



Regulatory audit service

October 2015

Regulatory audit service for trust service providers

The Guernsey Financial Services Commission regulates and supervises the financial services sector in the Bailiwick of Guernsey in order to uphold the international reputation of the jurisdiction as a premier finance centre. Global financial services have been the target of an increasing amount of pressure from international regulatory bodies. Tough questions are being asked of domestic regulators, including the GFSC, to ensure that their jurisdictions are in order. There is an even greater focus on organisations under the regulators' supervision to ensure their compliance frameworks, policies and procedures and risk management in general, are entirely robust. The increased pressure has created a level of uncertainty and fear among regulated entities, who are under increasingly intense scrutiny. Their integrity and ongoing viability depends on the regulator's endorsement, especially in light of the threat of enforcement action against the organisation and its managers arising out of non-compliant policies or procedures.

Collas Crill is a leader in the provision of Risk and Regulatory services in Guernsey. Our experts can identify any issues likely to be raised by local regulators and assess the risks faced by a regulated business should an official audit or investigation commence. Our lawyers can guide clients through any hidden issues and potential regulatory problems before they become the subject of formal proceedings.

Our Regulatory Audit Service can be tailored to your specific requirements, but would ordinarily provide advice on possible solutions including some or all of the following:

Anti Money Laundering (AML)

We would look at risk assessment and risk- based compliance programmes, in particular:

- Compliance with Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations
- Compliance with the Handbook for Financial Services Businesses on countering Financial Crime and Terrorist Financing
- Risk assessment procedures for new clients/new business with particular reference to money laundering and terrorist financing
- Policy for carrying out client due diligence at the inception of a new relationship and the policy for reviewing procedures
- Policy for accepting confirmation of client due diligence from introducers
- Policy for meeting regularly to review and update procedures for assessing risk and verifying client identity
- Policy for verifying the identity of beneficial owners in addition to your settlor/trustee/protector clients
- Policy for communicating the above internal procedures to employees
- Policy for reviewing the legality and efficacy of the structures under your charge as administrators

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- Training of staff

Corporate Governance

Ensuring compliance with Guidance on Corporate Governance in the Finance Sector in Guernsey including:

- Compliance with The Companies (Guernsey) Law 2008
- Compliance with Corporate Governance Code
- The disclosure of interest provisions
- Frequency of board meetings
- Depth of reporting
- Analysis and decision making and directors' attendance records
- Compliance with tax advice
- Training of staff

Duties of Trustees

Compliance with fiduciary duty of care generally including:

- Compliance with The Code of Practice for Trust Service Providers, particularly in relation to managing trust assets professionally and responsibly and acting in the best interests of beneficiaries
- Compliance with The Trusts (Guernsey) Law 2007
- Frequency of trust reviews and meetings with beneficiaries
- Recording of individual trusts' needs and aspirations of beneficiaries
- Investment policy and third party investment advice

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