

**RoadMap for Conduct of Business, Risk Management and Internal Control and the Administration Chapters of the
Regulatory Rule Book
Secondary legislation under the Financial Services Act [2007]**

Previous Code Reference	Subject of Code	Rule Reference	Change and Rationale for Change	Impact/Need for Comments
<i>Banking</i>				
Banking General Practice (Gen. Prac.) Code 1, 2 and 3	Citation, commencement, revocation and interpretation	Citation, commencement, and revocation will be moved to Part 1 to be completed at the end of the consultation on the Rule Book. Interpretation is moved to Part 2.	Interpretation remains the same. Citation, commencement, revocation and application are updated as necessary.	None
Gen. Prac. Code 6	Corporate Governance	Moved to Part 9, and split between rule 9.3 and 9.6	Rule split into corporate governance and risk management sections. Wording more general to cover all Licenceholders.	Limited
Gen. Prac. Code 7	New appointments and departures from office	Moved to Part 8 rule 8.9	In subparagraph (1) notification of the Commission has been altered to 20 business days in advance, and in subparagraph (2) notification is to be given within 10 business days.	Limited
Gen. Prac. Code 8	Directors	Moved to Part 9, rule 9.32	Change of location only.	None
Gen. Prac. Code 9	Company Secretary	Moved to Part 9, rule 9.21	Wording has been generalised for all licenceholders.	Limited
Gen. Prac. Code 10	“Four-eyes”	Moved to Part 9, rule 9.19	The “Four-eyes” requirement is retained, but is now referred to as “Isle of Man Resident Officers”.	Limited

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Gen. Prac. Code 11	Compliance Officer and Money Laundering Reporting Officer	Moved to Part 9, rules 9.16 and 9.17	Additional requirement for functions and status of compliance officer and responsibility of money laundering reporting officer.	Material
Gen. Prac. Code 13	Disclosure of ultimate beneficial ownership	Removed	The Commission will identify the ultimate owners of the business when the licence is first issued (as stated in the Licensing Policy) and the changes can be identified by rule 8.4	Material
Gen. Prac. Code 14	Share transfers	Moved to Part 8, rule 8.4	Period of notification altered to 20 business days.	Limited
Gen. Prac. Code 15	Changes in capital structure	Moved to Part 8, rule 8.3	Notification to the Commission has been altered so that consent is now required.	Material
Gen. Prac. Code 16	Subsidiaries, branches, representative offices	Moved to Part 8, rule 8.6	Notification to the Commission has been altered so that consent is now required.	Material
Gen. Prac. Code 17	Acquisition of shares of another company	Moved to Part 8, rule 8.8	Notification to the Commission has been altered so that consent is now required.	Material
Gen. Prac. Code 18	Sale or merger of whole or part of the bank	Moved to part 8, rules 8.5 and 8.7	Sale is covered under rule 8.7 and merger is covered under rule 8.5. Rule 8.5 now requires consent from the Commission.	Material
Gen. Prac. Code 32	Credit risk	Moved to Part 9, rule 9.35	Period of notification altered to 20 business days	Limited
Gen. Prac. Code 33	Large Exposures – General	Moved to Part 9, rule 9.37	Change of location only	None
Gen. Prac. Code 34	Large Exposure Policy	Moved to Part 9, rule 9.36	Period of notification altered to 20 business days	Limited
Gen. Prac. Code 35	Large Exposures-Exposure calculation	Moved to Part 9, rule 9.38	Amended to be more generic	None
Gen. Prac. Code 36	Large Exposures – Exempt Exposures	Moved to Part 9, rule 9.39 and 9.37	Separated out the rule for notification to the Commission and the definition of exempt exposures.	None
Gen. Prac. Code 37	Arrears and Provisioning Policy	Moved to Part 9, rule 9.40	Period to provide copy altered to 20 business days	Limited

