Survey Response Document

2026 Fee Consultation

Unconfirmed

#00000317

1. Executive Summary

1.1. Consultation Overview

1.1.1. The Guernsey Financial Services Commission (the "Commission") is issuing this Consultation Paper proposing the fee rates and administrative penalties to apply from 1 January 2026, including:

- An overall proposed increase in fees of 3.9% (in line with current Guernsey inflation at the time of writing) for all fees. This is reflective of our view of the inflationary environment and prudent modelling and forecasts.
- The rebasing of our Private Investment Fund (PIF) fees to improve the Bailiwick's competitive position in the funds sector, with a change to the structure of fees for banded Investment Licensees – including a proposed new banding and consequent adjustments for Designated Administrators.
- An adjustment to the banded Fiduciary fees in recognition of, and in response to, the growing disparity between firms at the top and bottom of the higher bandings as a result of recent mergers and acquisitions.
- The introduction of banded fees, rather than a per employee fee, for Prescribed Businesses to make the costs simpler and fairer for businesses with fewer staff.
- New fees, based on a "user pays" principle, to reflect the additional work and due diligence needed when positive approval is required for the following requests: a change of Designated Custodian/Designated Administrator for a fund, a Transfer of Business between investment or fiduciary licensees, a change of General Representative for insurance firms and additional fund elements being added to a closed ended investment fund. Linked to this the introduction of an annual fee in respect of individual elements/share classes of closed ended funds, mirroring the fee for open ended funds.
- Application and annual fees for firms wishing to undertake activities under the new Equity Release framework.
- A material reduction to our VASP fees as the Commission continues to support and encourage innovation and the development of this emerging market.

1.1.2. The main purpose of these changes is to ensure that the Commission continues to have sufficient financial resources to meet its statutory objectives, including having the skilled staff needed to supervise firms in a proportionate manner, to meet international standards, and to make continued investment in new technologies. We are also proposing other changes with the objective of helping to improve the competitive position of the Bailiwick within certain sectors.

1.1.3. The aim of this Consultation Paper is to elicit feedback on the proposed 2026 fee rates.

1.2. Affected and Interested Parties

1.2.1. These proposals would directly affect all existing licensees, registered entities, and authorised entities, as well as any applicants for licensing, registration or authorisation. This Consultation Paper has also been shared with governmental bodies and industry bodies in the Bailiwick. A full list of parties with whom this Consultation Paper has been shared is included in section 3.3.

1.3. Providing Feedback

1.3.1. Responses to this Consultation Paper are requested by 8th October 2025.

1.3.2. We welcome and strongly encourage respondents to provide feedback or comment. Responses are most useful when they:

- directly address a specific issue or question,
- provide a rationale and support for the opinions expressed, and
- suggest alternative solutions in the event of disagreement.

1.3.3. Feedback may be provided online through the Engagement Hub. We also welcome meetings with industry bodies, or firms, when they have feedback that they would like to give please contact us on fees@gfsc.gg .

1.3.4. Following appropriate consideration of any feedback received the Commission will provide a summary of feedback received, along with the final fees that will come into force from 1 January 2026, within a feedback paper on our website.

2. The Commission's Mission Statement

2.1.1. The Commission seeks to regulate and supervise financial services in the Bailiwick of Guernsey with integrity, proportionality, and professional excellence, and in doing so help uphold the international reputation of the Bailiwick of Guernsey as a finance centre.

3. Purpose and Scope of this Consultation Paper

3.1. Purpose

3.1.1. This Consultation Paper seeks to detail the Commission's proposals for fee rates for 2026, including changes to existing fees where appropriate.

3.1.2. This Consultation Paper is on proposed fees and administrative penalties to be issued under:

- The Financial Services Business (Enforcement Powers) (Bailiwick of Guernsey) Law, 2020,
- The Companies (Guernsey) Law, 2008 ("the Companies Law"),
- The Limited Partnerships (Guernsey) Law, 1995,
- The Limited Liability Partnerships (Guernsey) Law, 2013,
- The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, and
- the following laws, collectively referred to as "the Supervisory Laws":

  - The Banking Supervision (Bailiwick of Guernsey) Law, 2020,
  - The Insurance Business (Bailiwick of Guernsey) Law, 2002,
  - The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002,
  - The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020,
  - The Protection of Investors (Bailiwick of Guernsey) Law, 2020, and
  - The Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022.

