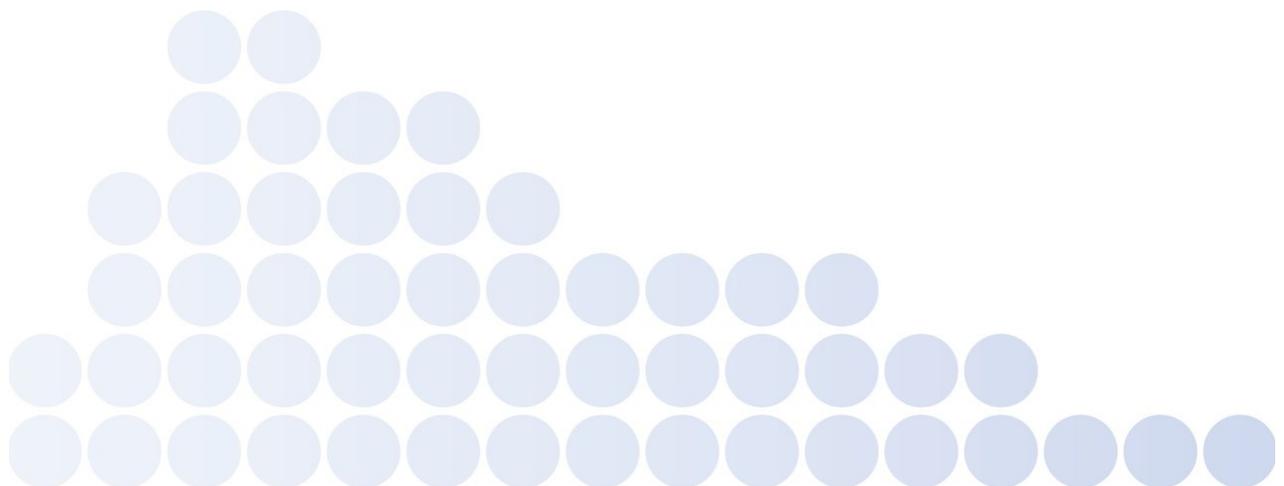




# Financial Services Commission

Business Plan January 2015–March 2016





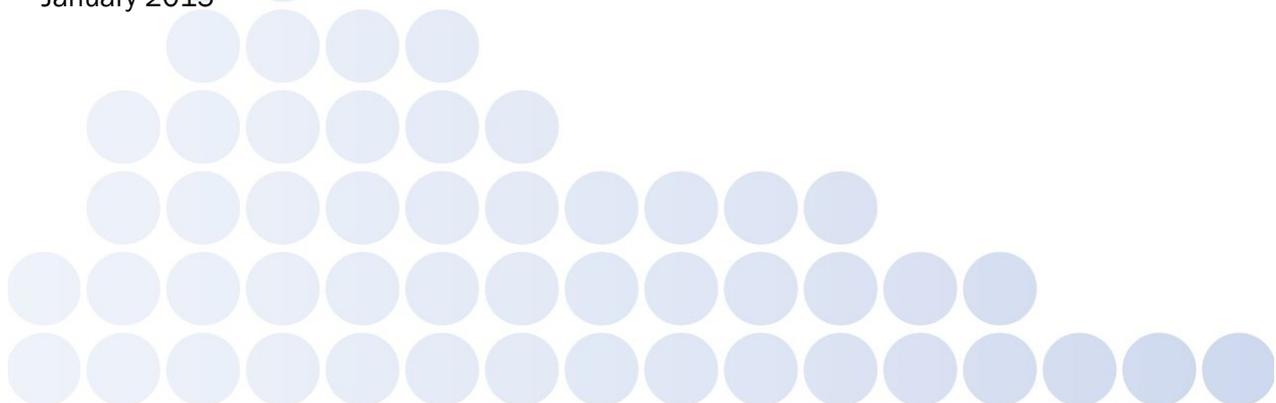
Our strategic plan is underpinned by 5 key objectives:

- To ensure we continue to be, throughout this period and thereafter, a competent regulator, ahead of the important risks, well prepared for Government of Gibraltar, EU and international initiatives, and acknowledged as expert in the markets regulated.
- To ensure we are an effective, professional cross border regulator, empowered, with skilled staff working as a team and focused on the public interest outcomes that are important in all the jurisdictions where Gibraltar firms operate.
- To ensure we support the safe, sustained growth and development of Gibraltar's financial services industry, balancing competitiveness with the maintenance of best regulatory practice.
- To ensure we are an efficient, targeted regulator, providing value for money, with resources that are focused on mitigating important risks and thus protecting the public, financial markets and the reputation of Gibraltar.
- To ensure we are an accessible and efficient regulator, straightforward to transact business with, interacting easily with all of our stakeholders – with this including industry, Government of Gibraltar, international bodies and consumers.