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Gen. Prac. Code 38	Liquidity	Moved to Part 9.41 and 9.42	Period to provide copy altered to 20 business days	Limited
Gen. Prac. Code 39	Foreign Exchange Risk	Moved to Part 9, rule 9.43	Change of location only	None
Gen. Prac. Code 40	Interest Rate Risk	Moved to Part 9, rule 9.44	Period to provide copy altered to 20 business days	Limited
Gen. Prac. Code 41	Money laundering and financing of terrorism	Removed but look at rule 9.4 (2)(b)	More generic statement	Limited
Gen. Prac. Code 42	Risk Policy	Moved to Part 9, rule 9.6	New requirement to identify risks posed by a group company	Material
Gen. Prac. Code 43 and 44	Breakdown of controls and breaches of codes, and register of breaches	Sub-paragraphs 1-4 moved to Part 9, rule 9.15, sub-paragraph 5 moved to Part 8, rule 8.13, sub-paragraph 6 moved to Part 9, rule 9.13, sub-paragraph 7 and code 44 moved to Part 9 rule 9.12	Change of location for all except sub-paragraph 5 (indictments and convictions of offences), this requirement is extended to cover all officers and employees.	Limited
Gen. Prac. Code 45	Business Resumption/contingency arrangements	Moved to Part 9, rule 9.9	Change of location only	None
Gen. Prac. Code 46	Voluntary winding up	Moved to Part 8, rule 8.17	Period for notification altered to 5 business days	Limited
Gen. Prac. Code 47	Notification of default	Moved to Part 8, rule 8.21	Change of location only	None
Gen. Prac. Code 48	Cessation of Business	Moved to Part 8, rule 8.15	Period for notification altered to 20 business days	Limited
Gen. Prac. Code 49 and 50	Services and Products	Moved to Part 9, rule 9.8	Requirement for notification to be in writing to the Commission 20 business days in advance	Limited
Gen. Prac. Code 51	Delegation of function / outsourcing	Moved to Part 9, rule 9.11	Change of location only	None
Gen. Prac. Code	Managed Banks	Deleted	Not considered meaningful as managed	Material

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52- 56			banks will be required to adhere to the deposit taking rules. If specific rules do not apply to managed banks the Commission will issue waivers.	
Gen. Prac. Code 57 and 58	General Requirements	Moved to Part 8, rule 8.2	Period for notification altered to 20 business days	Limited
Gen. Prac. Code 59	Advertisements – general	Moved to Part 7, rule 7.14	Change of location only	None
Gen. Prac. Code 60	Reference to licensing in advertisements	Moved to Part 7, rule 7.15	Wording to be contained in advertisement is included in the rule. New requirement for reference to licensing in correspondence and other documents.	Material
Gen. Prac. Code 61	Reference to the depositors compensation scheme in advertisements	Moved to Part 7, rule 7.18	Change of location only	None
Gen. Prac. Code 62	Staff Disciplinary Action	Moved to Part 8, rule 8.10	Period for notification altered to 10 business days, additional rules included for key persons	Material
Gen. Prac. Code 63	Internal Complaints Procedure	Moved to Part 9, rule 9.30	Wording amended to be more general and apply to all licenceholders	Limited
Gen. Prac. Code 64	Legal Proceedings	Moved to Part 8, rule 8.18	Change of location only	None
Gen. Prac. Code 67	Corporate Governance	Moved to Part 9, and split between rule 9.3 and 9.6	Rule split into corporate governance and risk management sections. Wording more general to cover all Licenceholders, and new requirement to identify risks posed by group companies	Material
Gen. Prac. Code 68	New appointments and departures from office	Moved to Part 8 rule 8.9	In sub-paragraph (1) notification of the Commission has been altered to 20 business days in advance, and in subparagraph (2) notification is to be given within 10 business days.	Limited
Gen. Prac. Code	“Four-eyes”	Moved to Part 9, rule 9.19	The “Four-eyes” requirement is retained,	Limited

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69			but is now referred to as “Isle of Man Resident Officers”.	
Gen. Prac. Code 70	Compliance Officer and Money Laundering Reporting Officer	Moved to Part 9, rules 9.16 and 9.17	Additional requirement for functions and status of compliance officer and responsibility of money laundering reporting officer.	Material
Gen. Prac. Code 71	Disclosure of ultimate beneficial ownership	Removed	The Commission will identify the ultimate owners of the business when the licence is first issued (as stated in the Licensing Policy) and the changes can be identified by rule 8.4	Material
Gen. Prac. Code 72	Share transfers	Moved to Part 8, rule 8.4	Period of notification altered to 20 business days.	Limited
Gen. Prac. Code 73	Sale or merger of whole or part of the bank	Moved to part 8, rules and 8.7	Sale is covered under rule 8.7 and merger is covered under rule 8.5. Rule 8.5 now requires consent from the Commission	Material
Gen. Prac. Code 80	Credit Risk	Moved to Part 9, rule 9.46	Period to supply a copy altered to 20 business days	Limited
Gen. Prac. Code 81	Large Exposures	Moved to Part 9, rule 9.47	Period for reporting figures to the Commission altered to 20 business days, and form to be used no longer specified.	Limited
Gen. Prac. Code 82	Arrears and Provisioning Policy	Moved to Part 9, rule 9.48	Period for providing a copy of the policy and reporting figures to the Commission altered to 20 business days, and form to be used no longer specified.	Limited
Gen. Prac. Code 83	Liquidity	Moved to Part 9, rules 9.49 and 9.50	Period for providing a copy of the policy and reporting figures to the Commission altered to 20 business days, and form to be used no longer specified.	Limited
Gen. Prac. Code 84	Foreign Exchange Risk	Moved to Part 9, rule 9.51	Period for providing a copy of the policy to the Commission altered to 20 business days	Limited
Gen. Prac. Code	Interest Rate Risk	Moved to Part 9, rule 9.52	Change of location only	None