3.2. Approach to Setting Fees

3.2.1. The Commission aims to set fees that are fair, proportionate, and broadly aligned with the costs of regulation, as far as is reasonably practicable in each case.

3.2.2. For supervised firms, this is reflected through our use of bandings for charging fees. For most sectors this means that larger firms pay a higher fee, which reflects the additional resources the Commission dedicates to supervising such firms.

3.2.3. For applications this means that individuals and firms that make a request requiring due consideration by the Commission, such as a new licence application, a change of controller or a request for a positive approval of a change, pay for it.

3.3. Parties with whom we are consulting

3.3.1. This Consultation Paper will affect all licensees, collective investment schemes, registered business, registered individuals, and applicants for licensing, registration, or authorisation, pursuant to the Supervisory Laws.

3.3.2. As required by section 13(b) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, and the relevant provisions of the Supervisory Laws, this Consultation Paper has been shared with the following bodies:

- States of Guernsey, Policy & Resources Committee,
- States of Guernsey, Committee for Economic Development,
- States of Alderney, Policy & Finance Committee, and
- Chief Pleas of Sark, Policy & Finance Committee.

3.3.3. This Consultation Paper has also been shared with the:

- Guernsey International Business Association,
- Association of Guernsey Banks,
- Guernsey Investment and Funds Association,
- Guernsey International Insurance Association,
- Guernsey Association of Trustees,
- Guernsey Association of Pension Providers,
- Guernsey Branch of the Institute of Directors,
- NED Forum,
- Commercial Bar Association,
- Guernsey Bar Council,
- Guernsey Association of Compliance Officers, and
- Guernsey Society for Chartered and Certified Accountants.

4. Proposals

4.1. Overall Increase in Fees

4.1.1. Similar to previous years the Commission is seeking a general overall increase in its fees of 3.9% for 2026, in line with the current inflationary environment in the Bailiwick halfway through 2025.

4.1.2. The most recent Guernsey inflationary report shows inflation of 3.9% as at 30 June 2025, and it is likely we will continue to see further inflationary pressures – we anticipate from trends both in the UK and the Bailiwick that inflation will continue at around the current level. This is due to many factors, including the uncertain global conditions created by new tariffs and global conflicts.

4.1.3. We are seeking a general increase in line with inflation, to ensure that we can retain and train our staff, alongside developing new technologies.

4.1.4. Over the last few years, we have invested a significant portion of our reserves in our IT and data infrastructure, such as the new Applications portal, and will continue to do so in the future.

1. Do you have any comments on the overall fee increase?

Answer:

Notwithstanding the Commission's representation around 'inflationary pressures', we do not think it should be seen as a 'guarantee' that fees should be increased each year by reference to inflation and, moreover, this has not always been the case (for example, the Commission agreed a two year fee freeze in 2018). We have noted the substantial surplus that the Commission is now carrying in its books and it is our view that this surplus would more than cover any 'contingencies' rather than simply increasing fees - whilst we understand that the surplus is built on 'one-off fines' (and similar) we see no reason why this trend shouldn't continue. Even if, in the unlikely event, the Commission doesn't receive any such payments this year, there would seem to be more than sufficient to maintain the Commission until a 2027 fee increase might be brought in.

Therefore, we do not agree with a fee increase in-line with inflation and feel that the current fees" are of a sufficient level to maintain the Commission.

4.2. Reduction of Fees for Private Investment Funds and changes to our Investment Licensee Charges

4.2.1. Over time, we have noted a growth in the size of Investment Licensees. This has led to a growing disparity between the time-cost requirements for supervising the bigger versus smaller licensees. In addition, we have received feedback that there are some aspects of our fund regime that could be made more attractive, to remain competitive for new and existing business, and to be fair to all licensees on a user pays principle. For these reasons we have been exploring options for the restructuring of some of our fund licensee charges.

4.2.2. This year, we announced a streamlined version of our Private Investment Fund (“PIF”) regime[1], with the aim of addressing a number of the structural challenges that industry had highlighted, to enable our funds to be seen as the world leading product they are. The Commission is mindful of the price sensitivity associated with private funds such as PIFs and accordingly proposes a reduction in the fees applicable to this class of fund.

