



Guernsey Financial  
Services Commission

# Investment Supervision and Policy Division

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# Presentation Overview

- **Conflicts of Interest**
  - Recognising, Declaring, Managing and the Regulations
- **Cultural and Financial Statements**
  - Identifying culture through financial statements & the introduction of the Commission's new policy
- **Cultural and Global Perspective**
  - Global business culture and international regulation

## Presentation Overview (continued)

- Key messages
  - Feedback, news, hints and tips....
- And to end – the Launch of the Private Investment Fund .....



- **Conflicts of Interest**

- Recognising, Declaring, Managing and the Regulations

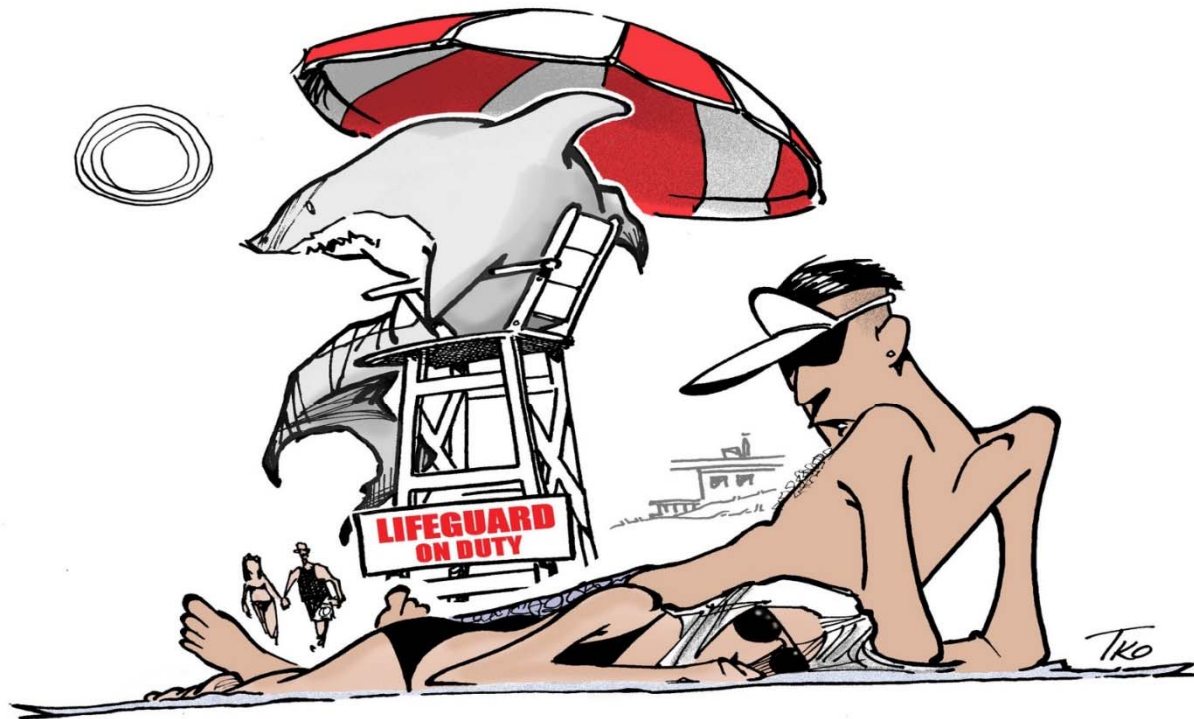


# Conflicts of Interest

## Principle 3 Conflicts of Interest

- *A licensee should either avoid any conflict of interest arising or, where a conflict arises, should ensure fair treatment to all its customers by disclosure, internal rules of confidentiality, declining to act, or otherwise. A licensee should not unfairly place its interests above those of its customers and, where a properly informed customer would reasonably expect that the firm would place his interests above its own, the firm should live up to that expectation.*

