

CONSULTATION PAPER ON REVISIONS TO THE SUPERVISORY FRAMEWORK SURROUNDING THE SIX DIRECTORSHIP EXEMPTION 23 NOVEMBER 2022

About this consultation

This consultation paper is seeking views from stakeholders on proposed changes to the supervisory framework surrounding the six directorship exemption under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020 (“Fiduciaries Law”). It is issued by the States of Guernsey Policy and Resources Committee (the “Committee”) with input from the Guernsey Financial Services Commission (the “Commission”).

The proposed changes will seek to enhance the effectiveness of the Bailiwick’s supervisory framework by expanding the scope of the Commission’s supervisory powers and also constitute part of the preparations for the next evaluation of Guernsey¹ by the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (“MONEYVAL”).

The proposals will impact only those individuals who currently rely on the six directorship exemption. It is important to stress that the proposals will therefore **not affect** the other exemptions under the Fiduciaries Law. This means that the proposed changes will not directly impact individuals who rely on other exemptions under the Fiduciaries Law including *unrewarded directors* (such as recreational or charitable directorships), *directors of companies based in Guernsey which are trading locally* (such as local florists, grocers, restaurants), *employees/officers of licensed trust and corporate service providers holding directorships in the course of their duties* (such as licensed company administrators, fund administrators), *directors of supervised bodies* (such as authorised/licensed collective investment schemes, insurers and insurance managers) and *directors of prescribed businesses* (such as estate agents and law and accountancy firms).

This consultation paper seeks views on: (1) the proposals surrounding the six directorship exemption (set out in paragraphs 16 to 21 and 24 to 25 of the consultation paper); and (2) the proposed related exemptions (set out in paragraph 22 of the consultation paper).

¹References to Guernsey in this paper should be taken as references to the Bailiwick of Guernsey.

How to submit comments to the consultation

If you have any comments you wish to submit to this consultation, these can be made by emailing a response to policyandresources@gov.gg and AMLCFT@gfsc.gg by the close of business on **16 January 2023**.

During the consultation period, the Commission will hold a number of drop-in sessions where stakeholders can discuss the proposals and have questions addressed before responding to the consultation. Details of the dates and times of the drop-in sessions will be published on the Commission's website in due course.

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Background to the six directorship exemption

Regulated activity under the Fiduciaries Law: requirement to hold a fiduciary licence

1. Acting as a director by way of business, in or from within the Bailiwick, of any company whether established in or under the laws of the Bailiwick or elsewhere is a regulated activity (“regulated activity”) under the Fiduciaries Law. Regulated activities are prohibited unless authorised by, and carried out in accordance with, the conditions of a fiduciary licence granted by the Commission.
2. Holders of a fiduciary licence are deemed to be financial services business under the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (“Proceeds of Crime Law”) and are therefore required to comply with the anti-money laundering and counter terrorist financing (“AML/CFT”) obligations set out in Schedule 3 to the Proceeds of Crime Law and the rules in the Commission’s Handbook on Countering Financial Crime and Terrorist Financing (“AML/CFT obligations”).

Circumstances where a fiduciary licence is not required

3. There are two circumstances where an individual director is not required to hold a personal fiduciary licence. These are where: (1) the individual is not acting by way of business or (2) the individual is acting by way of business but is covered by a statutory exemption under the Fiduciaries Law. These two circumstances are explained in further detail below.

Individual is not acting by way of business (unrewarded directors)

4. Where a director’s activities are not “by way of business” and the director receives no income, fees or other consideration in money or money’s worth for its services, the director’s activities will not be regarded as a regulated activity and therefore not subject to licensing under the Fiduciaries Law. This may be the case for example where an individual carries out their directorship in in an honorary, recreational or charitable capacity. It is important to note that acting as director “by way of business” captures any emolument and there is no concept of a *de minimis* threshold.