4.2.3. Designated Administrators can benefit, most directly, from increased numbers of PIFs. Over several years, we have seen a growth in the number – and size – of Designated Administrators at the very top of our fee bandings within our Investment Sector. However, these Designated Administrators currently sit within a combined fee type with Designated Custodians, Brokers and licensees with an authorised financial advisor, who have different business models.

4.2.4. The proposal, therefore, is to separate out the Designated Administrators from the Designated Custodians, Brokers and Licensees with an authorised financial advisor, and to create a new fee structure for Designated Administrators to ensure that the largest firms that require the most supervisory resource are charged appropriately.

4.2.5. In order to provide a lower fee for PIFs on an annual basis, we are proposing to increase the annual fees for Designated Administrators, on the basis that these are the entities that can benefit most directly from a growth in our PIF market, by administrating new PIFs that come to Guernsey.

4.2.6. Similarly, given the overall increase to the number of Investment Licensees in the top-end of the fee banding (based on turnover), the Commission is seeking to introduce a revised bandings for Investment Licensees and is proposing to create a new band of £12 million - £18 million turnover and to adjust the highest band to £18 million+ turnover. The new fee bandings will then flow into the new fee structure for Designated Administrators per 4.2.5.

4.2.7. The proposed new fees for PIFs are set out below.

PIF fees	
Application fee	£1,500
Annual fee	£1,000

4.2.8. For those that are charged a turnover related fee and are not Designated Administrators, the fee category will be renamed to Designated Custodians, Brokers, and Licensees with an authorised financial advisor and a new upper band will be introduced. The fee increases to the existing bands will reflect our overall fee increase of 3.9%. The new £12,000,000 to £17,999,999 and £18,000,000+ bandings have two new fees, which are shown below in bold/italics.

Banding thresholds	Proposed 2026 fee
Under £1,500,000	£4,580
£1,500,000 to £2,999,999	£7,220
£3,000,000 to £5,999,999	£9,730
£6,000,000 to £11,999,999	£12,560
£12,000,000 to £17,999,999	***£17,500***
£18,000,000 or greater	***£26,000***

4.2.9. For Designated Administrators, the proposed fees for 2026 reflect an increase above 3.9%. As the intention is for these changes to be revenue neutral to the Commission, the shortfall created by the proposed reduction to PIF fees is proposed to be absorbed into the revised fee bandings on an equitable basis. For all bands this results in higher than inflation increases, but the three highest bands have the greatest increase. The proposed new fees are laid out below.

Banding thresholds	Proposed 2026 fee
Under £1,500,000	£4,965
£1,500,000 to £2,999,999	£8,560
£3,000,000 to £5,999,999	£12,115
£6,000,000 to £11,999,999	£19,000
£12,000,000 to £17,999,999	£26,000
£18,000,000 or greater	£36,000

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[1] GFSC announcement on streamlined Private Fund Regime

2. Do you have any comments on the new upper banding for all Investment banded annual fees?

Answer:

No view

3. Do you have any comments on the reduction of PIF fees and the increased fees for Designated Administrators?

Answer:

We welcome the reduction of fees for PIFs to promote growth

4.3. Fiduciary fee changes

4.3.1. Over the last few years, the Fiduciary sector has experienced growth in certain areas, either within individual firms or through amalgamations, mergers and takeovers. Due to this, we are seeing more firms within the higher bandings, and this has led to a growing disproportionality between the resources needed for the firms at the top and bottom of the highest bands.

4.3.2. We are proposing, therefore, to split the £8,000,000 to £16,000,000 banding to equitably reflect the required time and effort needed to supervise these firms. The proposal is to create two new fee bands, which are set out below.

4.3.3. As two new bands have been introduced, the fees for the top three bands have been rebalanced and all other fees are increasing by the overall rate of 3.9%. The 2026 fees are set out below, with the new bandings and their corresponding fees in bold/italics.

New banding thresholds	New annual fee
Under £249,999	£7,110
£250,000 to £499,999	£14,215
£500,000 to £999,999	£21,325
£1,000,000 to £1,999,999	£28,420
£2,000,000 to £3,999,999	£35,535
£4,000,000 to £7,999,999	£42,635
£8,000,000 to £11,999,999	***£56,850***
£12,000,000 to £15,999,999	***£71,070***
£16,000,000 or over	***£76,075***

4.3.4. In previous years, we have received feedback from certain industry participants with regards to our pension fees. A view has been put forward that the £1 per member fee for pension schemes (capped at £7,500 per scheme), has discouraged larger pension schemes from using Guernsey and is making the jurisdiction less competitive and attractive when compared to others. Utilising the current numbers of pension schemes present in Guernsey, along with their member numbers, we have modelled multiple different fee scenarios.