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Gen. Prac. Code 86	Money Laundering and financing of terrorism	Removed but look at rule 9.4 (2)(b)	More generic statement	Limited
Gen. Prac. Code 87	Controls and Procedures	Moved to Part 9, rule 9.6	Change of location only	None
Gen. Prac. Code 88 and 89	Breakdown of controls and breaches of codes, and register of breaches	Sub-paragraphs 1-4 moved to Part 9, rule 9.15, sub-paragraph 5 moved to Part 8, rule 8.13, sub-paragraph 6 moved to Part 9, rule 9.13, sub-paragraph 7 and code 44 moved to Part 9 rule 9.12	Change of location for all except sub-paragraph 5 (indictments and convictions of offences), this requirement is extended to cover all officers and employees.	Limited
Gen. Prac. Code 90	Business Resumption/contingency arrangements	Moved to Part 9, rule 9.9	Change of location only	None
Gen. Prac. Code 92	Cessation of Business	Moved to Part 8, rule 8.15	Period for notification altered to 20 business days	Limited
Gen. Prac. Code 93 and 94	Services and Products	Moved to Part 9, rule 9.8	Requirement for notification to be in writing to the Commission 20 business days in advance	Limited
Gen. Prac. Code 95	Delegation of function / outsourcing	Moved to Part 9, rule 9.11	Change of location only	None
Gen. Prac. Code 96-100	Managed Banks	Deleted	Not considered meaningful as managed banks will be required to adhere to the deposit taking rules. If specific rules do not apply to managed banks the Commission will issue waivers.	Material
Gen. Prac. Code 101 and 102	General Requirements	Moved to Part 8, rule 8.2	Period for notification altered to 20 business days	Limited
Gen. Prac. Code 103	Advertisements – general	Moved to Part 7, rule 7.14	Change of location only	None
Gen. Prac. Code	Reference to licensing in	Moved to Part 7, rule 7.15	Wording to be contained in advertisement	Material

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104	advertisements		is included in the rule. New requirement for reference to licensing in correspondence and other documents.	
Gen. Prac. Code 105	Reference to the depositors compensation scheme in advertisements	Moved to Part 7, rule 7.18	Change of location only	None
Gen. Prac. Code 106	Staff Disciplinary Action	Moved to Part 8, rule 8.10	Period for notification altered to 10 business days, and additional rules included for key persons	Material
Gen. Prac. Code 107	Internal Complaints Procedure	Moved to Part 9, rule 9.30	Wording amended to be more general and apply to all licenceholders	Limited
Gen. Prac. Code 108	Legal Proceedings	Moved to Part 8, rule 8.18	Change of location only	None
New requirements	Various	Part 7, rules 7.1-7.13	Adopted from the Investment Business Conduct of Business Code and applied to all Licenceholders for consistency.	Material
New requirement	Display of licence	Part 7, rule 7.16	Requirement to display licence and provide details on request now included as a rule.	Material
New requirements	Various	Part 8, rules 8.11, 8.12 and 8.14, Part 9, rule 9.14	Adopted from the Fiduciaries Code and applied to all Licenceholders for consistency.	Material
New requirements	Bankruptcy, winding up, etc.	Part 8, rule 8.16	Adopted from the Investment Business Conduct of Business Code and applied to all Licenceholders for consistency.	Material
New requirements	Various	Part 9, rules 9.4, 9.5, 9.7, 9.10, 9.22-9.27	Adopted from the Investment Business Conduct of Business Code, with some extension and generalisation, and applied to all Licenceholders for consistency.	Material
New requirements	Various	Part 9, rules 9.15, 9.28, 9.29, 9.32 and 9.33	New or amended rules	Material
New Requirements	Local directors and temporary absence	Part 9, rules 9.18 and 9.20	To clarify the Commissions preference to see two local directors in Isle of Man incorporated licenceholders and to	Material

