

Summary only – this document is not intended to be used without reference to the Financial Services Rule Book, nor can the Commission accept responsibility for its accuracy. It remains the user’s responsibility to review the source legislation and ensure compliance with the Rule Book requirements.

Financial Services Rule Book 2009:

Rules relating to policies

This table sets out the obligations upon licenceholders in the Financial Services Rule Book 2009 to maintain policies.

RULE TITLE	RULE	RESPONSIBILITY	APPLIES TO	COMMENT
Valuation of investments which are not marketable	6.53	A licenceholder	Class 3 (except activities in sub-classes 11 or 12)	
Management controls	8.4(2)	Responsible officers	Classes 1 - 7	
Risk management	8.6	Responsible officers	Classes 1 - 7	Establishment, maintenance and annual review required. See also 8.31 for Class 1 licenceholders.
Conflicts of interest	8.7	A licenceholder	Classes 1 - 7	
Credit risk policy	8.34	A licenceholder by its directors	Class 1 inc. in IOM	Annual review required under 8.34 and notification to FSC that the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.44
Large exposures policy	8.35	A licenceholder by its directors	Class 1 inc. in IOM	Annual review required under 8.35 and notification to FSC that the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.44
Arrears and provisions policy for bad and doubtful debts	8.39	A licenceholder by its directors	Class 1 inc. in IOM	Annual review required under 8.39 and notification to FSC that the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.44

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Liquidity policy	8.40	A licenceholder by its directors	Class I inc. in IOM	Annual review required under 8.40 and notification to FSC that the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.44
Foreign exchange risk	8.42	A licenceholder by its directors	Class I inc. in IOM	Annual (or more frequent) review required under 8.42 and notification to FSC that the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.44
Interest rate risk	8.43	A licenceholder by its directors	Class I inc. in IOM	Annual (or more frequent) review required under 8.43 and notification to FSC that the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.44
Annual review of certain policies	8.44	A licenceholder	Class I	Notification to FSC that the directors reviewed and approved each policy and were satisfied that they were up to date and appropriate
Credit risk policy	8.47	A licenceholder	Class I inc. outside IOM	Annual review required
Large Exposures	8.48(2)	A licenceholder	Class I inc. outside IOM	Must have and comply with documented controls and procedures in accordance with the large exposures policy of its head office or parent company
Arrears and provisions policy for bad and doubtful debts	8.49	A licenceholder	Class I inc. outside IOM	Annual review required
Liquidity policy	8.50	A licenceholder	Class I inc. outside IOM	Annual (or more frequent) review required
Foreign exchange risk	8.52	A licenceholder	Class I inc. outside IOM	Annual (or more frequent) review required
Interest rate risk	8.53	A licenceholder	Class I inc. outside IOM	Annual (or more frequent) review required