# Conflicts of Interest



*“So, I’m the only one who sees a conflict of interest here?”*

# Conflicts of Interest

- Identification
  - Conflict of Interest Policy
- Declaration
- Management



# Arm's Length Transaction

*Keep those transactions  
at arm's length.*





## Arm's Length Transaction (continued)

### Fund Rules

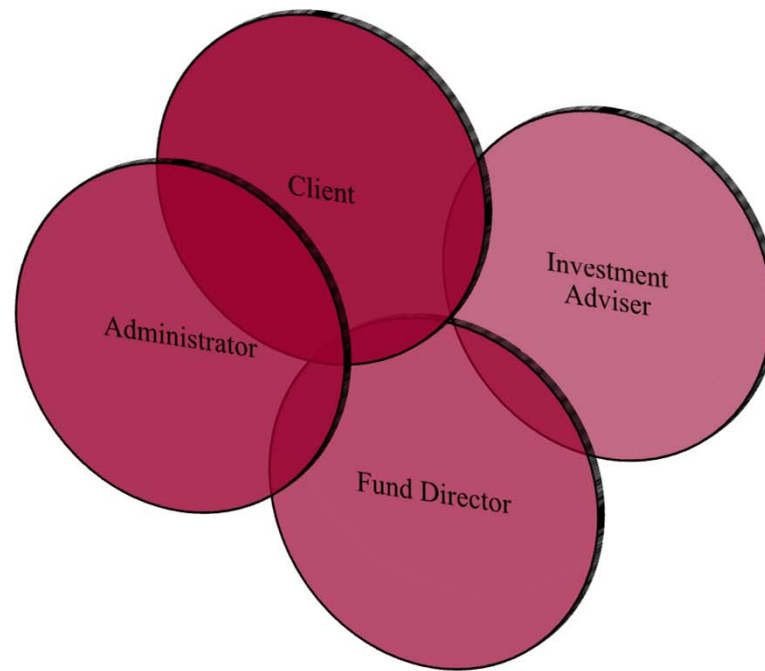
- *The arm's length requirement is that the arrangements between the relevant person and the collective investment scheme are at least as favourable to the scheme as would be any comparable arrangement effected on normal commercial terms negotiated at arm's length between the relevant person and an independent party.*

## Wearing too many hats!



Fund Director, CRM, MLRO,  
Administrator, etc.

# Different Roles – Conflicting Roles?



# Conflict of Interest

- See it



- State it



- Manage it



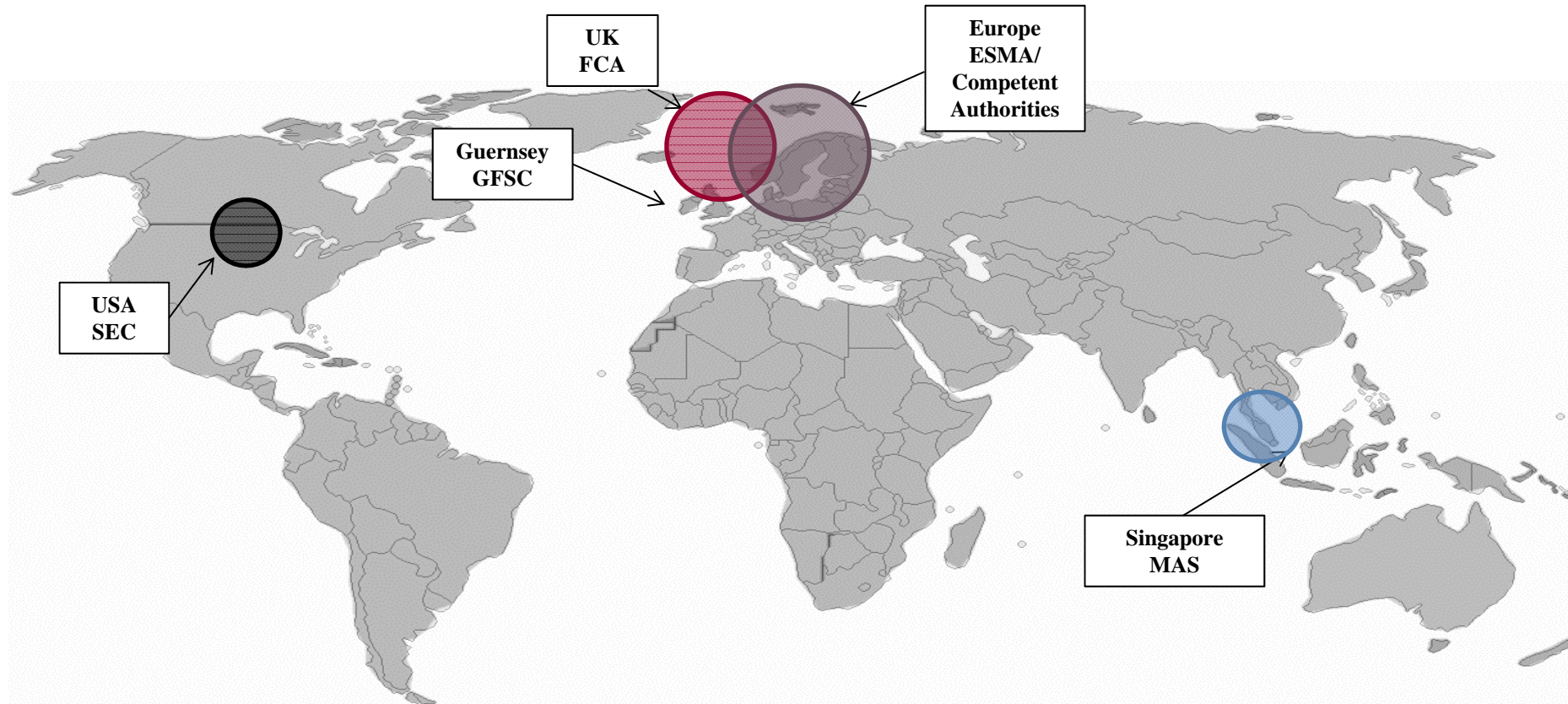
- **Culture and Financial Statements**
  - Identifying culture through financial statements
- **The introduction of the Commission's new policy regarding fund accounts**
  - What does the policy mean in practice
  - Imposing of conditions
  - Number of funds with conditions