			formalise a requirement to have fit and proper alternates appointed in their absence.	
<i>Investment Business</i>				
Conduct of Business (COB) Code I	Citation, commencement, interpretation, additional interpretation and application	Citation, commencement, and revocation will be moved to Part 1 to be completed at the end of the consultation on the Rule Book. Application is covered through-out the chapter. Interpretation is moved to Part 2.	Interpretation remains the same. Citation, commencement, revocation and application are updated as necessary.	None
COB Code 2.1	Integrity and fair dealing	Moved to Part 7, and split between rules 7.8 and 7.29	Wording has been generalised to cover all Licenceholders. Requirement from COB Code 4.5 to notify the clients concerned when a conflict of interest arises moved to this rule.	Material
COB Code 2.2	High standards of market conduct	Moved to Part 7, rule 7.3	Wording has been generalised to cover all Licenceholders	None
COB Code 2.3	Informed investment decisions	Moved to Part 7, rule 7.9	Change of location only	None
COB Code 2.4	Independence	Moved to Part 7, rule 7.10	Change of location only	None
COB Code 2.5 and 2.6 and SB Code 161	Inducements and Unreasonable recommendations	Moved to Part 7, rules 7.11 and 7.20	Change of location only	None
COB Code 2.7 and SB Code 196	Churning	Moved to Part 7, rule 7.21	Change of location only	None
COB Code 2.8 and SB Code 177	Overcharging	Moved to Part 7, rule 7.12	Rule simplified and clarified.	None
COB Code 2.9	Valuation of investments which are not marketable	Moved to Part 7, rule 7.22	Change of location only	None
COB Code 2.10	Front running	Moved to Part 7, rule 7.23	Change of location only	None

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and SB Code 189 and 190				
COB Code 2.11	Fairness in allocation	Moved to Part 7, rule 7.24	Wording has been generalised to cover all Licenceholders	None
COB Code 2.12	Distribution of transactions among clients	Moved to Part 7, rule 7.25	Wording has been generalised to cover all Licenceholders	None
COB Code 2.13	Fairness with research or analysis	Moved to Part 7, rule 7.29	Change of location only	None
COB Code 2.14 and SB 202, 203 and 173	Conflicts of interest	Moved to Part 7, rule 7.13	Wording has been generalised to cover all Licenceholders.	Limited
COB Code 3.1	Skill, care and diligence	Moved to Part 7, rule 7.2	Change of location only	None
COB Code 3.2 and SB Code 191	Prompt and timely execution	Moved to Part 7, rule 7.27	Change of location only	None
COB Code 3.3 and SB Code 192	Best execution	Moved to Part 7, rule 7.28	Change of location only	None
COB Code 3.4	Knowledge of client	Moved to Part 7, rule 7.30	Change of location only	None
COB Code 3.5 and SB Code 176	Suitability	Moved to Part 7, rule 7.31 and 7.32	Change of location only	None
COB Code 3.6	Disrepute	Moved to Part 7, rule 7.7	Change of location only	None
COB Code 3.7	Manager of collective investment schemes to observe the terms of scheme particulars	Moved to Part 7, rule 7.52	Change of location only	None
COB Code 3.8	Collective Investment Schemes: forecasts of future income	Moved to Part 7, rule 7.56	Change of location only	None
COB Code 3.9	Polarisation: restriction on authority conferred by product companies	Moved to Part 7, rule 7.33	Change of location only	None
COB Code 4.1	Disclosure and information	Moved to Part 7, rule 7.34	Change of location only	None
COB Code 4.2 and SB Code 4	Disclosure of regulator	Moved to Part 7, rule 7.15	Wording extended to cover all Licenceholders, it now also covers business	Limited

