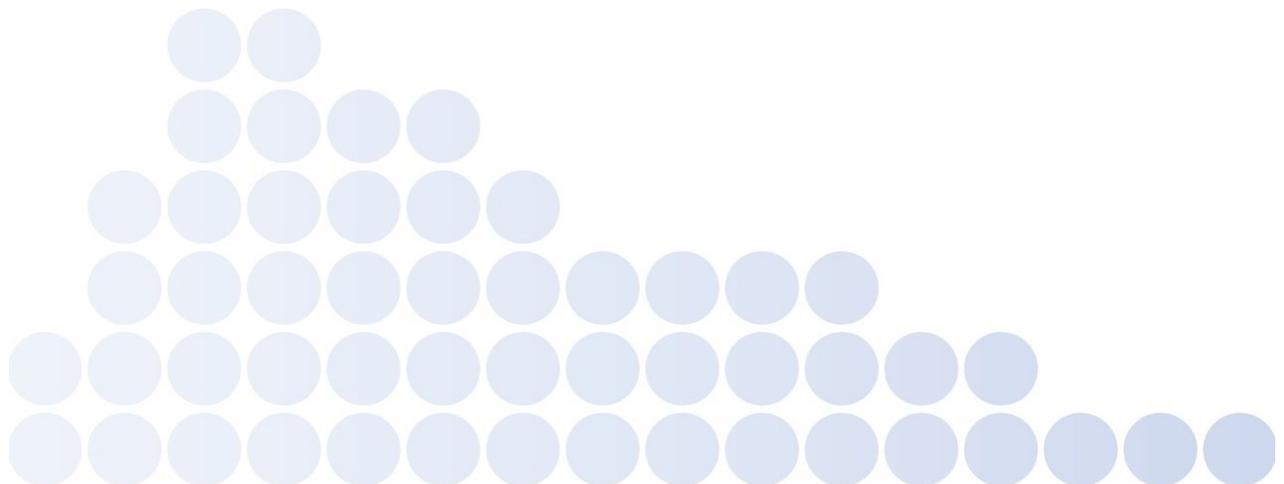




The Gibraltar Financial Services Commission

Business Plan Progress Update

Published: 6th April 2016



Introduction

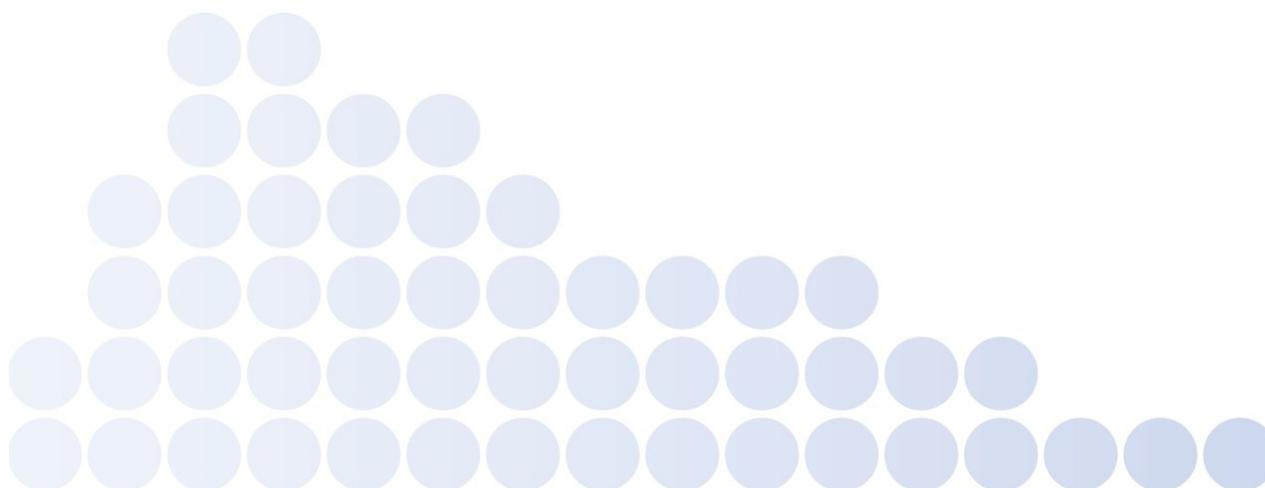
In October 2014 and January 2015 we published our strategic and business plans respectively. These set out our objectives and delivery priorities. During 2015 we introduced the publication of a “round-up” update where we provide information of where we are with our change programme and how, as an organisation, we are meeting our priorities and strategic objectives. This is the third of these “round-up” documents.

Executive Summary

Since our last update in September 2015, a number of key goals have been achieved. These include:

- Active industry engagement
- Experienced Investor Fund (‘EIF’) Director Thematic Review
- Funding Review Consultation
- Establishment of a Markets in Financial Instruments Directive II (‘MiFID II’) working group
- Extensive work on the Legislative Reform Programme (‘LRP’)
- IT strategy

The completion of the organisation structure



What we have achieved in the period since September 2015

The most recent business plan update was published in September 2015. As we approach spring 2016, we see ourselves at the half way point of our 3 year change programme. Since September, we have continued to significantly increase our engagement with industry.