Exemptions under sections 3 and 4 of the Fiduciaries Law (exempt directors)

5. Sections 3 and 4 of the Fiduciaries Law provides a number of exemptions from the requirement to hold a fiduciary licence issued by the Commission. The exemptions are set out in the Appendix to this consultation paper. The section 3 and 4 Fiduciary Law exemptions include –

- acting as a director:
 - of a local trading company with an established place of business² in the Bailiwick provided that no services comprising a regulated activity are supplied to the company by the director (other than acting as director) (section 3(1)(b)). This exemption includes directors of companies with an established place of business in Guernsey which are trading locally and would typically accommodate local businesses such as florists, grocers, restaurants etc...;
 - of a company quoted on recognised stock exchange (section 3(1)(c));
 - of a company where the director or a close family member own over 50% of the share capital of the company (section 3(1)(d));
 - of a supervised body³ which includes investment licensees, authorised/registered collective investment schemes, licensed insurers and insurance managers (section 3(1)(e));
 - of a company which is a subsidiary of a company that fulfils the requirements in one of the preceding bullet points (section 3(1)(f));
 - of an entity that holds a fiduciary licence under the Fiduciaries Law (sections 4(2)(d) and 4(3)(d)). This exemption will therefore encompass individuals holding directorships in the course of their duties as an employee or official of a licensed fiduciary (e.g. acting as a director by virtue of their employment of a licensed trust and corporate service provider which provides company formation and corporate management services);
- any activity carried on under the authority of the Commission and in accordance with the conditions of a licence, registration or authorisation granted by the Commission under any of the regulatory laws⁴ (section 3(1)(z)) including acting as a director of a prescribed business⁵ (i.e. estate agency, law or accountancy firm).

² Under section 59 of the Fiduciaries Law "**established place of business**", in relation to a body, and without limitation, does not include an office in the Bailiwick at which is transacted only such administrative business as is necessary to enable that body to comply with the requirements of the Companies (Guernsey) Law, 2008, the Companies (Alderney) Law, 1994, the Partnership (Guernsey) Law, 1995, the Limited Partnerships (Guernsey) Law, 1995, the Limited Liability Partnerships (Guernsey) Law, 2013, the Foundations (Guernsey) Law, 2012, or any corresponding legislation in force in any jurisdiction outside the Bailiwick". Accordingly, and as referenced in Commission guidance, a company merely having a registered office or holding statutory documents or administrative records in Guernsey sufficient to meet Alderney or Guernsey company law requirements does not amount to an established place of business.

³ Under the Fiduciaries Law, a "supervised body" is a body which is a licensee within the meaning of the Protection of Investors (Bailiwick of Guernsey) Law, 2020 ("Protection of Investors Law"), the Insurance Business (Bailiwick of Guernsey) Law, 2002 ("Insurance Business Law"); the Insurance Managers and Intermediaries (Bailiwick of Guernsey) Law, 2002 ("Insurance Managers and Intermediaries Law"); a body which is a licensed banking institution, or a body prescribed by regulations of the Committee. See section 59 for full definition.

⁴ Under the Fiduciaries Law, "regulatory laws" means the Protection of Investors Law, the Banking Supervision (Bailiwick of Guernsey) Law, 2020, the Insurance Business Law, the Insurance Managers and Intermediaries Law, the Financial Services Commission (Bailiwick of Guernsey) Law, 1987; the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008; the Prescribed Businesses (Bailiwick of Guernsey) Law, 2008; the Financial Services Business (Enforcement Powers) (Bailiwick of Guernsey) Law, 2020; and any other enactment prescribed for the purposes of this Law by regulations of the Committee. See section 59 for the full definition.

⁵ For the definition of "prescribed business", see section 21 of the Proceeds of Crime Law.

As a consequence, directors that fall under one of the sections 3 or 4 Fiduciaries Law exemptions do **not** need to hold a fiduciary licence from the Commission and as a result do **not** trigger the automatic application of the AML/CFT obligations by virtue of being a financial services business⁶ (other than directors that fall under sections 3(1)(g) or 3(1)(ab))⁷. The implications of section 3(1)(g) of the Fiduciaries Law are the main reason for this consultation paper.