4.3.5. As our current sector consists of a large number of very small schemes, by member numbers, any discounts to higher-member schemes would result in significant and disproportionate increase in costs to lower-member schemes if they remained revenue neutral. In line with our fees for other sectors we do not believe it to be fair or proportionate for other sectors to support another sector, by fee subsidisation.

4.3.6. On this basis we are not consulting on any amendments for the fees for pension providers and specifically the individual fee per scheme member, however we invite those working in the pensions sector to contact us with any further information or proposals for this sector.

4. Do you have any comments on the new split banding for fiduciary annual fees?

Answer:

We do not have any comments on this proposal and understand the need to review the banding.

4.4. The creation of fee bandings for Prescribed Businesses

4.4.1. Prescribed Business fees have remained the same for the last ten years, and within this time we have witnessed a significant growth in this sector. There are a wide range of firms within the top fee band which vary significantly in size. We also note that firms can move easily between one band or another with the addition of just one member of staff.

4.4.2. Therefore, we are proposing to align the Prescribed Business fees with those of our other sectors, by placing them into bands, and by increasing the fee for the top band to reflect the size of the firms within this band and the resources needed to supervise them.

4.4.3. We are proposing to increase the maximum band from 25 plus to 50+ to ensure that those larger firms pay a fairer share. Through our modelling, we have aimed to ensure that all firms, except those caught by the new higher band, will pay the minimum previous fee, so as to ensure our focus is on the larger firms paying more. The existing fees have been grouped into three bands, with the new band covering firms with more than 50 employees. The new bands and their corresponding fees are detailed below. The fees below include the 3.9% overall fee increase.

New banding thresholds	**Fees (Inclusive of Inflation)**
1 to 5 FTE	£910
6 to 24 FTE	£1,035
25 to 49 FTE	£3,670
50 or greater FTE	***£5,750***

5. Do you have any comments on the proposed bandings and fees for Prescribed businesses?

Answer:

No view

4.5. Proposal for new fees for some matters which legally require Commission approval

4.5.1. Following a review of all submissions the Commission receives, there are a number of requests received which require active positive consent or approval from the Commission. This involves extensive work by the authorisation or supervisory teams, and as the level of requests received increase, so does the amount of work required.

4.5.2. Consideration has been given to the types of submissions or requests provided, and the impact they have on our supervisory and authorisation teams, and we consider it appropriate to charge for the following:

- Change of Designated Custodian, Designated Administrator or General Representative (Insurance),
- Proposed Transfer of Business (Investment and Fiduciary),
- Application fee for new additions to existing closed ended fund, and
- Annual fees in respect of these individual elements/share classes (or equivalent) for close ended funds.

4.5.3. The request for a change to Designated Custodian or Designated Administrator would be within the Investment sector – and the General Representative specifically for Insurance.

4.5.4. The Proposed Transfer of Business would be specifically within the Investment and Fiduciary sectors and is reflective of the Commission aiming to achieve consistency across sectors, as a similar fee is currently charged within Insurance.

4.5.5. The proposed introduction of the application fees for closed ended elements, and where relevant for the fast tracking of these, is to ensure consistency between both open and closed ended Collective Investment Scheme types.

4.5.6. The Commission also proposes introducing annual fees in respect of the individual elements / share classes (or equivalent) for closed ended funds in the same manner as, and for consistency with, the existing equivalent fees in respect of open-ended funds. The level of such fees would be the same as those charged in respect of open-ended funds.

4.5.7. Aside from the last annual fee these fee(s) would be treated as an application, and therefore payable in advance of the change being completed. Further, to reflect how we manage application fees, the amount is non-refundable should the change request be rejected or refused.

6. Do you have any comments on the proposed fees for submission requests which require positive Commission approval?

Answer:

We have no view on this

7. Do you have any comments on the introduction of annual fees in respect of the individual elements / share classes (or equivalent) for closed ended funds?

Answer:

We have no view on this.

