulars implementing a range of conduct of business and other requirements are consolidated into revised Conduct of Business Regulations; (we understand that draft Conduct of Business Regulations have been prepared for consideration by the Government of Gibraltar).

Response

17/01/2005 Draft regulations have been submitted and are currently being considered by the Government of Gibraltar.

Key Features documents

Tracking number: 350

Recommendation

The FSC implements its proposals to introduce a modified "key Features" regime (providing that such documents prepared for other markets would be acceptable within Gibraltar).

Response

17/01/2005 Dealt with in the Collective Investment Scheme legislation being considered by GoG.

Investor Compensation Scheme

Tracking number: 351

Recommendation

The Commission considers, and advises the Government of Gibraltar to invite HMT to consider, an arrangement whereby investment services in Gibraltar would 'top up' the provisions of the Gibraltar investor compensation scheme to the levels of the UK scheme when selling to UK residents.

Response

06/12/2005 This is not a supervisory issue, however such a proposal had been made by the Government Of Gibraltar prior to the statutory review being undertaken. It should be noted however that "topping up" is only available in respect of branches not services

Gibraltar Regulatory Arrangements

Tracking number: 357

Recommendation

The FSC takes action to remove the other differences in the Gibraltar and UK regulatory arrangements that are listed specifically in paragraphs 6.45 to 6.47 (and where appropriate measures are currently planned, such as in the proposed draft regulations, that the FSC attaches appropriate priority to the fulfilment of those plans).

[6.45. The FSC's conduct of business regulations provide general coverage of the main areas of conduct of business standards set out in the ISD and in the UK. The requirements in Gibraltar are less detailed and while this is generally a reasonable approach, there remain some areas where differences remain:

6.45.1. Advertisements issued by unauthorised persons: There is no provision to require unauthorised persons to obtain approval by an authorised person for their investment advertisements. We understand that draft regulations have been prepared to require this.

6.45.2. Customer agreements: There are no detailed specifications for the content of customer agreements as per the UK model. Draft regulations have been prepared as a schedule to a revised Financial Services (Conduct of Business) Regulations.

6.45.3. Reason Why letters: The letters which set out the reason why an investment recommendation has been made are considered an important part of the UK conduct of business regime. A guidance note issued by the FSC to insurance intermediaries in 2002 set out the importance of Reason Why letters. Further guidance was provided in Newsletter 2 issued in 2004. In view of the importance of this requirement, the FSC has drafted revisions to the Conduct of

Business Regulations specifying this requirement.

6.45.4. Direct offer advertisements: There does not appear to be any provision within Gibraltar advertising regulations for the content of direct offer advertisements. The UK regulations provide for full details of the investment and the characteristics of the transaction to be supplied.

6.46. The FSC has advised us that the following differences will be resolved in CIS legislation which is currently being drafted:

6.46.1. Cancellation arrangements: There are no cancellation provisions for transactions in regulated collective investment schemes as per the UK model. There are no such schemes authorised for sale to the public at present so this does not currently present a problem. The Commissioner would need to make cancellation provisions a condition of any scheme's authorisation.

6.46.2. Key features: The provisions of the key feature regime in the UK are not reflected in Gibraltar. The key features document in the UK covers a range of specified information including risk, commitment, tax, commission payments and the effect of charges. In addition, the absence of detailed regulations as to the time of delivery mean that the information may not be provided in time to allow the investor an informed decision on investment.

6.46.3. Projections: UK requirements for projections of packaged products are not reflected in Gibraltar regulations. While this is not significant given the absence of such Gibraltar schemes, we consider that any projections provided should have to comply with specified requirements.

6.47. We also observe the following differences between the supervisory activities in Gibraltar and the UK (In addition to those described in chapter three):

6.47.1. Introducers: It appears that, unlike the UK, all introducers (i.e. those who introduce a client to another firm so that firm may provide financial services to the client) would require authorisation. Draft legislation has been prepared to exempt such introducers.

6.47.2. Training and Competence: Requirements in the UK are more detailed, including requiring where an individual offers investment advice or carries out discretionary management, the assessments of an individual's competence should include passing an approved examination. The UK requirements do however go further than EU Directive requirements. We note the practical difficulties in establishing an examination regime specific to Gibraltar. The FSC has supported the introduction of the Gibraltar Association of Compliance Officers (GACO) and this support is to be commended.

6.47.3. Custody: The current legislation does not specify the safeguarding and administration of investments as an authorisable activity under the 1989 ordinance (although the service is included in the non-core ISD activities listed in FSO 98). Amendments have been drafted by the FSC (the draft Financial Services (Miscellaneous Provisions) Ordinance 2004).]