The six directorship exemption (section 3(1)(g) of the Fiduciaries Law)

6. Section 3(1)(g) of the Fiduciaries Law⁸ also provides an exemption from the requirement to hold a fiduciary licence, where an individual holds directorships of six or less companies (“six directorship exemption”). This exemption captures directorships of not just Alderney and Guernsey but foreign incorporated companies (as it is based on whether the individual is acting as a director in or from within the Bailiwick as opposed to the jurisdictions where the companies are incorporated).
7. In assessing the application of the six directorship exemption, it is important to highlight that, if an individual’s directorship comes under one of the other section 3 Fiduciaries Law exemptions, then that directorship will not be counted as one of the directorships permitted under the six directorship exemption. Effectively, that directorship would be “counted out”. For example, an individual acting as a director of a family business who owns 60% of the share capital of that business would not come under the six directorship exemption as they are already subject to another exemption under section 3(1)(d) of the Fiduciaries Law.
8. The following examples may be “counted in” towards an individual’s total allowance of six directorships permitted under the six directorship exemption.

An individual who is acting as a director of –

- a trading company that does not have an established place of business⁹ in the Bailiwick;
- a company which is not quoted on a stock exchange recognised by the Commission (“non-listed company”);

⁶ Please note that if a director’s business activities come under the definition of a financial services business or a prescribed business under the Proceeds of Crime Law, then the activities will be subject to the AML/CFT obligations (unless another exemption applies).

⁷ This is because paragraph 23 of Part 1 of Schedule 1 to the Proceeds of Crime Law expressly incorporates sections 3(1)(g) and 3(1)(x) of the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000 into the definition of financial services businesses. The equivalent section to sections 3(1)(g) and 3(1)(x) under the Fiduciaries Law are sections 3(1)(g) and 3(1)(ab). The AML/CFT obligations under Schedule 3 to the Proceeds of Crime Law applies to financial services businesses and prescribed businesses.

⁸ Section 3(1)(g) of the Fiduciaries Law: “*The following activities are exempted from the operation of section 1 and accordingly are not subject to licensing under the provisions of the Law....(g) acting, where the person so acting is an individual, as a director of not more than six companies, being directorships which are not the subject of an exemption contained in any other paragraph of this subsection*”.

⁹ See footnote above with respect to “established placed of business”.

- a company where less than 50% of the share capital is held by the director or a close relative of the director; or
- a company, where that individual director supplies a service to the company, other than acting as director, which is a regulated activity.

For illustrative purposes, it follows that an individual who is a director of six non-listed companies, and not entitled to another section 3 Fiduciary Law exemption, would come under the six directorship exemption (as all six directorships would be “counted in” towards the individual’s total allowance of six directorships). However, if that individual was appointed director of another non-listed company, this would bring that person outside the ambit of the six directorship exemption and they would therefore need to apply for a personal fiduciary licence. This is because they would have a total of seven directorships that would be “counted in” under the six directorship exemption (which would bring them outside their total allowance of six directorships permitted under the exemption).

Please note that the list above is non-exhaustive and is for the purposes of illustration only.

Application, and supervision, of AML/CFT obligations: six directorship exemption

Existing AML/CFT obligations

9. Whilst an individual acting as a director by way of business who comes under the six directorship exemption (“Individual Director”) is not required to hold a personal fiduciary licence issued by the Commission, Individual Directors remain subject to the Proceeds of Crime Law¹⁰. The consequence of this is that Individual Directors utilizing the six directorship exemption are currently required to comply with AML/CFT obligations.
10. The AML/CFT obligations include corporate governance, risk assessment, identification and other due diligence measures, monitoring of transactions and activity, the reporting of suspicion, employee screening, training, and record keeping. This means that Individual Directors must, among other things, undertake due diligence on the beneficial owners of the companies on which they serve. For clarity, Individual Directors are not required to undertake due diligence on the customers of the companies for which they act as director.

Supervisory framework

11. Although Individual Directors are subject to AML/CFT obligations, Individual Directors do not currently come under the full scope of the Commission’s supervisory powers or the supervisory powers of any authority.
12. In terms of supervisory powers that do come under the ambit of the six directorship exemption, the Commission currently has the power to disapply the six directorship

¹⁰ This is because paragraph 23 of Part 1 of Schedule 1 to the Proceeds of Crime Law expressly incorporates the six directorship exemption into the definition of financial services businesses. Schedule 3 to the Proceeds of Crime Law applies to financial services businesses and prescribed businesses.

exemption under section 32 of the Financial Services Business (Enforcement Powers) (Bailiwick of Guernsey) Law, 2020 (“Enforcement Powers Law”). In practice, this means that the Individual Director may not carry out the regulated business to which the exemption relates (i.e. professional directorship) and no payments may be made by the Individual Director in respect of the regulated business without the Commission’s approval. The Commission’s ability to use the power to disapply the six directorship exemption is tied to defined circumstances including where the Commission determines that an individual is not fit and proper to be a director of a company¹¹, where it is necessary to do so in the public interest, and where stipulated legislation has been contravened.

