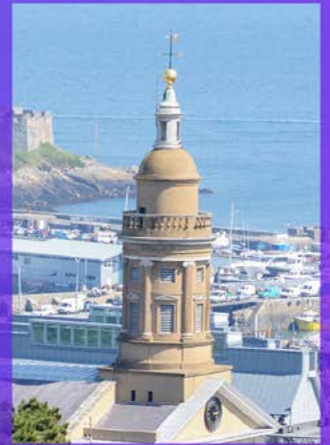


# Guernsey

## Evolving Asset Management Regulation (EAMR) report

September 2024



This document supplements the 14th edition of KPMG’s annual flagship Evolving Asset Management Regulation report, which brings together a broad-ranging picture of regulatory priorities, developments and proposals impacting the asset management industry around the world.

This summary includes some of the most important policy and supervisory initiatives impacting on asset managers in Guernsey in this year’s cycle of the EAMR report. You can read more on the key global asset management regulatory trends in the full report [here](#).



Asset management regulator:

Guernsey Financial Services Commission (GFSC)

“The GFSC supports the use of innovative technologies... to improve capital market efficiencies while ensuring compliance with the Bailiwick’s regulatory framework.”



### Policy and regulatory change initiatives of note

The most significant policy developments and initiatives relate to:

- **MONEYVAL Assessment** — MONEYVAL completed its on-site assessment of Guernsey's ability to combat financial crime in April 2024. The visit was described as productive, with extensive preparations having been made by Guernsey’s government, financial institutions, and regulatory bodies. Results are expected in early 2025.
- **Consultation on Sustainable Finance** — The GFSC issued a discussion paper on the future of sustainability reporting in the Bailiwick of Guernsey. It sought the finance sector's views on what good looks like for Guernsey with respect to sustainable finance, the potential impact of the introduction of the standards released by the International Sustainability Standards Board, and other topics relating to Guernsey’s regulatory framework with respect to sustainable finance. The response period ended on 25 October 2024.
- **Establishment of the Director Registration Regime** — Guernsey established a new director registration regime, effective from 8 July 2023. This is primarily aimed at individuals who rely on the “six-directorships exemption”, allowing them to act as directors for up to six companies without needing a personal fiduciary license. This regime mandates registration with the GFSC and includes AML and CFT obligations under the Proceeds of Crime Law.



## Product-related developments

**Consultation on Unclaimed Money** — The GFSC issued a consultation paper on the handling of unclaimed money under the Protection of Investor (Bailiwick of Guernsey) Law, 2020. The consultation proposes that scheme boards adopt a clear policy for unclaimed money, designating a responsible entity for implementation, and provide appropriate disclosure to investors. The paper also suggests removing outdated provisions from the existing Authorized Collective Investment Scheme (Class B) Rules and Guidance, 2021. The consultation closed on 20 June 2024.

**Policy Statement on Fund Tokenization Regulation** — The GFSC has issued a policy statement outlining its approach to fund tokenization for collective investment schemes. The GFSC supports the use of innovative technologies such as distributed ledger technology (“DLT”) to improve capital market efficiencies while ensuring compliance with the Bailiwick’s regulatory framework. Under current regulations, collective investment schemes in Guernsey can utilize DLT to maintain registers of unit holders and issue digital tokens representing ownership.



## Market access developments

**AIFMD II** — Under the EU’s AIFMD II package, Guernsey fund managers (non-EU AIFMs) will mainly be impacted by additional reporting obligations which will apply to Guernsey funds (non-EU AIFs) marketed into the EU/EEA. AIFMD allows for third country access to EU investors through Member States’ National Private Placement Regimes. There is no expected negative impact of the AIFMD II-related changes to the NPPR on Guernsey because 1. Guernsey is recognized by the EU as a co-operative jurisdiction for tax purposes, 2. Guernsey has signed a qualifying agreement on the exchange of information in tax matters with EU Member States, and 3. Guernsey is not identified as a high-risk country according to the latest EU laws against money laundering.

**Beneficial Ownership and Control Registry** — The Crown Dependencies have issued a joint public commitment to extend access to the information held on their registers of beneficial ownership for those with a 'legitimate interest' before the end of 2024, with appropriate safeguards to manage effectively any interference with privacy rights. A 'legitimate interest' means those financial services businesses who are required to conduct customer due diligence and/or organizations who can demonstrate legitimate interest in accessing relevant information in order to combat financial crime.

## Related Thought Leadership



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