

**THE LICENSEES (CONDUCT OF BUSINESS)  
(AMENDMENT) RULES, 2022**

*Made:* 1<sup>st</sup> June 2022

*Coming into Operation:* 10<sup>th</sup> June 2022

The Guernsey Financial Services Commission (the “Commission”), in exercise of the powers conferred on it by sections 15 of *The Protection of Investors (Bailiwick of Guernsey), 2020*<sup>1</sup> (the “Law”) hereby makes the following Rules.

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<sup>1</sup> Order in Council No. XVIII of 2020.

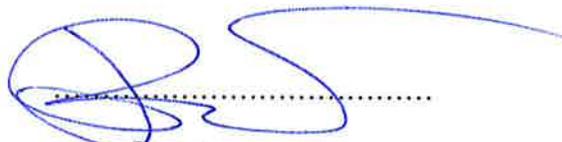
## Citation and Commencement

1. These Rules may be cited as The Licensees (Conduct of Business) (Amendment) Rules, 2022 and amend the Licensees (Conduct of Business) Rules, 2021<sup>2</sup> (“the Rules”).
2. These Rules shall come into force on 10<sup>th</sup> June 2022.

## Amendments

3. The Rules are amended in accordance with Annex A.

Dated this 1st day of June , 2022



J. P. WINSER

Chairman of the Guernsey Financial Services Commission

For and on behalf of the Commission

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<sup>2</sup> No.141 of 2021.

## Annex A

### Amendments to The Licensees (Conduct of Business) Rules, 2021

1. In this section underlining indicates new text, to be added to the Rules, and striking through indicates text to be deleted:

...

#### 2.1 Corporate Governance

...

- (7) Where a licensee is administered by another firm, in the Bailiwick, the composition of the board must include at least one Guernsey resident director. For any other licensees the composition of the board must include at least two Guernsey resident directors.
- (8) The board of a licensee, other than a licensee administered by another firm in the Bailiwick, must appoint such number of Bailiwick-based senior executives as is commensurate with the nature, size, and complexity of the licensee's activities in the Bailiwick, and the prudent conduct of its business.

#### 2.2 Financial advisers

...

#### 13.1 Interpretation

- (1) In these Rules terms have their ordinary meaning unless specifically defined in the Law or in these Rules.

(2) In these Rules the following definitions should be followed –

**“accounting reference date”** means the date to which the licensee’s accounts are prepared;

...

**“Recognised Professional Body”** means a body which regulates the practice of a profession; reference to the practice of a profession does not include references to carrying on a business consisting wholly or mainly of controlled investment business;

**“senior executives”** means the chief executive, and persons holding a supervised role, exercising day-to-day managerial functions of the licensee;

**“shortfall provisions”** means that where a policyholder exercises their right to cancel a contract they may not get a full refund of the money they have paid if the value of the investment falls before the cancellation notice is received by the provider;

...