13. Moreover, it is not possible currently to establish any system to monitor or verify compliance by Directors with the AML/CFT obligations. This point was highlighted in MONEYVAL’s¹² 2015 Report on its Fourth Assessment Visit of Guernsey, where it issued a recommendation stating that the Bailiwick “*should take measures to ensure effective compliance with the AML/CFT requirements in respect of persons acting as a director (for less than six companies) without a personal fiduciary licence but who are subject to the AML/CFT requirements through effective supervision of these directors*”.
14. In 2024 MONEYVAL will assess how Guernsey has addressed the point made in its 2015 report. The proposals set out in this consultation paper are put forward in order to provide a mechanism for the Commission to monitor and verify compliance of the AML/CFT obligations by those individuals who come under the ambit of the six directorship exemption. This will in turn expand the scope of the Commission’s monitoring powers and thus enhance the effectiveness of the Bailiwick’s supervisory framework vis à vis Individual Directors. Various approaches have been considered including amendments to the Proceeds of Crime Law, the Fiduciaries Law, the Enforcement Powers Law and the Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022 (“the Lending Law”). Revisions to the Fiduciaries Law and Lending Law, to address this particular issue, are not proposed in this consultation paper as they would involve bringing Individual Directors into the full scope of licensing frameworks, which is not viewed as proportionate in light of the wide-ranging requirements for, and implications of, licensing compared with a registration framework.
15. The proposals set out in this consultation paper will complement a set of revisions made in recent years to the resident agent and annual validation frameworks which will enable the authorities to identify persons falling within the six directorship exemption:
 - Firstly, new obligations introduced under the Beneficial Ownership of Legal Persons (Guernsey) Law, 2017, require resident agents to take reasonable steps to ascertain the identity of the beneficial owners of the company, and notify the Company Registrar of any changes to the beneficial owners.

¹¹ In such a case, the Commission would make such a determination having regard to the minimum criteria for licensing under Schedule 1 to the Fiduciaries Law. In practice, this may include, but is not limited to, instances where the individual has failed to comply with any of the AML/CFT obligations.

¹² The Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism.

- Secondly, recent changes made under the Companies (Annual Validation) Regulations, 2020, require additional information to be collected for companies on directorships including an obligation to identify persons who are relying on the six directorship exemption.

In itself, this additional information is not sufficient to fully address the MONEYVAL recommendation. However, teamed with the proposals set out in this consultation paper, the authorities will have a pragmatic and proportionate way to exercise oversight over individuals who come under the six directorship exemption and monitor the extent to which they meet the AML/CFT obligations.

Proposed revisions to the Proceeds of Crime Law

Inclusion of Individual Directors into the prescribed businesses registration framework

16. It is proposed that Individual Directors should come within the ambit of the registration framework for prescribed businesses under Schedule 5 to the Proceeds of Crime Law. A registration framework is less onerous than a licensing framework and is therefore viewed as a more pragmatic and proportionate manner to address the point raised by MONEYVAL. From a technical stance, the necessary revisions to the Proceeds of Crime Law can be made by regulations of the Committee¹³.

Scope of AML/CFT obligations

17. The AML/CFT obligations for Individual Directors will be clarified so that it is unambiguous that a simplified and tailored framework is applicable to them. This will mean that certain AML/CFT obligations set out in paragraph 10 above will be disapplied including the requirement for a registered individual to undertake risk assessments, maintain policies and procedures and appoint a money laundering reporting officer and a money laundering compliance officer. Individual Directors will remain obligated to apply customer due diligence measures to the beneficial owner(s) of the companies to which they act and on their fellow directors, to monitor the activities of the company, to report suspicions and to keep customer due diligence, activity and transaction records. Both the Committee and Commission consider it important that applicable AML/CFT obligations are tailored for Individual Directors so that the framework is as user-friendly and straightforward as possible. These