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			cards, emails and websites.	
COB Code 4.3	Information to be supplied by tied agents	Moved to Part 7, rule 7.57	Change of location only	None
COB Code 4.4 and SB Code 167	Life policies and Collective Investment Schemes: disclosure of product particulars	Moved to Part 7, rule 7.36	Guidance note is now included as a rule.	Limited
COB Code 4.5	Disclosure of conflicts of interest	Moved to Part 7, included in rules 7.13 and 7.37	It is now stated that conflicts of interest must be disclosed in writing	Limited
COB Code 4.6 and 4.7	Disclosure of links with an associate and Disclosure of remuneration and commissions	Moved to Part 7, included rule 7.40	Rule 7.40 contains general matters to be disclosed, and so covers more than these two rules. Additional requirement to state that the client has the right to details of remuneration and qualifications/experience.	Material
COB Code 4.8	Understanding of risk	Moved to Part 7, rule 7.35	Change of location only	None
COB Code 4.9 and SB Code 185 186 and 187	Periodic Information	Moved to Part 7, rule 7.44	Change of location only	None
COB Code 4.10	Introductions to unauthorised persons or overseas branches	Moved to Part 7, rule 7.5	Wording has been generalised to cover all Licenceholders and disclosure must now be in writing.	Material
COB Code 5.1 and SB Code 160 and 168	General need for a Client Agreement	Moved to Part 7, rules 7.38 and 7.39	Change of location only	None
COB Code 5.2	Exceptions	Moved to Part 7, rule 7.39	Change of location only	Limited
COB Code 5.3	Dealing while negotiating	Incorporated in rule 7.37 (3)	The client agreement to be signed before any regulated activity is undertaken.	Material
COB Code 5.4	Penalty on termination	Moved to Part 7, rule 7.45	Change of location only	None
COB Code 5.5	Standard client agreement	Moved to Part 7, rule 7.41	There is an additional requirement to include details of the conflicts of interest policy.	Material
COB Code 5.6 and 5.7	Discretionary portfolio management agreement and	Moved to Part 7, rule 7.42	Change of location only	None

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	Special provisions in Discretionary Portfolio Management Agreements			
COB Code 5.8	Compliance with the terms of agreement	Moved to Part 7, rule 7.43	Change of location only	None
COB Code 6.1	Responsible conduct/ Anti-Money Laundering	Moved to Part 9, rule 9.4	Wording has been generalised to cover all Licenceholders and extended to cover market manipulation and abuse.	Material
COB Code 6.2	Business Plan	Moved to Part 9, rule 9.7	Wording has been generalised to cover all Licenceholders	None
COB Code 6.3 and SB Code 6	Compliance with non-statutory obligations	Moved to Part 9, rule 9.5	Wording has been generalised to cover all Licenceholders	None
COB Code 6.4	Responsible behaviour in dealings by officers and employees	Moved to Part 7, rule 7.3	Change of location only	None
COB Code 6.5 and SB Code 165 and 166	Responsible behaviour on the telephone or on visits	Moved to Part 7, rule 7.4	Wording altered slightly and new requirement regarding time and method of communication added.	Material
COB Code 6.6 and SB Code 9	Supervision	Moved to Part 7, rule 7.6	Change of location only	None
COB Code 6.7 and SB Code 205	Compliance	Moved to Part 9, rule 9.25, 9.26 and 9.27	Wording has been generalised to cover all licenceholders and requirement that compliance procedures are in writing has been extended to all licenceholders.	Material
COB Code 6.8	Internal Complaints Procedure	Moved to Part 9, rule 9.30	More detail has been included to bring requirement in line with other licenceholders	Limited
COB Code 6.9	Disciplinary Action	Moved to Part 8, rule 8.10	Wording has been generalised to cover all licenceholders and additional requirements to notify the Commission and supply copies of notices and written warnings added to bring into line with other licenceholders.	Material
COB Code 7.1	Risk Warning	Moved to Part 7, rule 7.46	Change of location only	None