- **Culture and the Global Perspective**
  - Global business culture and international regulation



# Culture and the Global Perspective



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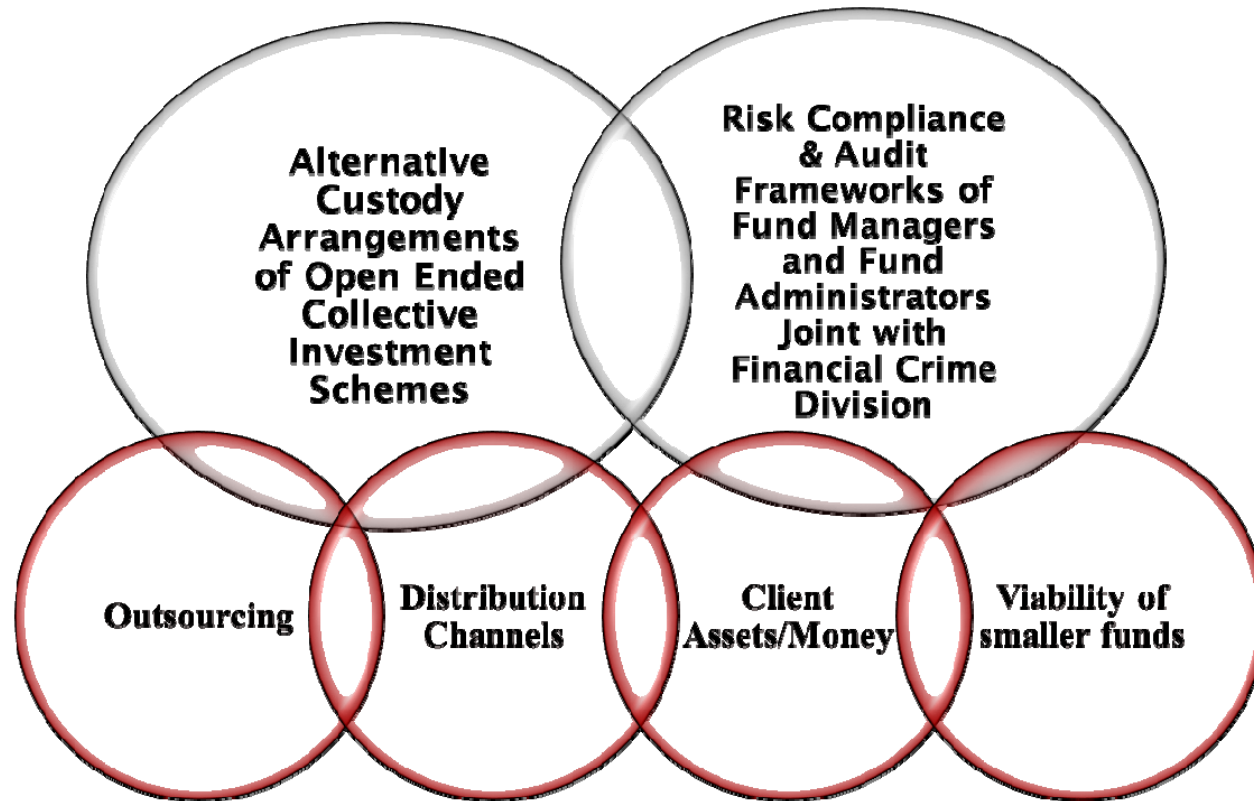
# Key Messages – 2016 - 2017



