



SCRUTINY COMMITTEE

THE STATES OF GUERNSEY

TERMS OF REFERENCE

“Who ‘regulates’ the financial services regulator”

Background

The Scrutiny Committee will consider the relationship between the States of Guernsey and the Guernsey Financial Services Commission to clarify and assess the governance arrangements in place, including reporting lines, responsibilities and accountabilities relating to financial regulation policy.

It will also consider the effectiveness of the States of Guernsey in providing an appropriate policy framework for regulation and how this is realised in practice.

Review scope

The Panel will specifically consider the following areas as part of its review:

1. Whether there are clearly defined functions, roles and accountabilities in the relationship between the States of Guernsey and the GFSC relating to financial regulation policy.
2. How financial regulation policy is developed by the States of Guernsey and implemented.
3. How the States of Guernsey examines whether financial regulation policies continue to meet the needs of the Bailiwick of Guernsey, including consideration of the adequacy of the channels available for making representations on the impact and implementation of the policy framework for the regulation of the financial services sector.
4. The extent to which the GFSC is able to propose financial regulation policy and legislation for industry and how this is evaluated and implemented.
5. How the States of Guernsey measures the performance of the GFSC in regulating the financial sector and whether the powers delegated by the States are exercised effectively.
6. Any other or ancillary issues that may arise during the course of the review that the Committee may identify as being worthy of further consideration.