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COB Code 7.2	Contracts to be on exchange	Moved to Part 7, rule 7.47	Change of location only	None
COB Code 7.3	Liability in respect of margins	Moved to Part 7, rule 7.48	Change of location only	None
COB Code 8.1, 8.2 and 8.3 and SB Code 19 and 178	Contract note etc, Exceptions and Contents of contract notes, confirmation notes, difference accounts etc	Moved to Part 7, rule 7.49	Rules have been merged, and guidance relating to front end loading removed.	Limited
COB Code 8.4	General Records	Moved to Part 9, rule 9.22	Change of location only	None
COB Code 8.5	Accounting records- Clients' Records	Moved to Part 9, rule 9.23	Wording altered slightly and new requirement regarding the tracing of funds and securities in and out of brokerage and bank accounts relating to securities transactions added.	Material
COB Code 8.56	Inspection of records	Moved to Part 9, rule 9.55	Change of location only	None
COB Code 8.6	Retention of records	Moved to Part 9, rule 9.54	Requirement to keep records which relate to long-term business for longer.	Material
COB Code 8.7 and SB Code 206	Records kept by third parties	Moved to Part 9, rule 9.24	Change of location only	None
Gen. Req. Code 1	Citation, commencement, interpretation, additional interpretation and application	Citation, commencement, and revocation will be moved to Part 1 to be completed at the end of the consultation on the Rule Book. Application is covered through-out the chapter. Interpretation is moved to Part 2.	Interpretation remains the same. Citation, commencement, revocation and application are updated as necessary.	None
Gen. Req. Code 2	Commencement of business	Moved to licensing policy	Change of location only	None
Gen. Req. Code 3	Relations with regulators	Moved to Part 9, rule 9.26	Change of location only	None
Gen. Req. Code 4 and SB Code	Dual Control (the "4-eyes" criterion)	Moved to Part 9, rule 9.19	All directors are responsible for overseeing proper conduct in Isle of Man incorporated	Material

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12			licenceholders so it is proposed that this rule is only applicable to licenceholders incorporated outside the Island.	
Gen. Req. Code 5	The company secretary	Moved to Part 9, rule 9.21	Change of location only	None
Gen. Req. Code 6	“Locum” Principle	Moved to Part 9, rule 9.10	Change of location only	None
Gen. Req. Code 7.1	Change in company name or address	Moved to Part 8, rule 8.2	Wording has been generalised to cover all licenceholders and additional requirements to notify the Commission of changes to principle place of business and permanent place of business normally open to the public in the Island.	Material
Gen. Req. Code 7.2 and SB Code 23	Company Officers	Moved to Part 8, rule 8.9	Wording has been generalised to cover all licenceholders and extended to other key persons.	Limited
Gen. Req. Code 7.3 and SB Code 24	Beneficial Interests	Removed	The Commission will identify the ultimate owners of the business when the licence is first issued (as stated in the Licensing Policy) and the changes can be identified by rule 8.4	Material
Gen. Req. Code 7.4	Administrators of collective investment schemes	Moved to Part 7, rule 7.58	Change of location only	None
Gen. Req. Code 7.5 and SB 13 and 20	Revised business plan	Moved to Part 9, rule 9.7 and 9.8	Change of location only	None
Gen. Req. Code 7.6	Fraud or Dishonesty	Moved to Part 9, rule 9.13	Change of location only	None
Gen. Req. Code 7.7 and SB Code 25	Actual or Intended Legal Proceedings	Moved to Part 8, rule 8.19	Change of monetary value given as point to notify Commission to £10, 000 to bring into line with other licenceholders.	Material
Gen. Req. Code 7.8	Material Changes to Information	Removed	This is a general code that has been covered by more specific rules.	None

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Gen. Req. Code 7.9 and SB Code 10 and 21	Cessation of Business	Moved to Part 8, rule 8.15	Change of location only	None
Gen. Req. Code 8 and SB Code 17 and 26	Notification forthwith	Moved to Part 9, rule 9.13 and 9.15, Part 8, rule 8.16, 8.17 and 8.19	Wording amalgamated within other requirements for simplification.	None
Gen. Req. Code 9.1	Variation of capital	Moved to Part 8, rule 8.3	Notification to the Commission has been altered so that consent is now required.	Material
Gen. Req. Code 9.2	Branches and Subsidiaries	Moved to Part 8, rule 8.6	Notification to the Commission has been altered so that consent is now required.	Material
Gen. Req. Code 9.3 and SB Code 15	Acquisitions	Moved to Part 8, rule 8.8	Notification to the Commission has been altered so that consent is now required.	Material
Gen. Req. Code 9.4 and SB Code 16	Sales and mergers	Moved to Part 8, rules 8.5 and 8.7	Sale is covered under rule 8.7 and merger is covered under rule 8.5. Rule 8.5 now requires consent from the Commission.	Material
Advertising Code Various and SB Code 163 and 164	Advertisements	Part 7, rules 7.14 and 7.15	Simplification of existing requirements.	None
New requirement	Display of licence	Part 7, rule 7.16	Requirement to display licence and provide details on request now included as a rule.	Material
New Requirements	Various	Part 7, rules 7.51, 7.53-7.55, 7.59 and 7.60	New requirements adopted from Channel Islands requirements.	Material
New Requirements (except stockbrokers, SB Code 8).	Various	Part 8, rules 8.11, 8.12, 8.13 and Part 9, rule 9.11, 9.14 and 9.56	These have been adopted from the fiduciaries codes to bring all licenceholders into line.	Material
Enhanced Requirements	Various (including COB 6.1, delegation guidance note, COB 6.7, GR 7.9 and 8(a), COB code 8.6 (a))	Part 9, rules 9.3, 9.6, 9.9, 9.11, 9.12, 9.16, 9.17, Part 8, rule 8.14.	Enhancement of current codes.	Material