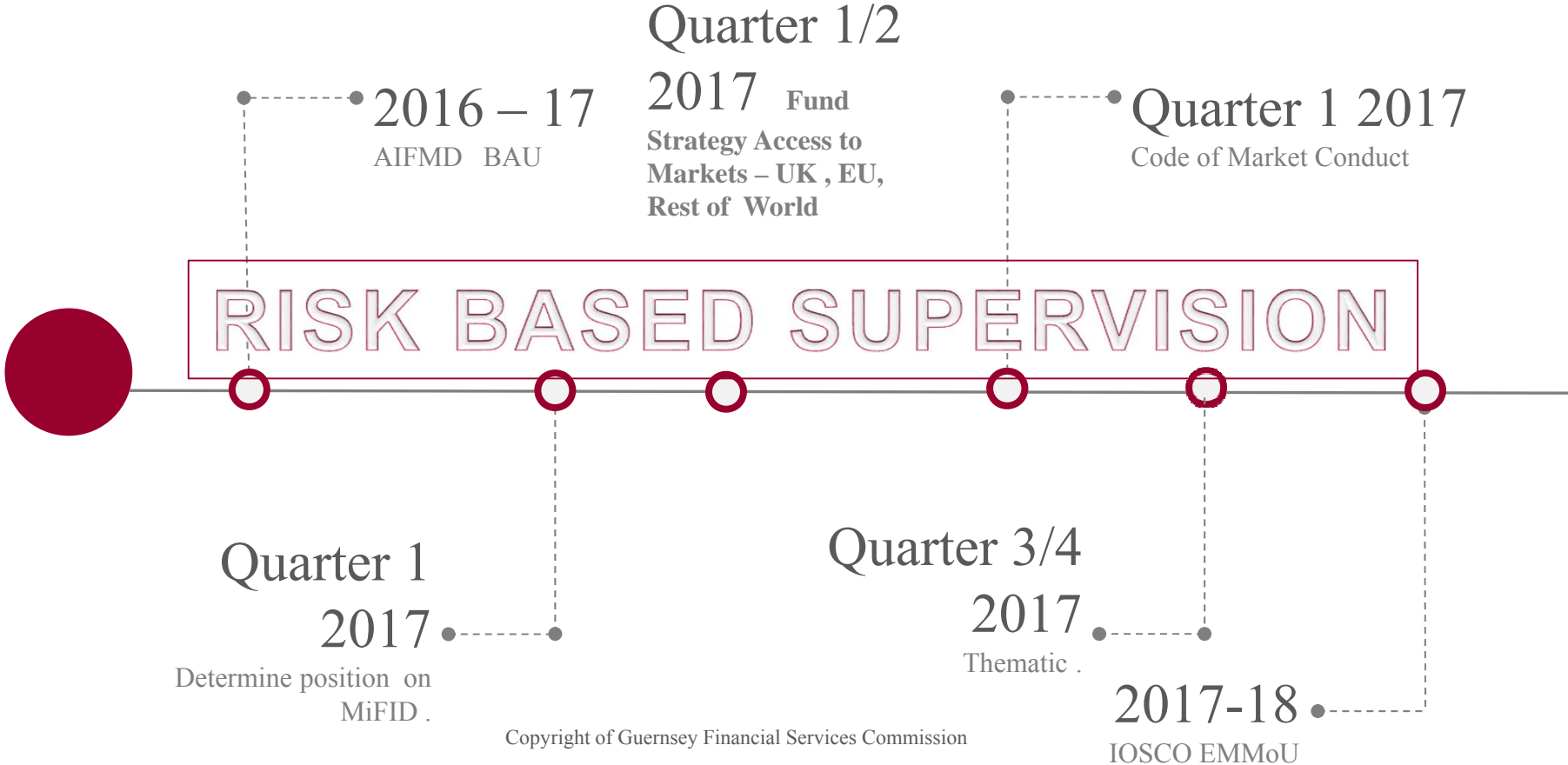
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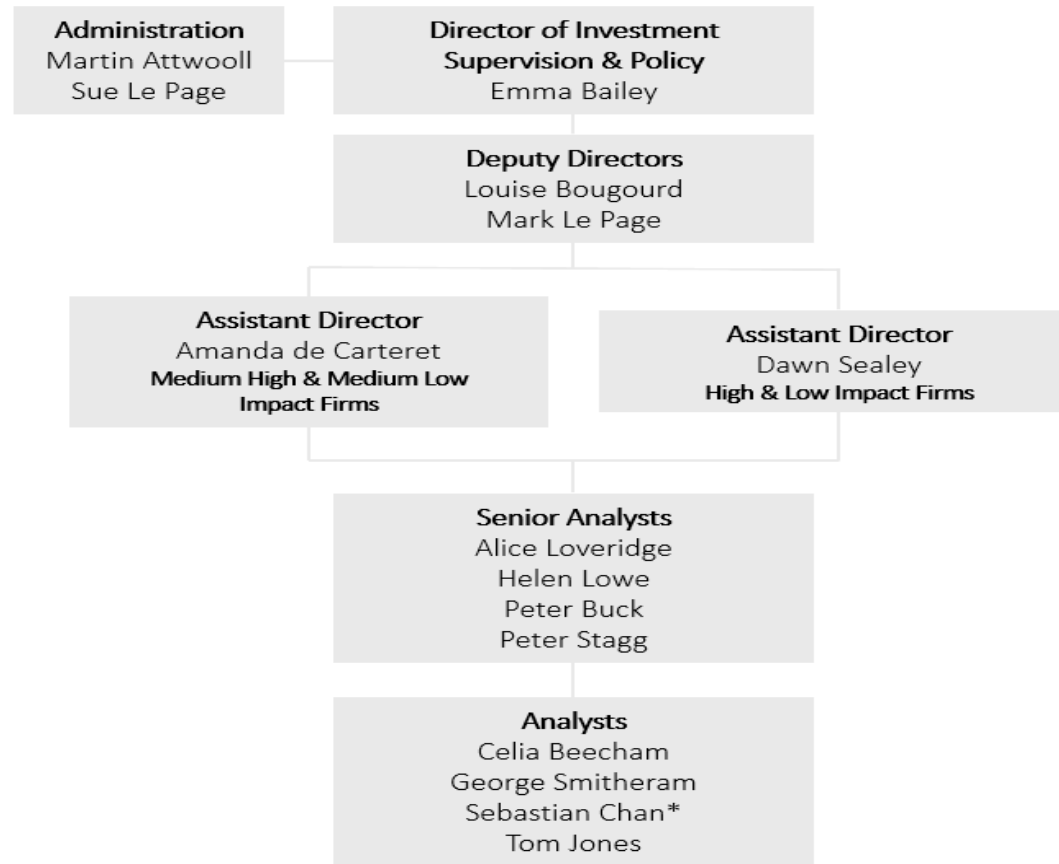
# Potential Thematic Reviews



# Project Timelines



# The Team



\*Graduate Development Programme

And to end ....

## The Private Investment Fund – the Launch

### *Key Features:*

- *Either Open or Closed-ended*
- *Up to 50 legal or Natural Persons*
- *Unlimited Marketing*
- *Licensed Manager though no rules to be applied*



And to end ....

## The Private Investment Fund – the Launch

*Ultimate Aim for the Guernsey  
Suite of funds to be:*

*Simple,  
Flexible,  
Comprehensive.*