The Business Plan sets out how we will achieve this and the priorities that we will focus on during the period January 2015 to March 2016.



Samantha Barrass  
Chief Executive Officer  
January 2015



### Objective one

Ensure we continue to be, throughout this period and thereafter, a competent regulator, ahead of the important risks, well prepared for Government of Gibraltar, EU and international initiatives, and acknowledged as expert in the markets regulated.

#### *The adoption of a more refined risk based approach to authorisation and supervision*

We will embed a new approach to authorisations that seeks to ensure that new entrants meet the relevant standards with specific focus on key risks and ensuring that these are identified and mitigated without stifling innovation and competition. A dedicated Authorisations team has been established and they will focus on ensuring that the process is un-bureaucratic, streamlined and that the FSC is easy to do business with whilst remaining the “gateway” to those that wish to join the regulated community. Our intention is to ensure that new entrants do not pose an unacceptable degree of risk to consumers or to the reputation of Gibraltar. We will be revising our service level standards and key performance indicators in this area.

We will develop a new risk assessment framework which will identify, monitor and address surfacing risk in firms and across sectors. We will also focus on the identification and monitoring of macro-factor implications on firms and will seek to address potential issues before these have an adverse effect on markets and consumers.

To achieve this we will establish and expand our regulatory tool kit. In carrying out both firm-specific and sector-wide assessments we will use thematic supervisory tools and focus on the identification of the causes of, for example, poor conduct, weak controls and poor corporate governance.

We will publish our risk outlook mid-2015 and will endeavour to publish this on an annual basis thereafter. Our risk outlook will set out how we assess and analyse risks to our objectives. It will look at the underlying causes and reasons for risk and how these affect the financial services sector. In preparing our risk outlook we will work closely with stakeholders to ensure we have a good understanding of the risk environment.

#### *A structured approach to the implementation of EU Directives and international initiatives*

We will develop and grow further our ability to support and lead the development of policy across the organisation. Specifically, we will focus on ensuring that our own, and the regulated sector’s, preparedness for dealing with requirements emanating from the EU is a priority.

We will continue with the work already embarked on in relation to the Solvency 2 Directive and the Capital Requirements Directive IV.

We will work closely with the Financial Secretary, as the appointed Resolution Authority, and Government in relation to the Banking Resolution and Recovery Directive which comes into effect in January 2015.

We will monitor developments at EU level with regards the Alternative Dispute Resolution Directive and the Deposit Guarantee Scheme Directive, and will consult with industry and other stakeholders in the first half of 2015.

We will monitor developments at EU level with regards the Markets in Financial Instruments Directive II, Transparency Directive, UCITS V Directive, Mortgage Credit Directive, Audit Directive, Market Abuse Directive and Payments Account Directive, consider the policy implications of these and determine the level of consultation and stakeholder engagement that will be required to ensure that these are successfully implemented.

We will consider and consult, where necessary, on any guidance or recommendations published by international standard setting bodies.

### Objective two

Ensure we are an effective, professional cross border regulator, empowered, with skilled staff working as a team and focused on the public interest outcomes that are important in all the jurisdictions where Gibraltar firms operate.

#### *A focus on staff capability and capacity*

We will establish a competency framework and performance management strategy for our staff that focuses on the development of sector specialist skills and expertise in areas such as conduct of business and analysis of data. Our competency framework will have at its core a structured training and development approach.

We will also concentrate on ensuring that appropriate succession planning is in place and key person dependency is suitably mitigated. We will focus on attracting and retaining high calibre staff who are motivated and make a difference to the organisation.