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New Requirement	Conflicts of interest register	Part 9, rules 9.28 and 9.29	New requirements adopted from MIFID proposals.	Material
New Requirements	Local directors and temporary absence	Part 9, rules 9.18 and 9.20	To clarify the Commissions preference to see two local directors in Isle of Man incorporated licenceholders and to formalise a requirement to have fit and proper alternates appointed in their absence.	Material
<i>Fiduciary Services</i>				
Gen. Req. Code 2 (1)(a)	General	Removed	Now covered by AML	Material
Gen. Req. Code 2 (1)(b)	General	Moved to part 7, rule 7.2	Change of location only	None
Gen. Req. Code 2 (1)(c) and (d)	General	Moved to part 7, rule 7.8	Wording has been generalised to bring all licenceholders into line	None
Gen. Req. Code 2 (e)	General	Moved to Financial Resources Chapter	Already consulted on	None
Gen. Req. Code 3	Categories of licenceholder	Removed	No longer required as the focus of the new regime is on regulated activity rather than categories of licenceholder.	None
Gen. Req. Code 4	Know your client	Removed but look at rule 9.4 (2)(b)	More generic statement	Limited
Gen. Req. Code 5	Client agreements/terms of business	Moved to part 7, rule 7.62	Wording has been amended slightly.	None
Gen. Req. Code 5 (4)	Client agreements/terms of business	Moved to part 7, rule 7.63	Wording has been amended slightly.	None
Gen. Req. Code 6	Key persons	Contained within the Financial Services Bill		None
Gen. Req. Code 7	Dual control (the “4-eyes” criterion)	Moved to part 9, rule 9.19	The “Four-eyes” requirement is retained, but is now referred to as “Isle of Man Resident Officers”.	Material
Gen. Req. Code 8	“Locum Principle”	Moved to part 9, rule 9.10	Wording has been generalised to bring all licenceholders into line. The requirement	Limited

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			for arrangements to be approved has been replaced so that licenceholders only need to provide details to the Commission.	
Gen. Req. Code 9	Compliance systems, procedures and returns	Moved to part 9, rule 9.25, 9.26 and 9.27	Wording has been generalised to bring all licenceholders into line.	None
Gen. Req. Code 9 (2)	Compliance systems, procedures and returns	Moved to part 7, rule 7.65	Change of location only	None
Gen. Req. Code 10	Provision of directors	Moved to part 9, rule 9.56	Wording amended slightly to fit in with style of the rulebook.	None
Gen. Req. Code 13 (1)	Changes of directors or key persons	Moved to part 8, rule 8.9	Wording has been generalised to bring all licenceholders into line. Notification date in (a) has been altered from 7 days to 10 business days, and notification in (b) has been altered from one month to 20 business days.	Limited
Gen. Req. Code 13 (2)	Change in the details of the Fiduciary	Moved to part 8, rule 8.2	Wording has been generalised to bring all licenceholders into line.	None
Gen. Req. Code 13 (3)	Legal proceedings	Moved to part 8, rules 8.19 and 8.20	Wording has been generalised to bring all licenceholders into line.	None
Gen. Req. Code 13 (4)	Criminal Conviction	Moved to part 8, rule 8.13	Wording has been generalised to bring all licenceholders into line	None
Gen. Req. Code 13 (5)	Disqualification as a company director/secretary etc.	Moved to part 8, rule 8.11	Wording has been generalised to bring all licenceholders into line	None
Gen. Req. Code 13 (6)	Action by a regulator in another jurisdiction	Covered by part 9, rule 9.15	Wording has been generalised to bring all licenceholders into line	None
Gen. Req. Code 13 (7)	Service of notice	Moved to part 8, rule 8.12	Change of location only	None
Gen. Req. Code 13 (8)	Criminal proceedings against a client company (CSP) or in relation to a trust (TSP)	Moved to part 8, rule 8.20	Change of location only	None
Gen. Req. Code 13 (9)	Staff disciplinary action	Moved to part 8, rule 8.10	Wording has been altered to change the notification in writing from promptly to	Limited