Response

17/01/2005

The various drafts are already being considered by the Government of Gibraltar.

6.45.1. Advertisements issued by unauthorised persons: included in the draft legislation (Investment Business & Controlled Activities Regulations) are currently being considered by the Government of Gibraltar.

6.45.2. Included, as a schedule, in the draft revised Conduct of Business Regulations currently being considered by Government of Gibraltar

6.45.3. "Reason Why letters": Included in the draft revised Conduct of Business Regulations currently being considered by Government of Gibraltar

6.45.4. Direct offer advertisements: Proposed amendment to the Advertising Regulations addressing this point forwarded to GoG 10/03/05.

6.46.1. Cancellation arrangements: Included in the revised CIS legislation currently being considered by Government of Gibraltar

6.46.2. Key features: Included in the revised CIS legislation currently being

considered by Government of Gibraltar.

6.46.3. Projections: Included in the revised CIS legislation currently being considered by Government of Gibraltar.

6.47.1. Introducers: Included in the draft legislation (Investment Business & Controlled Activities Regulations) currently being considered by Government of Gibraltar.

6.47.2. Training and Competence: FSC currently putting proposals together regarding a T&C regime. Consulting with industry bodies e.g. Gibraltar Association of Compliance Officers ("GACO").

6.47.3. Custody: Included in the draft Financial Services (Miscellaneous Provisions) Ordinance currently being considered by Government of Gibraltar.

11/01/2006 LSU is currently drafting final versions of the legislation - GOG have indicated that timeframe for publication/implementation of these is March 2006.

Product Literature

Tracking number: 362

Recommendation

The FSC seeks to ensure that requirements are introduced to provide that any projections of the performance of packaged products comply with specified requirements.

Response

17/01/2005 The FSC is currently considering the various ideas being proposed by the FSA in its Projections Review which is on-going. The FSA has indicated that it will be publishing its conclusions in a consultation paper at the end of March 2006, which will make public their final proposals.

11/01/2006 The FSA's review of the projections regime continues. An update of the current position has been requested from the FSA.

The Market Abuse Directive

Tracking number: 363

Recommendation

The FSC reviews, as part of its implementation of the Market Abuse Directive, the measures introduced in the UK in 2001

Response

06/12/2005 Market Abuse Ordinance Published and came into effect on 2/8/2005. The Commissioner has been appointed as the Competent Authority for these purposes.

6. Insurance

Additional Resources

Tracking number: 367

Recommendation

The FSC seeks to add sufficiently to its staff complement to enable it to undertake the new risk-based methodology it has already put in place, together with more systematic on-site visits; to

assess the changes currently being introduced in the UK in respect of insurance supervision; and to implement changes recommended in this report as well those it judges necessary to continue to match the changing UK standards

Response

17/01/2005 One additional staff member was added during 2004 bringing the complement to 4. This is budgeted to increase to 5 in 2006/7. For the future it is planned to consult closely with the FSA on changes now under way in the UK regarding insurance supervision and we shall evaluate the additional impact on our resources following this consultation and fact-finding.

12/01/2006 The current complement of 4 is budgeted to increase to 5 during 2006.

Clarification of Solvency Requirements with FSA

Tracking number: 368

Recommendation

The FSC seeks further explanation from the FSA on how it determines what are acceptable levels of solvency, both for companies seeking authorisation and those already established, and how this is affected by assessment of the relevant risk factors, and similarly seeks assistance from the FSA in its assessment of the new risk-based capital requirements.

Response

06/12/2005 The FSC has already requested clarification from the FSA on specific levels of solvency for similar firms operating in the UK. A meeting has been held with the FSA to discuss this and the FSC has concluded that whilst no change is needed in its approach to capital requirements at this time the matter will be kept under active review as the FSA risk assessment model develops

12/01/2006 The FSC will be attending an FSA course for international regulators during 2006 and the opportunity will be taken to review this FSA developments with the FSA.

Gibraltar Solvency Requirements

Tracking number: 369

Recommendation

The FSC considers whether to revise the solvency requirements which it currently expects of companies seeking authorisation, and, in the light of discussions with the FSA, which it expects of established companies.