¹³ From a technical perspective, the amendments will likely include removing the six directorship exemption from the definition of financial services businesses under Schedule 1 to the Proceeds of Crime Law and inserting it into the definition of relevant businesses under Schedule 2 to the Proceeds of Crime Law. Please note that relevant businesses are treated as prescribed businesses for the purposes of Schedules 3 and 5 to the Proceeds of Crime Law. In addition, it is envisaged that Schedules 3 and 5 will need to be amended so that the relevant provisions are tailored to include the six directorship exemption and any exemptions to the application of the registration framework. To allow the registration requirements for Individual Directors to be tailored it is envisaged that Schedule 5 will be divided into two parts (i.e. (1) registration requirements for prescribed businesses (except those subject to the six directorship exemption); and (2) registration requirements for individuals subject to the six directorship exemption). The revisions may also contain any consequential, incidental, supplementary, savings, transitional and other ancillary provisions that may appear to be necessary or expedient.

measures are being proposed on risk grounds due to the absence of intelligence suggesting that the full realm of the supervisory framework should be applied to Individual Directors. This is particularly so in light of the other checks and balances in place (including the fact that most Individual Directors act for Bailiwick incorporated companies to which other AML/CFT measures apply, in particular disclosure of beneficial ownership information).

Registration requirements

18. In practice, it is proposed that the amendments would require Individual Directors to register with the Commission as a class of prescribed business and submit information to the Commission relating to their business activities. The registration form for Individual Directors will be designed so that it is as simple as possible to complete, and is likely to require the following information to be provided: (1) personal information about the individual (including their name, residential address, disclosure of any domestic or foreign insolvency, director disqualification or penalty); and (2) details relating to each directorship held by the Individual Director (including company name, place of incorporation and registered office address, nature of company activities and location from where those activities are undertaken, disclosure of the Individual Director's ownership interest in the company and geographic location of residency of beneficial owners). The provision of this information is important as it will allow the Commission to perform risk assessments on the Individual Director's business activities. Individual Directors will be required to keep the information provided to the Commission up to date (which will either take the form of an obligation to notify the Commission of any changes or to validate the information submitted on a regular basis). Please note that, in light of the recent revisions to the resident agent and annual validation requirements highlighted above in paragraph 15, much of the necessary information will already have been provided to the Guernsey Registry.
19. A proposed registration fee of £75 will need to be paid to the Commission prior to registration. Individual Directors will also be subject to the proposed annual fee of £75 to be paid to the Commission. Once registered, the names and details of Individual Directors will not be published and will therefore not be included in the list of registered prescribed businesses available on the Commission's website.

Supervisory powers

20. As a consequence of registration, Individual Directors will be subject to the Commission's supervisory powers under Schedule 5 to the Proceeds of Crime Law and the Prescribed Businesses (Bailiwick of Guernsey) Law, 2008. These comprehensive supervisory powers include the power to obtain information and documents, carry on site visits and investigations, as well as a variety of enforcement powers including the power to impose conditions of registration, suspend registration, issue private reprimands, discretionary financial penalties, public statements and disqualification

orders. It will be an offence for Individual Directors to contravene the registration requirements under Schedule 5 to the Proceeds of Crime Law.

Transitional period

21. It is proposed that once the regulations are made by the Committee, there will be a transitional period of several months for Individual Directors to complete the new registration requirements.

Exemptions

22. It is proposed that the following categories of Individual Directors should be exempted from the new registration requirement under Schedule 5 to the Proceeds of Crime Law:

- a. Personal Fiduciary Licence: Where an Individual Director holds a personal fiduciary licence under the Fiduciaries Law or any other licence, authorisation or registration granted to the Individual Director in a personal capacity by the Commission, that person will already be subject to the Commission's supervisory powers and AML/CFT compliance monitoring.
- b. Administration by Corporate Service Provider: The company or companies for which the Individual Director is acting as a director for under the six directorship exemption ("Company") is administered by a corporate service provider that (i) holds a fiduciary licence issued by the Commission under the Fiduciaries Law and (ii) acts as the resident agent of the Company. The corporate service provider will therefore be subject to the AML/CFT obligations and the Commission's supervisory powers vis à vis the Company, and as a resident agent will be required to ascertain and keep details of the beneficial owners of the Company.
- c. Directors of Charities and Other Non Profit Organisations: Individual Directors registered with the Guernsey Registry in the Register of Charities and other Non Profit Organisations. This is on the basis that the Guernsey Registry already holds a substantive amount of information on this group of individuals and is responsible for their oversight.

