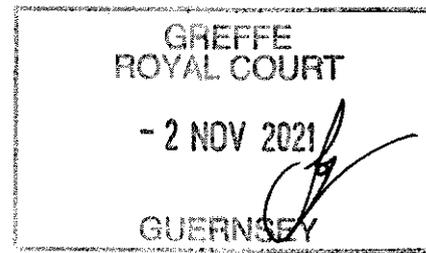


GUERNSEY STATUTORY INSTRUMENT NO  
129



## THE BANKING SUPERVISION (ACCOUNTS, DISCLOSURE AND REPORTING) RULES, 2021

*Made:* 1<sup>st</sup> November 2021

*Coming into Operation:* 1<sup>st</sup> November 2021

**The Guernsey Financial Services Commission** (“the Commission”), in exercise of the powers conferred on it by sections 31, 32 and 33 of The Banking Supervision (Bailiwick of Guernsey) Law 2020 (“the Law”) makes the following Rules.

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## PART 1 INTRODUCTION

### 1.1 Application

- (1) These Rules replace –
  - (a) The Banking Supervision (Accounts) Rules, 1994;
- (2) The Commission may in its absolute discretion, by written notice to a licensee, exclude or modify the application of any provision of these Rules.
- (3) The provisions of these Rules do not affect any conditions which may be imposed, in respect to a banking licence, under the Law.

## PART 2 ACCOUNTS

### 2.1 Licensed Entities incorporated within the Bailiwick

#### 2.1.1 Application of rule 2.1

- (1) Rule 2.1 applies to licensed institutions incorporated within the Bailiwick.

#### 2.1.2 Approved accounting rules

- (1) Entities licensed under the Law, and incorporated in the Bailiwick, must prepare annual accounts in accordance with an approved accounting standard. For the purposes of these Rules the following accounting standards are approved by the Commission –
  - (a) IFRS<sup>1</sup>;
  - (b) UK GAAP<sup>2</sup>; or
  - (c) US GAAP<sup>3</sup>.
- (2) The Commission may approve the use of an alternative accounting standard, on the application of a licensee, or potential licensee, on a case by case basis. Approval must be sought prior to the use or implementation of an alternative approach or accounting standard.

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<sup>1</sup> International Financial Reporting Standards published by the IFRS foundation and International Accounting Standards Board and adopted by the UK and the EU.

<sup>2</sup> UK Generally Accepted Accounting Practice, including FRS 102, published by the UK Financial Reporting Council (or its successor bodies).

<sup>3</sup> US Generally Accepted Accounting Practice, adopted by the US Securities and Exchange Commission.

### 2.1.3 Submission of accounts to the Commission

- (1) The licensee must submit to the Commission, no later than three months from the date of their completion, copies of –
  - (a) the audited accounts including the auditor's report; and
  - (b) any management letter prepared by the auditors.
- (2) Any derogation from this rule can only be entered into with the written consent of the Commission.

### 2.1.4 Auditor's report

- (1) The auditor's report must include statements on the following –
  - (a) the basis of the auditor's opinion;
  - (b) the auditor's opinion as to whether the accounts show a true and fair view and have been properly prepared in accordance with the provisions of the Law and the provisions of the Companies (Guernsey) Law, 2008<sup>4</sup>.

## 2.2 Licensed Entities incorporated outside the Bailiwick

### 2.2.1 Application of rule 2.2

- (1) Rule 2.2 applies to licensed entities incorporated outside the Bailiwick.

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<sup>4</sup> No. VIII of 2008.

## 2.2.2 Information required by the Commission

- (1) Entities licensed under the Law, and incorporated outside the Bailiwick, must provide the Commission with a copy of the audited accounts of the main group, including the auditor's report, no later than one month following their publication.

## 2.3 Disclosure

### 2.3.1 Application

- (1) This rule applies to licensed institutions incorporated within the Bailiwick.

### 2.3.2 Information required

- (1) The Licensee must make available on request and publish online, no later than one month following the submission of its accounts to the Commission, the following information –
  - (a) a copy of the audited accounts including the auditor's report; and
  - (b) additional information including but not limited to –
    - (i) the Common Equity Tier 1 ("CET 1") capital asset ratio ("CAR")<sup>5</sup>, calculated as the ratio of common equity tier 1 capital to total risk weighted assets;
    - (ii) the Liquidity Coverage Ratio ("LCR")<sup>6</sup> or, where appropriate, the Liquidity Mismatch Ratio ("LMR")<sup>7</sup>;

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<sup>5</sup> See Commission website for General Guidance and Individual Capital Guidance (Module 7) for completion of BSL/2.

<sup>6</sup> Defined in Commission guidance on completing the LCR module or form LCR.

<sup>7</sup> Defined in Commission Guidance of completing the LMR module.

- (iii) the Leverage Ratio<sup>8</sup>;
- (iv) the Net Stable Funding Ratio (“NSFR”)<sup>9</sup>.

### 2.3.3 Reporting period

- (1) The figures reported under this rule must be for the relevant date, which will be the date of the balance sheet used in preparing the accounts.
- (2) The information reported under this rule must be consistent with the information reported to the Commission in the relevant regulatory returns.

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<sup>8</sup> See Commission Website, Guidance on completing the Leverage Ratio Module of BSL/2.

<sup>9</sup> See Commission website Guidance on completing the NSFR module of form LCR and LMR.

## PART 3 GENERAL PROVISION

### 3.1 Interpretation

- (1) In these Rules terms have their ordinary meaning unless specifically defined in the Law or in these Rules.
- (2) The Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016<sup>10</sup> applies to the interpretation of these Rules.
- (3) A reference in these Rules to an enactment should be taken to include any amendments, re-enactments (with or without modification), extensions and applications.

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<sup>10</sup> Order in Council No. V of 2018, as amended.

## PART 4 TRANSITIONAL ARRANGEMENTS, REVOCATIONS, CITATION AND COMMENCEMENT

### 4.1 Revocations

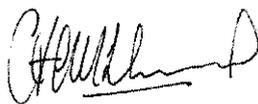
#### 4.1.1 Revocation of The Banking Supervision (Accounts) Rules, 1994

- (1) The Banking Supervision (Accounts) Rules, 1994 are revoked.

### 4.2 Citation and commencement

- (1) These rules may be cited as the Accounts, Disclosure and Reporting Rules 2021.
- (2) Rule 2.3.2(1)(b)(iv), the requirement to provide information on the Net Stable Funding Ratio will come into force at such time as the Commission decides to set a minimum NSFR requirement.
- (3) The remaining rules come into force on 1<sup>st</sup> November 2021.

Dated this 29<sup>th</sup> day of October 2021



C.A. SCHRAUWERS

Chairman of the Guernsey Financial Services Commission

For and on behalf of the Commission

