

21 September 2021

## Briefing Note

### Revision to Regulatory Laws – what to expect!

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#### *Revision of the principal Regulatory Laws dealing with the regulation of financial services business*

The Guernsey Financial Services Commission (the **GFSC**) have announced that the ordinances bringing into effect the revision of the principal Regulatory Laws dealing with the regulation of financial services business in the Bailiwick have been passed.

This means that the following laws will come into effect on **1 November 2021**:

- **The Protection of Investors (Bailiwick of Guernsey) Law, 2020;**
- **The Banking Supervision (Bailiwick of Guernsey) Law, 2020;**
- **The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020 (“2020 Fiduciaries Law.”); and**
- **The Financial Services Commission (Enforcement Powers) (Bailiwick of Guernsey) Law, 2020.**

In addition, the amendments to the following laws will also come into effect on the same date:

- **Insurance Business (Bailiwick of Guernsey) Law, 2002, and**
- **Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002.**

The GFSC has also confirmed that it has drafted and consulted on revised rules, codes and guidance to accompany the new Regulatory Laws and that most of the relevant changes are minor in nature and do not set out any material policy changes from the previous rules and guidance.

#### Fiduciary Rules 2021

The GFSC has published a summary of the feedback to its Consultation Paper on the new Fiduciary Rules, 2021. This follows on from the Consultation Paper issued in June 2021, which made proposals for revisions to the Fiduciary Rules, 2021 in readiness for the coming into force of the revised 2020 Fiduciaries Law. The key revision proposed relates to the re-categorisation of fiduciary licensees.

A notice has been sent by the GFSC to all full fiduciary licensees explaining the re-categorisation process. The expectation is that no action will be required by the majority of licensees.

On **1 November 2021** all lead fiduciary licensees will be automatically converted to primary fiduciary licensees and all joint licensees will be converted to secondary licensees. Joint licensees that do not want to be re-categorised as a secondary fiduciary licensee will need to notify the GFSC accordingly. In the absence of a notification from a joint licensee, the GFSC will deem that the licensee has agreed to the conversion for the purpose of section 61(1)(b) of the 2020 Fiduciaries Law.

Where a joint licensee wishes to be categorised as a primary fiduciary licensee it will need to meet all the regulatory requirements applicable to a primary fiduciary licensee.

The GFSC’s summary of the feedback it received in response to the Consultation Paper can be found on the GFSC’s website. A copy of the notice and a draft version of the final revised Fiduciary Rules, 2021, are also available on the GFSC’s website. It is intended that formal publication of the final revised Fiduciary Rules, 2021, will take place on 6 October 2021.

## Authors



**Ann Halliday**  
Counsel

T+44 1481 746184  
[a.halliday@babbelegal.com](mailto:a.halliday@babbelegal.com)



**Tristan Ozanne**  
Counsel

T +44 1481 746174  
[t.ozanne@babbelegal.com](mailto:t.ozanne@babbelegal.com)



**Andrew Laws**  
Senior Partner

T+44 1481 746175  
[a.laws@babbelegal.com](mailto:a.laws@babbelegal.com)

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