23. The proposals will impact only those individuals who currently rely on the six directorship exemption. The proposals will therefore not affect the other exemptions and corresponding activities where a fiduciary licence is currently not required (as set out in paragraphs 4 and 5 above). This means that the individuals who rely on those other exemptions will be outside of the scope of the new registration requirement for Individual Directors and will include *unrewarded directors* (such as recreational or charitable directorships), *directors of companies based in Guernsey which are trading locally* (such as local florists, grocers, restaurants), *employees/officers of licensed trust and corporate service providers holding directorships in the course of their duties* (such as licensed company administrators, fund administrators), *directors of supervised bodies* (such as authorised/registered collective investment schemes, insurers and

insurance managers) and *directors of prescribed businesses* (such as estate agents and law and accountancy firms).

Proposed revisions to the Enforcement Powers Law

Commission's powers to disapply the six directorship exemption

24. As referenced above in paragraph 12, the Commission may use its power under the Enforcement Powers Law to disapply the application of the six directorship exemption in certain circumstances including where any provision under stipulated legislation has been contravened or an offence has been committed under any such provision¹⁴. Currently, the Proceeds of Crime Law is not included in the list of stipulated legislation and therefore the Commission's disapplication powers do not extend to instances where the Proceeds of Crime Law has been contravened. It is therefore proposed that an amendment is made to the Enforcement Powers Law so that the Commission may use its disapplication powers where a person has contravened, or committed an offence under, any provision of the Proceeds of Crime Law or any subordinate legislation or rules made under it. From a technical stance, the necessary revisions to the Enforcement Powers Law can be made by Ordinance¹⁵.

Related matters

25. A typical fund structure will comprise of a number of companies performing various ancillary functions to the core investment fund (for example, carried interest vehicles and special purpose investment companies). Directors of such investment related companies currently fall under the scope of the six directorship exemption. However, there has been some discussion between the Commission and the investment sector in relation to this. The Commission considers that these discussions will continue during the consultation period so as to inform how directorships of such companies are treated moving forward vis à vis the six directorship exemption.

Concluding remarks

26. The Committee is of the view that the proposed changes provide a pragmatic and proportionate manner to exercise oversight over individuals who come under the six directorship exemption and monitor the extent to which such individuals meet the AML/CFT obligations, and consequently address the point raised by MONEYVAL. In this regard, it is important to stress that the proposals will impact only those individuals who currently rely on the six directorship exemption. The proposals in this paper will therefore **not affect** the other exemptions under the Fiduciaries Law including those relating to *unrewarded directors* (such as recreational or charitable directorships), *directors of companies based in Guernsey which are trading locally* (such as local florists, grocers, restaurants), *employees/officers of licensed trust and corporate service providers holding directorships in the course of their duties* (such as licensed company administrators, fund administrators), *directors of supervised bodies*

¹⁴ See section 32(3)(iii) of the Enforcement Powers Law.

¹⁵ See sections 32 and 121 of the Enforcement Powers Law.

(such as authorised/licensed collective investment schemes, insurers and insurance managers) and *directors of prescribed businesses* (such as estate agents and law and accountancy firms).

27. The Committee looks forward to receiving comments from stakeholders on the proposed changes set out in this consultation paper.

APPENDIX

EXEMPTIONS

UNDER SECTIONS 3 AND 4 OF THE REGULATION OF FIDUCIARIES, ADMINISTRATION BUSINESSES AND COMPANY DIRECTORS, ETC (BAILIWICK OF GUERNSEY) LAW, 2020

Exempted activities.