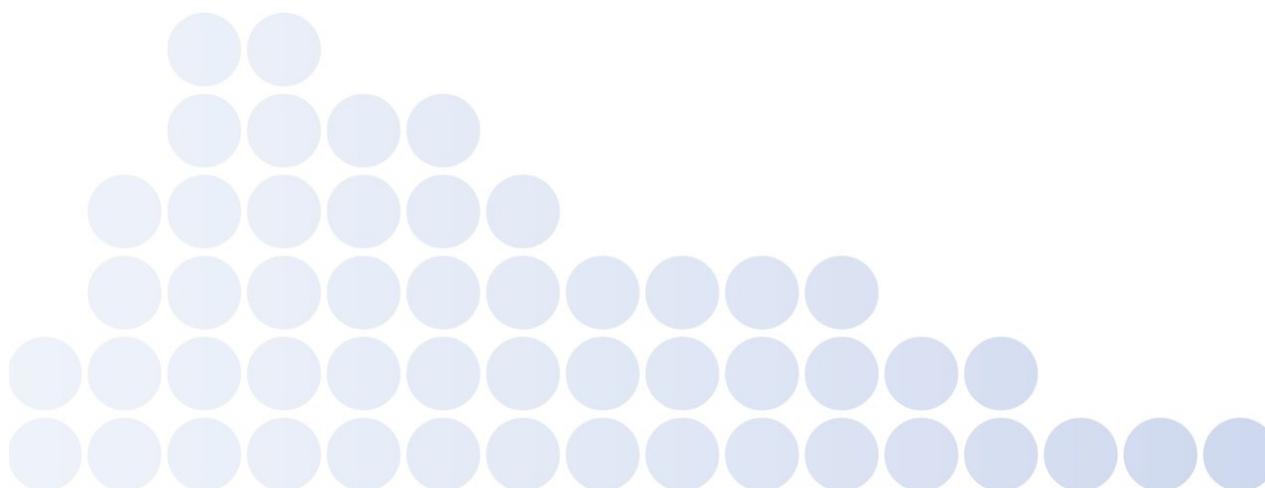
We held a number of sector-specific industry workshops in October and November. Updates were provided to the industry on reporting requirements under Solvency II ('SII'), the Capital Requirements Directive ('CRD IV') and the Alternative Investment Fund Managers Directive ('AIFMD'). Work also began on the EIF Director Thematic Review. The Expectations and accompanying Policy Statement for this were published in October, and followed up with workshops in January. Work continues as we are now in the process of interviewing all EIF Directors.

In December 2015, the GFSC published a Funding Review Consultation Paper. In the summer leading up to the publication of the consultation paper, we held extensive pre-consultation with Finance Centre Council and engagement with industry representatives. Workshops for the Funding Review were held in January 2016, and a response paper will be published shortly.

Other significant publications, the International & Government Liaison Strategy and Communication & Engagement Strategy, were published in October 2015.

As part of our structured engagement with the industry, a working group with various industry associations has been established for MiFID II. We have also continued to meet on a regular basis with trade associations to maintain open and frequent means of communication.

Significant work continues on the LRP this year, with a number of important developments with regards to the transposition and implementation of EU directives. SII came in to effect 1 January 2016 and UCITS V and the Mortgage Credit Directive came into effect on 18 and 21 March respectively, as well as the European Long Term Investment Fund Regulations which came into effect in late 2015.

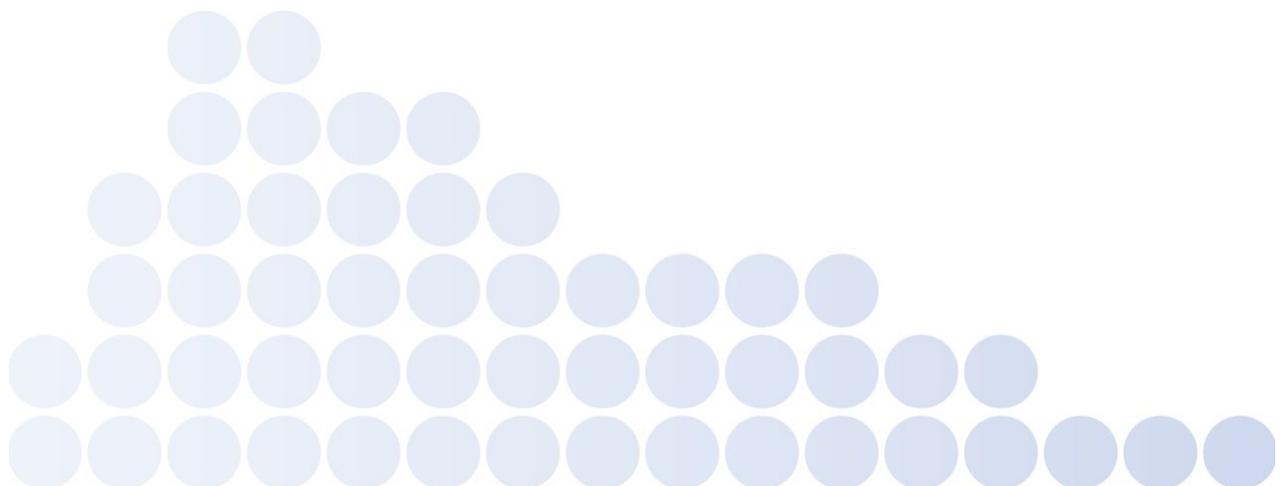


Additionally, there have been supplemental revisions to the Bank Recovery and Resolution Directive and Deposit Guarantee Scheme Directive legislation and there is continued development on the New Act and Handbook.

We have a newly developed IT strategy and a modernized infrastructure, and have completed a security upgrade.

In the Authorisations space, we have carried out a review of notifiable positions forms and process; are revising our insurance application forms and also assessed management information to enable publication of new service level standards. We continue to work on developing electronic reporting.

We have continued to enhance our resources in terms of skilled staff and training. Recruitment is now business-as-usual related and addresses natural attrition as well as long term absences (for example, maternity) within the organisation.



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