Response

06/12/2005 The FSC has constantly under review the solvency requirements of companies seeking authorisation. It also has regard to its Principles of Good Regulation, which have been endorsed by the Report and are published on the FSC's website. As noted, A meeting has been held with the FSA to discuss this and the FSC has concluded that whilst no change is needed in its approach to capital requirements at this time the matter will be kept under active review as the FSA risk assessment model develops

12/01/2006 As noted, the FSC will attend an FSA course for international regulators during 2006 at which the opportunity will be taken for the FSC to up-date itself on any changes which the FSA is considering or has implemented.

Risk Based Capital Requirements

Tracking number: 370

Recommendation

The FSC puts in hand work to assess the new risk-based capital requirements which the FSA plans to introduce in the UK, discussed in paragraph 7.58, and to consider what changes might appropriately be introduced in Gibraltar (this might include inviting Gibraltar companies to undertake an individual capital requirement assessment, on a trial basis, so that the industry and the FSC have a clear understanding of the issues and implications of the proposed new approach)

[7.58. In addition to these changes, which have already been introduced, the FSA is currently consulting on a wide range of additional changes to be introduced in the UK, specific to insurance supervision. Of these, the main features are set out below:

7.58.1. There will be a new enhanced, risk-based capital adequacy regime. In addition to being obliged to hold capital at no less than the level required under the EU solvency margin rules, firms will be required to assess, and to report to the regulator, the capital they need to hold by reference to the full range of risks to which they are exposed. The FSA will be entitled to substitute its own judgement for that of the company, normally to require the company to hold more capital, through company specific guidance.

7.58.2. There are to be new reporting requirements.

7.58.3. There will be new arrangements to clarify the responsibility of the board in relation to life insurance provisions and the declaration of bonus; to eliminate the conflicts which currently exist within the appointed actuary role, and to make the valuation of long-term business in the regulatory returns subject to audit.

7.58.4. There will be new rules governing the "fair treatment" of with-profits policyholders.]

Response

- 06/12/2005 The subject will be followed through by consultation with the FSA, particularly, as already noted a meeting has been held with the FSA to discuss this and the FSC has concluded that whilst no change is needed in its approach to capital requirements at this time the matter will be kept under active review as the FSA risk assessment model develops
- 12/01/2006 The FSA has requested a number of firms to undertake Individual Capital Assessments and has under way a review of the results of these which is expected to be concluded at the end of 2006. The FSC looks forward to seeing the results of the FSA's reviews especially as far as small and medium-size firms are concerned. Meanwhile the FSC has requested four of its larger firms to undertake capital assessments in line with the FSA's risk-based capital methodology. Two of those firms have reported to us and in both cases the results are in line with our own assessments of capital required for the business.

Submission of Regulatory Returns

Tracking number: 371

Recommendation

The FSC should consider shortening the period allowed for the submission of regulatory returns, while taking a strict line with those who seek extensions of the deadline and an even stricter line with those who submit returns late without permission.

Response

- 17/01/2005 The current regime of quarterly management returns provides the FSC with adequate information on a timely basis. The FSC already takes a strict line with any company seeking an extension of the deadline for both quarterly and annual regulatory returns; extensions in respect of the latter are seldom if ever granted for a significant period of time. The FSC considers that a system of administrative fines for late filings without permission could usefully be introduced and will propose this at the time of the next review of the Insurance Companies Ordinance.
- 12/01/2006 The FSC understand sthat the FSA does not require quarterly management returns

from compnaies as a matter of course and believes that this approach continues to prvide it with adequate information on a timely basis. A system of administrative fines will be prosed at the time of the next review of the Insurance Ordinance.

Valuation of Liabilities

Tracking number: 372

Recommendation

Ensuring that the valuation of liabilities in life company regulatory returns are subject to audit.

Response

- 17/01/2005 The FSC understands that this particular change to the FSA's practices addresses specifically companies active in the with-profits arena. While there are no such companies operating in Gibraltar at present the FSC nevertheless accepts this recommendation which will receive high priority.
- 12/01/2006 This change will be incorporated into legislation at the time of the next review of the Insurance Ordinance.

Assessing Applications for Authorisation

Tracking number: 373

Recommendation

When assessing applications for authorisation, giving close attention to the source of funds to be used, with more normal requirements as to the declaration to be made by applicants and the evidence to be provided.

Response

- 06/12/2005 More formal requirements have already been introduced and are now standard practice. In addition to Insurance Managers now having to comply with the Anti-Money Laundering legislation, the new measures embrace the following: provision to the FSC of an audit of capital paid up and a statement of the sources of funds received together, with a declaration that no individual has had recourse to any other source of funds, and a declaration regarding the veracity of the statement.

Search Criteria

Resolved

Both