3. (1) *The following activities are exempted from the operation of section 1 and accordingly are not subject to licensing under the provisions of this Law –*

(a) *acting as trustee or custodian of a collective investment scheme authorised or registered by the Commission under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the "Protection of Investors Law"),*

(b) *acting as a director of a company which has an established place of business within the Bailiwick provided that no services consisting of or comprising a regulated activity are supplied to the company by the director (other than acting as director),*

(c) *acting as a director of a company which is quoted on a stock exchange recognised by the Commission for the purposes of this paragraph,*

(d) *acting as a director of a company where more than half in nominal value of the equity share capital of that company is held by –*

(i) the director, as beneficial owner,

(ii) any close relative of the director, as beneficial owner, or

(iii) the trustees of a trust of which a person mentioned in subparagraph (i) or (ii) is a beneficiary,

(e) *acting as a director of a supervised body,*

(f) *acting as a director of a company which is a subsidiary of, or wholly beneficially owned by, a company or body described in paragraph (b), (c), (d), (e) or (l),*

(g) *acting, where the person so acting is an individual, as a director of not more than six companies, being directorships which are not the subject of an exemption contained in any other paragraph of this subsection,*

(h) *acting as bookkeeper or company secretary of a body which has an established place of business within the Bailiwick provided that no services consisting of or comprising a regulated activity are supplied to the body by the person concerned (other than acting as bookkeeper or company secretary),*

(i) *acting as a partner of a partnership which has an established place of business within the Bailiwick provided that no services consisting of or comprising a regulated activity are supplied to the partnership by the partner (other than acting as partner),*

(j) *acting as a foundation official of a foundation which has an established place of business within the Bailiwick provided that no services consisting of or comprising a regulated activity are supplied to the foundation by the foundation official (other than acting as foundation official),*

(k) *acting as a member of a limited liability partnership which has an established place of business within the Bailiwick provided that no services consisting of or comprising a regulated activity are supplied to the limited liability partnership by the member (other than acting as member),*

(l) *acting as a partner of a partnership or member of a limited liability partnership –*

*(i) which holds a licence to carry on controlled investment business under section 4 of the Protection of Investors Law or which is exempt from licensing under section 44 of that Law, or
(ii) which holds an authorisation or registration under section 8 of that Law,*

(m) acting as a limited partner in a limited partnership,

(n) acting as a member in a limited liability partnership, but only where the members' agreement provides, as referenced in section 14(3)(b) of the Limited Liability Partnerships (Guernsey) Law, 2014, that the member may not take part in the conduct or management of the partnership,

(o) acting as bookkeeper of a partnership which has an established place of business within the Bailiwick provided that no services consisting of or comprising a regulated activity are supplied to the partnership by the person concerned (other than acting as bookkeeper),

(p) the acceptance of money on terms under which the money –

(i) is paid by way of advance or part payment under a contract for the sale, hire or other provision of property or services and is repayable in the event of the property or services not in fact being sold, hired or otherwise provided,

(ii) is paid by way of security for the performance of a contract or by way of security in respect of loss which may result from the non-performance of a contract, or

(iii) without prejudice to subparagraph (ii), is paid by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise,

(q) acting as guardian of a minor or person under legal disability where the appointment is made by, and where the performance of the functions of guardian is subject to the supervision of, the Royal Court, the Court of Alderney or the Court of the Seneschal,

(r) acting as executor of the will of, or administrator of the estate of, a person who was resident or domiciled in the Bailiwick at the time of the execution of the will or at the time of death, provided that the person so acting is a lawyer,

(s) acting as trustee of testamentary trusts created by the will of a person who was resident or domiciled in the Bailiwick at the time of the execution of the will or at the time of death, provided that the person so acting is a lawyer,

(t) the provision of advice or the drafting of documents by a lawyer, accountant or actuary in the ordinary course of carrying on the profession of lawyer, accountant or (as the case may be) actuary,

(u) the drafting of minutes of meetings by a lawyer, accountant or actuary,

(v) the preparation and auditing of accounts,

(w) activities undertaken in the course of a profession or business –

(i) which are undertaken without separate or additional remuneration (whether from the client concerned or from a third party), and

(ii) which are incidental to the carrying on of that profession or business, provided that persons carrying on the profession or business do not hold themselves out as undertaking those activities,

(x) the activities of the Ecclesiastical Court and Registrar thereof in relation to the granting of probate and letters of administration,

(y) the provision of accommodation addresses (within the meaning of section 2(1)(b)(ii)(D)) –

(i) by a person -

(A) holding a licence of the Guernsey Competition and Regulatory Authority granted under Part I of the Telecommunications (Bailiwick of Guernsey) Law, 2001 or exempted from the requirement to hold such a licence under section 1(2) or (3) of that Law, or

