



BUSINESS

WITH JAMES FALLA

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GFSC boss: We have a big role in helping Guernsey to prosper



Speakers at the annual Guernsey Finance presentation to industry, left to right, are Guernsey Finance chairman Jim Gilligan, chief executive Fiona Le Poidevin, Shanghai representative Wendy Weng and GFSC director-general William Mason. (Picture by Adrian Miller, 1342302)

THE Guernsey Financial Services Commission wants to play its part in helping Guernsey to prosper, its new director-general has stated.

William Mason told a near-packed St James, where he was guest speaker at the annual Guernsey Finance update, that the commission wanted financial services business to thrive.

But his preferred route for pursuing that goal, by intending to meet international standards and earn the respect of the global regulatory community, was unlikely to please all those industry figures who heard it, who have openly talked about proportionality, and criticised what they have seen as 'gold-plated' or 'best of breed' regulation.

'I don't think the commission, as the servant of Guernsey, can or should pre-

fer to indifference about the health of the financial sector in the Bailiwick,' he said.

'There is an inevitable symbiosis between the financial sector and ourselves - at its most mundane, industry pays the fees that we require to function, and we provide the licences which give firms a right to trade.

'As the commissioners and I see it, the commission has a significant role in helping Guernsey prosper.

'We see ourselves as best helping Guernsey prosper by executing good quality regulation to international standards with integrity, proportionality and professional excellence - what internally we've styled "Winning for the Bailiwick".'

Mr Mason's aim to meet international

standards, he said, involves the commission being respected by its global peers, and being at least mindful of supranational and industry organisations, including myriad EU organisations, and their activities.

The commission keeps a watching brief on developments and also contributes to a number of regulatory bodies, which, he said, further enhanced its credibility.

'Putting in effort to seek to ensure credibility for "Brand Guernsey" runs across a lot of our international activity. In essence, we aim to work hard with our international counterparts to assist them and to represent Guernsey - there by maintaining and renewing Guernsey's reputation as a well-regulated jurisdiction.'

'Efficient cooperation on policy matters essential'

WILLIAM MASON spoke at the Guernsey Finance event having just returned from an international conference in Cambridge, where the focus was on the co-operation of regulators and the private sector to make the environment safer for legitimate business.

A senior public servant from Bermuda spoke on the difficulties for smaller jurisdictions of being able to comprehend and implement all the new standards and initiatives developed in

recent years.

'I'd certainly share some of his concerns,' said Mr Mason.

'At the commission we believe it's important for there to be efficient cooperation on policy matters between public authorities in Guernsey, with appropriate industry input, if the Bailiwick is to be able to prosper in an environment where the international scrutiny of our collective actions has never been higher.'

CROWN DEPENDENCIES GET TOGETHER ON ANTI-MONEY LAUNDERING REGULATIONS

GUERNSEY, Jersey and the Isle of Man are set to work together to see if they can align anti-money laundering regulations in the islands. Early talks involving the Guernsey Financial Services Commission and its counterparts are taking place on whether there may be scope for further alignment, particularly in the context of the new 2012 FATF standards, which will require revisions to the AML handbook.

The commission's new financial crime and authorisations division will be involved in several activities next year which director-general William Mason said he hoped would be welcomed by industry.

AML handbooks are to be reviewed and revised to simplify and clarify the content, and it is planned to form a working party involving industry representatives, alongside the talks with the other crown dependencies.

The division will also post clarification and guidance on the commission's website in response to industry queries.

NEW D-G OFF ON ASIA TRIP

GFSC new director-general William Mason is to join the next Guernsey Finance delegation to China and Asia before the end of the year.

Mr Mason said that he could make a contribution to the trip by clarifying the Guernsey approach to authorisation and supervision to the Chinese authorities. This could cover areas including equivalence to other jurisdictions, and views on particular products, risks and customers from a jurisdiction.

Establishing memorandum of understanding with regulators to help them to be comfortable with Guernsey would also be a significant contribution, he added.

'All of this can contribute to creating an environment in which the authorities of other jurisdictions are comfortable with Guernsey,' he said.

'At the most basic level they will know they can pick up a phone and talk to somebody at the commission.'

INNOVATION UNIT IN EVOLUTION DRIVE

THE innovation unit at the GFSC will mirror the director-general's view that the island needs to evolve to stay prosperous.

The unit has been live for a month and William Mason said it helped the commission to reach a balanced judgment on the value and risk of novel new business approaches.

'It doesn't mean that we are going to accept every innovative proposal,' he said. '[But] I think we collectively need to accept that Guernsey must evolve as an island to retain its prosperity. It may need to develop new areas of competitive advantage, and the commission wishes to be able to provide appropriate regulatory input into proposals to develop new areas.'

GFSC SERVICE STANDARDS

SERVICE standards have been set by the GFSC for some of its dealings with regulated firms.

Response times have been put in place for what director-general William Mason called 'key regulatory interactions', such as authorisations.