4.6. Lending, Credit and Finance fee changes

4.6.1. In 2025 we published a feedback paper[2] on the new Equity Release regime in Guernsey. As stated in the feedback paper, the application and annual fees would be in line with existing Lending, Credit and Finance home finance provider fees.

4.6.2. In order to encourage the development of the market, we propose that the fees for equity release providers should be discounted by 50% for 3 years from 1 January 2026.

4.6.3. The table below reflects the 50% reduced fees available for all firms.

Provider of Credit	
Application fee	£3,282.50[3]
Equity Release Provider with a Loan book less than £1,000,000	£3,282.50[4]
Equity Release Provider with a Loan book greater than £1,000,000	£4,922.50[5]
Services Ancillary to credit	
Application fee	£3,285
Annual fee	£3,285

The proposed 50% reduction is not intended be cumulative with other reductions.

Banks licensed under the Banking Supervision Law will continue to receive a 50% reduction in fees in respect of consumer credit activities (but no additional reduction for equity release fees).

Firms which carry out more than one activity under Part II of the LCF Law will pay a single fee, for the highest cost activity they carry out.

4.6.4. The Commission is seeking to revise the fees for VASPs in recognition of the development in technologies and business models in this sector and in order to ensure the Bailiwick remains an attractive destination for emerging and innovative business.

The new fees proposed are:

Fee Description	**Proposed 2026 Fee**
VASP Exchange Application	£50,000
Non-Exchange VASP Application	£5,000
VASP Exchange Annual	£65,000
Non-Exchange VASP Annual	£7,500

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[2] Equity release - Feedback paper

[3] The amount shown in the table includes the 50% proposed discount. The full amount is £6,565.

[4] The amount shown in the table includes the 50% proposed discount. The full amount is £6,565.

[5] The amount shown in the table includes the 50% proposed discount. The full amount is £9,845.

8. Do you have any comments on the proposed fees for the Equity Release regime?

Answer:

We have no view on this

9. Do you have any comments on the proposed reduction in VASP fees?

Answer:

We have no view on this.

4.7. Additional points to note

Retail General Insurers

4.7.1. In the 2025 fee consultation paper[6], we explained that retail insurers have become a significant part of the Guernsey insurance sector. Retail General Insurers (RGIs) can present a reputational risk to the Bailiwick, which in turn, require supervisory efforts to mitigate. As explained in the consultation paper, the RGI fees are being adjusted over two years – 2025 and 2026. The fees for 2026 below include the planned increase from the consultation paper and the 3.9% inflationary increase.

Retail General Insurers – Companies		
Gross Written Premium	**2025 fees**	**2026 fee**
< £1million	£12,500	£15,585
£1 million - £10 million	£15,000	£20,780
> £10 million	£17,500	£25,975
Retail General Insurers – Cells		
Gross Written Premium	**2025 fees**	**2026 fee**
< £1million	£9,500	£15,585
£1 million - £10 million	£12,000	£20,780
> £10 million	£15,000	£25,975

Services Ancillary to Credit Application Fee Changes

4.7.2. The higher application fee for ancillary service providers (consumer credit) is no longer relevant so it is being removed from the fees scheme. We previously included the higher application fee for ancillary service providers with a larger loan book becoming licensed under the LCF regime for the first time.

Variation/Extension of Activities for which an entity is licensed

4.7.3. Whilst this fee was introduced previously there has been some confusion on its applicability. The variation of license is intended to allow firms to make changes to their Part II or Part III LCF license to accommodate limited variations in regulated activity. It does not cover substantial changes to a firm's business model such as the addition of VASP activities or to move, for example, from a Part II to a Part III licence. Such changes would require a new license application in their own right.

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[6] GFSC – 2025 Consultation paper fee rates, page 8

10. Do you have any comments on the proposed new fees, or other items included above?

Answer:

We have no view on this.

4.8. Next Steps

4.8.1. This Consultation will be open for a period of four weeks, with a closing date for responses of 8th October 2025.

4.8.2. Responses should be submitted through the Commission's Engagement Hub.

4.8.3. Following the consultation period, the Commission will collate and consider responses provided. The Commission will share the feedback with Policy & Resources Committee before issuing a feedback statement. That statement will provide a summary of the responses received, together with the final fees that will come into force from 1 January 2026.

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