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			within 10 business days.	
Gen. Req. Code 13 (10)	Investigation of member's conduct by a professional body	Moved to part 9, rule 9.14	Wording has been altered slightly so that licenceholders must notify the commission in writing.	Limited
Gen. Req. Code 13 (11)	Breakdown in administrative systems	Moved to part 9, rule 9.15	Change of location only	None
Gen. Req. Code 13 (13)	Bankruptcy, winding up, appointment of a receiver etc in respect of the fiduciary business.	Moved to part 8, rule 8.16	Change of location only	None
Gen. Req. Code 13 (14)	Surrender of a fiduciary licence	Moved to part 8, rule 8.14	Change of location only	None
Gen. Req. Code 13 (15) and (16)	Acquisition, Merger or Cessation of Business and Changes in Business Strategy	Separated and moved to part 8, rule 8.5 and 8.7 and Part 9, rule 9.7 and 9.8	Wording has been altered and rule has been generalised to bring all licenceholders into line. Rule 8.5 requires consent from the Commission.	Material
Gen. Req. Code 14	Resignation of a fiduciary	Moved to part 7, rule 7.65 and 7.68	Change of location only	None
Gen. Req. Code 15	Complaints	Moved to part 9, rule 9.30	Wording altered and new requirement to have documented procedures for dealing with complaints	Material
Gen. Req. Code 16	Avoidance of inappropriate conflicts of interest	Moved to Part 7, rule 7.13. See also Part 9, rules 9.28 and 9.29	Wording has been generalised to bring all licenceholders into line. Part 9, rules 9.28 and 9.29 are new requirements adopted from MIFID proposals.	None
Gen. Req. Code 17	Advertising by a fiduciary	Moved to Part 7, rule 7.14 and 7.15	Wording has been generalised and extended to cover emails, websites and business cards.	Limited
Gen. Req. Code 18	Professional indemnity insurance cover	Moved to Part 9, rule 9.53	The levels of PII are now contained in a rule rather than guidance and there is a limit to the aggregate cover. New requirement that the cover is obtained from an underwriter who is subject to	Limited

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			regulation in an appropriate jurisdiction.	
Gen. Req. Code 19	Business resumption/contingency arrangements	Moved to Part 9, rule 9.9	Wording altered to bring all licenceholders into line. Rule now includes a requirement to test procedures.	Material
New Requirements	Various	Part 7, rules 7.3, 7.4, 7.5, 7.6, 7.7, 7.9, 7.10, 7.11, and 7.12	These have been adopted from the Investment Business Conduct of Business rules to bring all licenceholders into line.	Material
New requirement	Display of licence	Part 7, rule 7.16	Requirement to display licence and provide details on request now included as a rule.	Material
New Requirements	Various	Part 8, rule 8.3, 8.4, 8.6, 8.8, 8.14 and 8.17	Part of rule 8.3 is a new requirement for fiduciaries, although some of it has been applied before. These rules have been adopted from the Banking rules to bring all licenceholders into line. Some rules require consent from the Commission.	Material
New Requirements	Various	Part 9, rules 9.3, 9.6, 9.8, 9.11, 9.12, 9.13, 9.16 and 9.17	These have been adopted from the Banking General Requirements rules to bring all licenceholders into line.	Material
New Requirements	Various	Part 9, rules 9.4, 9.5, 9.21, 9.22, 9.23, 9.24, 9.26 and 9.55	Rules 9.4, 9.5, 9.21, 9.22, 9.23 and 9.24 have been adopted from the Investment Business Conduct of Business rules, with some extension and generalisation, and rule 9.26 has been adopted from Investment Business General Requirements Code to bring all licenceholders into line.	Material
New Requirement	Conflicts of interest register	9.26	New requirement adopted from MIFID proposals.	Material
New Requirements	Local directors and temporary absence	Part 9, rules 9.18 and 9.20	To clarify the Commissions preference to see two local directors in Isle of Man incorporated licenceholders and to formalise a requirement to have fit and proper alternates appointed in their absence.	Material

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New requirement	Retention of client records	Part 9, rule 9.54	Requirement to keep records which relate to long-term business for longer.	Material
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