

**IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 26th DAY OF JANUARY, 2016**

**The States resolved as follows concerning Billet d'État No V
dated 18th January 2016**

POLICY COUNCIL

**DISCRETIONARY FINANCIAL PENALTIES UNDER THE FINANCIAL
SERVICES COMMISSION (BAILIWICK OF GUERNSEY) LAW, 1987**

I.- After consideration of the Policy Letter dated 11th January, 2016, of the Policy Council:-

1. To revise “The Financial Services Commission (Bailiwick of Guernsey) Law, 1987” as follows:
 - (a) to increase the maximum level of fines available to the Guernsey Financial Services Commission for licensees and former licensees (other than personal fiduciary licensees) from the current level of £200,000 to £4,000,000, with any fine over £300,000 being limited to a maximum of 10% of the turnover of the licensee/former licensee in question;
 - (b) to increase the maximum level of fine available for relevant officers and personal fiduciary licensees from £200,000 to £400,000 together with the inclusion of an additional criterion for consideration by the Guernsey Financial Services Commission, namely emoluments arising in respect of the relevant officer's or personal fiduciary licensee's position;
 - (c) to empower the Policy Council to make regulations which it considers to be appropriate in relation to discretionary penalties, and by way of example, these should include the meanings of “turnover” and “emoluments”; and the bandings of fines within the new maximum levels taking into account the factors specified in section 11D(2) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as revised by the above Proposition 1 (a) and 1 (b); such Regulations shall be made only after consultation with the Guernsey Financial Services Commission, the Policy and Finance Committee of the States of Alderney and the Policy and Performance Committee of the Chief Pleas of Sark;
 - (d) to require the Guernsey Financial Services Commission to issue and publish guidance as to its general approach to enforcement; and

- (e) to include an enabling provision permitting the States to revise the provisions on fining powers in “The Financial Services Commission (Bailiwick of Guernsey) Law, 1987”, by Ordinance.
- 2. To direct the preparation of such legislation as may be necessary to give effect to the above decision.

J. TORODE

HER MAJESTY’S GREFFIER