'We appreciate that being timely is a key attribute for a financial services regulator. We will take as much time as we need when we think proposals put to us require further investigation, but it is helpful to have standards with which we seek to comply,' he said.

'We think for potential introducers of business to Guernsey, it is helpful to know the speed at which they may reasonably expect the regulator to respond.'

The commission has also adopted a new approach to correspondence. Staff will be expected to have more conversations - both face to face and on the phone - and write fewer, and less legalistic, letters. 'I also hope you will find that while we will remain appropriately formal, the tone of the communication will change,' said Mr Mason.



Antoinette Martin has just finished her five-year apprenticeship as an architectural technologist at Cresswell, Cuttle and Dyke. (Picture by Steve Sarre, 1339487)

Antoinette gets top marks at every level

ARCHITECTURAL technologist Antoinette Martin is a home-grown success story.

The former apprentice of the year has just completed her five-year apprenticeship and was awarded with top marks at every level.

'Not only has she obtained distinctions throughout every module of her final year, she has achieved this grade for every module for every year of her course. Her tutors cannot recall this being achieved ever,' said Stuart Pearce, a director at CCD.

Miss Martin studied for her apprenticeship through CCD and now works there full-time assisting the architects on a range of projects.

'It quickly became apparent that she has a particular talent and has a lot of potential, and we were very keen to encourage it,' said director Andrew Dyke.

'In her third year we put her forward as apprentice of the year, which she won. It is quite rare to win in the third year, it usually happens in the fifth year.'

Miss Martin, a former pupil at Les Beaucamps School and later a student at the Sixth Form Centre, said she had always been interested in buildings.

'Even when I was younger I always loved looking at plans and I liked drawing houses. I thought this was the right career for me.'

Praise for apprentice schemes

TRAINING young people on-island produces staff of a quality that cannot be matched by off-island imports.

Architect Andrew Dyke, a director at Cresswell Cuttle and Dyke has praised the local apprenticeship scheme.

He added that there was a difficult balance to be achieved between continuing to offer students the opportunity to study subjects relating to architecture on-island, while appreciating that the uptake of local students can be quite low.

'Because of the size of the industry it is difficult to create a continuous demand for 8-10 apprentices every single year. There are not enough architects' practices to take that up, but there's a serious need for people with those skills,' said Mr Dyke.

'We have five technologists here and they have all been trained through the office. It means that there are no licence issues and it is good to employ local people. We also get the quality that we want by training people ourselves with the College of FE, and they learn to expect the standards that we expect.'

Mr Dyke said the quality of local students was generally much higher than employees from elsewhere. 'When we have employed people from the UK under licence, it is a huge lottery. We have had some varied results. Since they have a house and a licence that is an issue if they are not very good.'

Stuart Pearce, Mr Dyke's co-director, said that the small number of students wanting to study architectural technology was also an issue.

'There is a funding aspect to it, but also there is only a small amount of interest each year in uptake on the course and they need a certain number, so there is a fear that it may not run this year,' he said.

'Straight after a financial review where they want to cut costs, that is a concern.'

Mr Dyke acknowledged that the issue presented a problem, particularly when the States was trying to apportion funding most effectively across a large number of students wishing to study a diverse range of subjects.

'It is a real dilemma. We have huge admiration for the CFE and we want to support them. We believe that the quality of students coming through the CFE is much higher. It would be tragic if the course stopped.'

Mr Pearce said it was not possible for CCD to take on every apprentice.

'In the past five years we have had three apprentices, so we are doing our bit, but it will be at least a year or two before we can take another one.'

Mr Dyke added: 'Another factor is that because they come to us from school and we train them, there is not a great movement of employees between practices. All of our apprentices have stayed with us.'

Antoinette Martin, a newly qualified architectural technologist with CCD, said that the low uptake of students may be caused by a lack of information at student level.

'They were not necessarily telling us that this course was available. I only knew about it because I did work experience. At the Grammar School the teachers did not really know about it, and that was not just architecture, it was structural engineering as well. We were just not told about that at school.'

Mr Dyke said the courses should be more widely publicised.

'It is much easier for Guernsey people to study here rather than through the UK. This is a practical qualification that is of genuine use to employers.'

THE WEEK IN BUSINESS

COUNTRY HOUSE PURCHASE FOR ST PIERRE PARK HOTEL OWNERS

HAND PICKED HOTELS has acquired a new country house hotel in Northamptonshire. The acquisition of the AA four-star Fawsley Hall Hotel and Spa takes the portfolio of the new owners of the St Pierre Park Hotel to 20 properties. Hand Picked founder Julia Hands, wife of Guernsey resident Guy Hands, said the hotel was a 'natural fit' for the collection.

SHORTFALL FOR CO-OP BANK

THE troubled Co-op bank, poised to pull out of Guernsey, is nationally facing a £3.6m. shortfall on its loan book. The lender has downgraded the 'fair value' of its loan book by £4.2bn, taking 13% from the value of its £29bn portfolio, it was disclosed in its latest accounts.

