



Guernsey Financial  
Services Commission

# Beneficial Ownership

## Supervision of Regulated Entities

September 2017

# Agenda

- Scope
- Supervisory approach
- Requirements on firms
- Regulatory tools



# Scope

- Under **The Beneficial Ownership of Legal Persons (Guernsey) Law, 2017** the Commission is required to monitor and enforce the compliance of regulated persons
- The definition within the law states this is a person who
  - a) holds or is deemed to hold a licence granted by the Commission under the regulatory laws,
  - b) carries on a prescribed business for the purposes of the Prescribed Businesses (Bailiwick of Guernsey) Law 2008, or
  - c) carries on a registered financial services business for the purposes of the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law 2008.

# Supervisory Approach

- The Commission's approach will continue to be risk based using our PRISM system;
- We will continue to carry out firm visits, both by sector supervision teams but also by our Financial Crime team;
- During these visits we will aim to monitor firms' compliance with the Beneficial Ownership Law in the same manner as we do for laws and regulations currently, by reviewing policies and procedures, interviewing staff and sample testing client files and records; and
- The process will feel very similar to today with only the addition of beneficial ownership disclosure to the registry as a subject matter.

# Requirements on firms

- To continue to undertake and retain evidence of the Customer Due Diligence on the customers, beneficial owners and underlying principals as required under Regulation 4 of the **Criminal Justice (Proceeds of Crime)(Financial Services Businesses)(Bailiwick of Guernsey) Regulations 2007;**
- To comply with the requirements of **The Beneficial Ownership of Legal Persons (Guernsey) Law, 2017;**
- To **retain evidence of the most recent submission** to the Beneficial Ownership Register for each customer with whom they enter into a business relationship or carry out an occasional transaction for;
- To **provide evidence of the above** to the Commission whenever it is requested.

# Regulatory Tools

- Our regulatory tools and powers remain the same as those we have currently.
- Our approach to the use of these powers will also remain the same, we will usually look for a regulated entity to address the issues or problems identified themselves initially using a Risk Mitigation Programme (sometimes with a number of actions attached).
- Our approach to enforcement action also remains the same. We are expecting that, in circumstances when enforcement action is appropriate, the issues or errors we identify will not be limited simply to concerns around a firm's compliance with the Beneficial Ownership regulation.

# Further questions

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