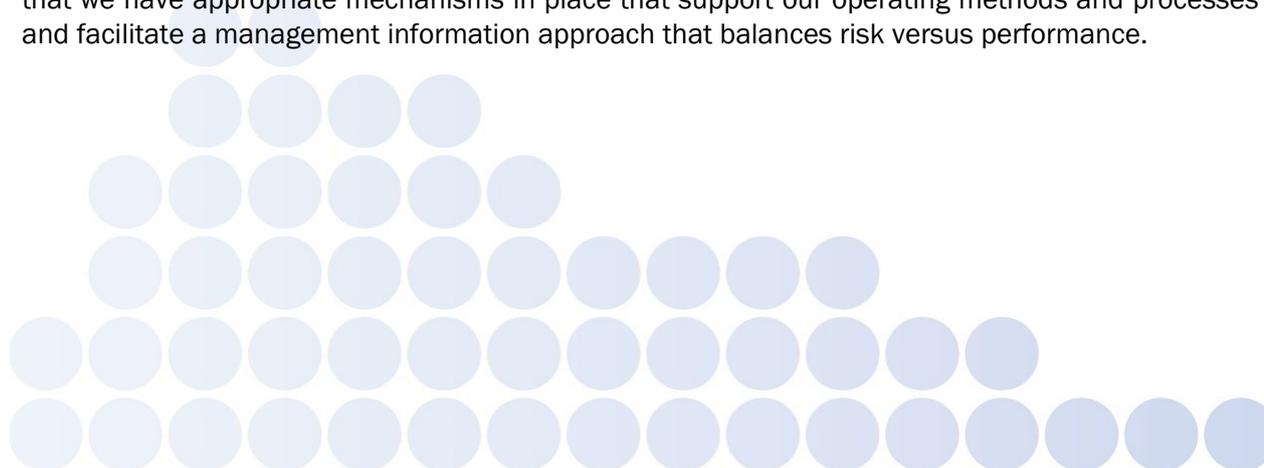
### Objective three

Ensure we support the safe, sustained growth and development of Gibraltar's financial services industry, balancing competitiveness with the maintenance of best regulatory practice.

#### *The establishment of new systems to support the way we work*

We have embarked on a technology refresh to enable us to deliver a state of preparedness that will allow us to continue to operate effectively and efficiently. This work will continue and we will ensure that our systems are modernised, fit for purpose and able to support our regulatory operations and objectives. We will establish and develop a specific IT strategy that will be forward facing and focus on the needs of the organisation going forward.

We will also turn our focus on improving our knowledge management platform and tools to ensure that we have appropriate mechanisms in place that support our operating methods and processes and facilitate a management information approach that balances risk versus performance.



## Objective four

Ensure we are an efficient, targeted regulator, providing value for money, with resources that are focused on mitigating important risks and thus protecting the public, financial markets and the reputation of Gibraltar.

### *Accountability and transparency*

We will be subject to a review of our supervisory activities as provided for in Section 13 of the Financial Services Commission Act 2007. The review will be carried out by an independent party and we will publish their report. We will consider any lessons arising from the review.

We will improve our ability to provide a credible deterrent via an enforcement approach which is transparent, consistent and fair and is supported by a range of sanctions and appeal mechanisms. We will be establishing a dedicated Directorate led by a Director of Legal, Enforcement and Policy who will be the FSC's General Counsel and will lead our enforcement and policy work.

We will establish key performance indicators (KPIs) and will deliver, and measure, our operational activities against these. We will report on our performance against any KPIs established.

We will further enhance our approach to financial management and continue to closely manage our processes and disciplines around our finances and budgets.

## Objective five

Ensure we are an accessible and efficient regulator, straightforward to transact business with, interacting easily with all of our stakeholders – with this including industry, Government of Gibraltar, international bodies and consumers.

### *A coordinated engagement approach to our stakeholders*

We will establish an international strategy and seek to further build our relationship with UK regulators via ongoing interaction and liaison. We will continue to focus on our engagement with the European Supervisory Authorities with a view to developing a practical working relationship.

We will build and maintain relationships with key stakeholders including international standard setting bodies and groups of regulatory supervisors.

We will increase our engagement with the Government of Gibraltar and will seek to establish a Government liaison strategy.

We will embark on a proactive engagement drive with local industry associations and consumer bodies and will be considering how to best develop a consumer education programme. We will also be rebranding the image of the FSC and will be revamping and redeveloping our website.



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