Its former chief executive has also told MPs that he warned the group's board about the purchase of more than 600 branches of Lloyds TSB. Neville Richardson said the bid was the 'right deal at the wrong time', putting the Co-op at 'unacceptable risk'. He resigned in 2011 when his warnings were ignored.

'FLAT BUT STABLE' JERSEY FINANCE PERFORMANCE

JERSEY'S finance industry reported a relatively flat but stable performance in the second quarter of 2013. There were very slight decreases in the banking and funds sectors, both down £4bn, put down in part to rising global commodity prices and a weakening in sterling value. The number of live companies on the island's register has leapt to its highest level since 2011.

IMAGE RIGHTS REGISTER IN FOOTBALL SPOTLIGHT

GARETH BALE'S world record transfer to Real Madrid has put Guernsey's image rights register back in the spotlight. BBC online described the innovation as 'an interesting twist'. It quoted David Evans from Collas Crill IP.

'The sports personality earns income from doing their "day job" but the bulk of their income will now be derived from endorsement deals and sponsorship,' he said. The article pointed out that registration of image, nicknames, videos, and characteristics can be registered, but also said that profits and royalties paid into a local company to take advantage of tax benefits available locally - something which has always been downplayed by advocates of the register, who say image rights are not a tax product.

FINANCE REVIEW COMING SOON...

Publication Date 4 November
Booking Deadline 11 October

For details on how to be part of this showcase supplement

Contact Sara King
Tel: 240279
email: sking@guernsey-press.com



The Guernsey Press

Exchange and deposit rates

Indication rates for fixed deposits as at 6 September for value 10 September 2013

For	Business		1 month	3 months	6 months	12 months
	7 day	Fixed				
GB£	10,000,000+	0.35	0.40	0.40	0.50	0.75
US\$	16,000,000+	0.12	0.15	0.20	0.30	0.60
Euro	12,000,000+	0.02	0.05	0.10	0.15	0.40
Swiss fr	15,000,000+	0.01	0.01	0.01	0.01	0.10
Can \$	17,000,000+	0.90	0.95	1.05	1.25	1.55
Jap ¥	1,600,000,000+	0.01	0.01	0.01	0.05	0.25
HK \$	130,000,000+					
Aus \$	18,000,000+	2.45	2.50	2.55	2.65	2.75
NZ \$	20,000,000+	2.60	2.65	2.70	2.80	3.00
Denmark	90,000,000+	0.01	0.01	0.01	0.15	0.45
Norway	100,000,000+	1.35	1.35	1.45	1.50	1.65
Sweden	110,000,000+	0.95	0.95	0.95	1.00	1.30
S Africa	160,000,000+	4.60	5.10	5.30	5.50	5.80

Larger or smaller amounts can be invested with the minimum amount required being the equivalent of £50,000. The interest rate applied will vary with amount and term and may be for a period other than indicated above. Rates supplied by NatWest Offshore Ltd, St Peter Port. Telephone 703800

CI-based fund and share prices

THE latest available prices of Channel Islands-based funds and company shares are quoted below. Prices of those in which there is a daily dealing may change by the time of publication. Funds marked with an asterisk are open to Guernsey residents. *Bailiwick Investments Ltd: bid 101p, offer 105p. *Channel Islands Property Fund Ltd: bid 98p, offer 102p. *Threadneedle UK Select Trust Ltd: Ordinary shares 166-170p, yield 2.98%.

Commercial foreign exchange rates

As at 6 September 2013

	Selling	Buying		Selling	Buying
USA	1.5565	1.5643	KENYA	135.79	136.47
EUROPE	1.1856	1.1916	LATVIA	0.8330	0.8372
AUSTRALIA	1.7042	1.7128	LITHUANIA	4.0930	4.1134
BULGARIA	2.3187	2.3303	MEXICO	20.8045	20.9085
CANADA	1.6319	1.6401	NEW ZEALAND	1.9651	1.9749
CROATIA	8.9924	9.0374	NORWAY	9.5268	9.5744
CZECH REP	30.5377	30.6903	POLAND	5.0995	5.1249
DENMARK	8.8426	8.8868	QATAR	5.6657	5.6941
HONG KONG	12.0722	12.1326	SAUDI ARABIA	5.8378	5.8670
HUNGARY	357.49	359.27	SINGAPORE	1.9912	2.0012
INDIA	102.6519	103.1651	SOUTH AFRICA	15.9073	15.9869
ISRAEL	5.6863	5.7147	SWEDEN	10.3894	10.4414
JAPAN	155.27	156.05	SWITZERLAND	1.4695	1.4769
			TURKEY	3.2216	3.2378
			UAE	5.7171	5.7457

FX rates apply to amounts of £500,000. Please call for other amounts. Rates supplied by NatWest Offshore Ltd, St Peter Port. Telephone 703800.