(B) holding a licence of the Guernsey Competition and Regulatory Authority granted under Part I of the Post Office (Bailiwick of Guernsey) Law, 2001 or exempted from the requirement to hold such a licence under section 1(2) or (3A) of that Law,

(ii) by an internet or telecommunications service provider, or

(iii) where the address is provided solely for the service of process or the service of notice under a contract,

(z) any activity carried on under the authority of and in accordance with the conditions of a licence, registration or authorisation granted by the Commission under any of the regulatory Laws,

(aa) the creation, use or carrying on of an ancillary vehicle, or activity in respect of an ancillary vehicle, when notified to the Commission in accordance with rules made by the Commission under section 20 of the Protection of Investors Law, but subject to the provisions of the rules,

(ab) the following activities when carried on by a licensed insurance intermediary within the meaning of Schedule 3 to the Insurance Managers and Intermediaries Law –

(i) the formation of, and the provision of advice in relation to the formation of, a retirement annuity scheme or retirement annuity trust scheme approved by the Director of the Revenue Service under the provisions of Part XIII of the Income Tax Law, or

(ii) the formation of, and the provision of advice in relation to the formation of, a pension scheme or gratuity scheme or a trust of a life assurance policy,

(ac) any particular activity, transaction or appointment specifically exempted from the operation of section 1 by written instrument of the Commission; and for the purposes of this paragraph –

(i) an application for such an exemption shall be made in such form and manner, and shall be accompanied by such information and documents, as the Commission may require,

(ii) the application shall be accompanied by such fee as may be prescribed by regulations under section 7,

(iii) the application may be refused or granted subject to such conditions as the Commission may consider necessary or expedient,

(iv) the Commission may at any time after receipt of the application require the applicant to furnish such additional information and documents as it considers necessary or desirable,

(v) the exemption may be revoked or varied at any time by the Commission by written notice to the person to whom it was granted,

(vi) any such variation may include the attachment of such conditions, or the removal or modification of such conditions previously attached, as the Commission may think fit,

(vii) the exemption shall, subject to the provisions of subparagraph (v), be valid for such period (if any) as the Commission may determine, and

(viii) if, whether before or after the grant of an exemption, there is any change of fact or circumstance, or any change to any of the information supplied to the Commission by or on behalf of the applicant or (as the case may be) the person to whom the exemption was granted for the purposes of the application or exemption (whether by virtue of the information becoming out of date, or being found to be incomplete or inaccurate, or otherwise), the applicant or that person shall inform the Commission of the change, as soon as practicable after becoming aware of the change and in any event within a period of 14 days thereafter (or such other period as the Commission may determine), and

(ix) a failure to comply with any requirement arising by virtue of subparagraph (viii) is, without limitation and without prejudice to any other provision of this Law or the Enforcement Powers Law, a ground for the refusal or revocation of the exemption.

Categories of fiduciary licences.

4. (2) A primary fiduciary licence – [...]

(d) shall authorise any director, partner (or general partner, in the case of a limited partnership, or member, in the case of a limited liability partnership) or employee of the licensed fiduciary, for the purposes of this Law and subject to the conditions of the licence

(i) to carry on by way of business, in or from within the Bailiwick, any regulated activities, and

(ii) where the licensed fiduciary is a Bailiwick body, to carry on by way of business, in or from within any place whatsoever, any regulated activities,

provided that he does so only in the course of his duties as a director, partner (or general partner, in the case of a limited partnership, or member, in the case of a limited liability partnership) or (as the case may be) employee of the licensed fiduciary. [...]

(3) A secondary fiduciary licence – [...]

(d) may authorise any director, partner (or general partner, in the case of a limited partnership, or member, in the case of a limited liability partnership) or employee of the licensed fiduciary, for the purposes of this Law and subject to the conditions of the licence –

(i) to carry on by way of business, in or from within the Bailiwick, any regulated activities, and

(ii) where the licensed fiduciary is a Bailiwick body, to carry on by way of business, in or from within any place whatsoever, any regulated activities,

provided that he does so only in the course of his duties as a director, partner (or general partner, in the case of a limited partnership, or member, in the case of a limited liability partnership) or (as the case may be) employee of the licensed fiduciary. [...]
