

**Summary of responses to request for views on
proposals to amend the Financial Services Act 2008 and
Collective Investment Schemes Act 2008**

Consultation period: 4th March 2011 to 15th April 2011

Summary of responses published 27th May 2011



Financial Supervision Commission Barrantee Oaseirí

Background and questions

The Financial Services Act 2008¹ (“FSA08”) and the Collective Investment Schemes Act 2008² (“CISA08”) (“the Acts”), replaced several supervisory Acts relating to specific finance industry sectors, including the Banking Act 1998, Investment Business Act 1991 and Corporate Service Providers Act 2000³.

On 4th March 2011 the Financial Supervision Commission (“the Commission”) issued a request for views on outline proposals to make amendments to the Acts. The consultation was published on <http://www.fsc.gov.im/doclibrary/consultationscurrent.xml> and asked for general or specific comments on a draft Bill to amend the Acts. Please see that document for background information and questions asked.

Responses/ comments received

The Commission is grateful to those who responded to this high-level consultation and has replied separately to those parties. The 11 responses received were broadly favourable – please see below.

	Summary of proposal	Responses and outcome
1.	IMF recommendation to protect the use of sensitive terms (FSA08)	<i>4 agreed, 6 no comments/ ambivalent, 1 disagreed</i> Proposal largely unchanged
2.	International expectations on scope and perimeter of regulation (FSA08)	<i>2 agreed, 9 no comments/ ambivalent</i> Proposal unchanged
3.	Remove requirement for ‘F Register’ companies to be licensed if they are not conducting licensable activity (FSA08)	<i>1 agreed, 9 no comments, 1 misunderstood proposals</i> Proposal now withdrawn due to other factors
4.	Remove requirement for legislation to specify content of forms (FSA08)	<i>2 agreed, 8 no comments, 1 misunderstood proposals</i> Proposal unchanged
5.	Update the requirements for Authorised Schemes to allow regulations to specify functionary requirements including place of business (CISA08)	<i>9 no comments/ ambivalent, 2 misunderstood proposals</i> Proposal unchanged (but see item 11)
6.	Consistency in indemnity provisions (FSA08)	<i>1 agreed, 10 no comments/ ambivalent</i> Proposal unchanged
7.	Consultation requirement for Treasury (FSA08)	<i>2 agreed, 9 no comment</i> Proposal unchanged
8.	IMF recommendation on stability of the financial system (FSA08)	<i>2 agreed, 1 reservations, 8 no comments</i> Proposal revised to say that financial stability is a factor to be considered by FSC in discharging its functions.

¹ <http://www.fsc.gov.im/lib/docs/fsc/CAROL/financialservicesact2008c8ra.pdf>

² <http://www.fsc.gov.im/lib/docs/fsc/CAROL/collectiveinvestmentschemesact201.pdf>

³ http://www.fsc.gov.im/beingregulated/pre_1808/

	Summary of proposal	Responses and outcome
9.	Anomaly in powers to issue warning notices (FSA08 & CISA08)	<i>2 agreed, 1 reservations, 8 no comments</i> Proposal unchanged
10.	Anomaly in powers to issue civil penalties (CISA08)	<i>2 agreed, 8 no comments, 1 reservations</i> Proposal unchanged
11.	Remove restriction on Authorised Schemes' functionalities' place of business (CISA08)	<i>2 concerns, 9 no comments</i> Proposal varied to a more general power.
12.	Enhance transparency of gateway arrangements (FSA08)	<i>2 agreed, 8 no comments, 1 disagreed</i> Proposal unchanged
13.	Ability to permit the transfer of deposit-taking business (FSA08)	<i>4 agreed, 7 no comments</i> Proposal unchanged
14.	Amendment to ability to issue not "fit and proper" notices (FSA08)	<i>1 agreed, 2 reservations, 7 no comment, 1 disagreed</i> Proposal unchanged

The Bill will now be drafted and will then be consulted upon fully, including via <http://www.fsc.gov.im/doclibrary/consultationscurrent.xml>. More comprehensive details of the results of the consultation on the draft Bill will be published subsequently.

Please submit any queries to:
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