

A low-angle, upward-looking photograph of several modern skyscrapers against a clear blue sky. The buildings are made of glass and steel, with their lines converging towards the top of the frame. A small red flag is visible on one of the buildings in the center-right.

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FinReg Update

Guernsey

July to September 2025

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Quick Fire Updates

1. Commission – Digital Finance Initiative

The Guernsey Financial Services Commission (**Commission**) **launched** its **Digital Finance Initiative (DFI)** aiming to position the Bailiwick of Guernsey (**Bailiwick**) as a trusted and forward-thinking jurisdiction for digital financial innovation. DFI is the umbrella identity for:

- Digital Finance Regulatory Strategy – a framework supporting innovation in blockchain, tokenisation, stablecoins, and emerging financial technologies while maintaining robust oversight and international alignment, and
- the **Digital Forum** – a platform for industry engagement via dialogue and collaboration.

2. Commission – sustainability reporting in the Bailiwick

Following responses to its discussion paper, *The Future of Sustainability Reporting in the Bailiwick of Guernsey* regarding adoption of International Sustainability Standards Board (ISSB) standards, the Commission published its feedback report, *Enhancing Biodiversity – Sustainability Reporting in the Bailiwick of Guernsey (Report)*.

The Report sets out the Commission's policy position as well as proposals to amend governance and anti-greenwashing obligations for supervised persons. Acknowledging the diversity of financial activity in the Bailiwick and the varying pace of ISSB standards adoption globally, the Commission has opted to not mandate ISSB disclosures. Supervised entities remain free to voluntarily adopt the standards.

The Report also includes the Commission's proposals to:

- amend the Finance Sector Code of Corporate Governance to expressly require boards to consider 'relevant environmental sustainability risks', including biodiversity and nature risks, alongside climate change, and
- introduce guidance to clarify that greenwashing is prohibited under the 'minimum criteria for licensing'.

3. Guidance – 'established place of business'

Acting as a director is a regulated activity in the Bailiwick and individuals who do so by way of business¹ may be required to register with the Commission or apply for a licence.

One statutory exemption to this is acting as a director of a company with an 'established place of business in the Bailiwick' (EPB), provided that no services consisting of, or comprising a regulated activity, are supplied to the company by the director.

The Commission has **issued further clarification** (by way of an FAQ on its website) on the factors to be taken into account when determining whether a company has an EPB for this purpose:

- whether the company has premises and staff of its own in

the Bailiwick

- the nature of the occupancy of its Bailiwick premises (if it occupies premises alongside several unrelated companies and has no other meaningful activities in the Bailiwick, the company would be unlikely to have an EPB), and
- the activities and services carried out within the Bailiwick by the company.

Merely having a registered office or holding statutory documents in Guernsey to comply with local legal requirements does not in itself amount to an EPB.

4. Guidance – private trust companies

The Commission has issued revised *Guidance on Private Trust Companies (2025 Guidance)*, which is also relevant to private trust foundations, confirming that private trust companies (PTCs) fall within scope of the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020 (**Fiduciaries Law**).

Under the updated framework, a PTC must either be licensed under the Fiduciaries Law or obtain permission to operate without a licence (**limited permission**).

The 2025 Guidance introduces enhanced expectations regarding oversight. Specifically, the licensed fiduciary administering the PTC must ensure that the PTC is subject to monitoring proportionate to its own money laundering, terrorist financing and proliferation financing risks.

Limited permissions will generally be granted for a period of three years and may be renewed prior to expiry.

5. Director Registration Regime – validation deadline

Individuals who are registered with the Commission under the Director Registration Regime are reminded to complete their annual DRR Return to validate their information.

The DRR Return is available via the Commission's **Online Submission portal** from **30 September** and must be submitted by **14 November 2025**. Guidance is set out in the *DRR Return Completion Guidance*.

6. Commission – new Engagement Hub

The Commission has **launched** its new Engagement Hub, replacing its predecessor Consultation Hub. Recognising the wide range of collaboration with industry, the new Engagement Hub will include details of upcoming events hosted by the Commission in addition to its consultations, discussion papers and feedback.

¹ 'by way of business' is defined under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020 as

receiving any income, fee, emolument or other consideration in money or money's worth for acting as director.

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7. Conflicts of interest – thematic reviews

The Commission has issued thematic reviews (**Reviews**) on Conflicts of Interest for both the **Investment** and **Fiduciary** sectors. The Reviews highlight that most firms do already appropriately identify, manage and record conflicts of interest that arise during the course of doing business.

Helpfully, the Reviews include examples of good practice, and some areas that licensees should consider when next enhancing their policies, procedures and controls, and set out a non-exhaustive list of the types of conflicts reported by firms, which licensees are encouraged to consider in the context of their own business.

8. Commission – 2026 fee consultation

The Commission has published its annual fees consultation for 2026 which proposes an overall increase in fees of 3.9 per cent in line with Guernsey inflation. Other proposals include:

- **Private investment funds (PIFs)**: a significant reduction in application and annual fees aimed to enhance Guernsey's competitiveness in the funds sector and positioning PIFs as a globally leading product
- **'User pays'**: introducing 'user pays' fees for certain *ad hoc* submissions, including changes to designated administrator/custodian, general representative (insurance) and transfers of business, and
- **Virtual asset service providers (VASPs)**: a reduction in fees to encourage innovation and development in this market.

The **consultation** closes on **8 October 2025**.

9. Handbook on Countering Financial Crime

Updates to the **Handbook on Countering Financial Crime** mean that Malta has been added to Appendix C (list of equivalent jurisdictions), whilst Bolivia and the British Virgin Islands have been added to Appendix I (list of jurisdictions under increased monitoring).

10. Guidance – explanatory notes on enforcement

The Commission has updated its explanatory notes on the **Investigation and Decision-Making Process relating to the use of Enforcement Powers** and the **Commission's General Approach to Enforcement and Enforcement Measures** to reflect feedback received from the Royal Court and operational experience of enforcement matters.

11. Commission – enforcement decision

The Commission has **issued a public statement** in respect of a licensee and an individual who failed to meet the minimum

criteria for licensing under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 and to ensure regulatory compliance.

12. Finance sector policy framework

Consultancy firm, Oliver Wyman has begun work to formulate a **Finance Sector Policy Framework (Policy Framework)**, with the objective to unlock new opportunities whilst maintaining Guernsey's competitive edge.

The project, which is expected to conclude during quarter 1 of 2026, has been jointly commissioned by the States of Guernsey's Committee for Economic Development, the Commission, Guernsey Finance (the promotional agency for Guernsey as a leading international finance centre) and the Guernsey International Business Association.

The Policy Framework will identify the opportunities for Guernsey's finance sector to grow, diversify and become more competitive over the next five to ten years, building on work that has already been undertaken to cement Guernsey's position as a leading and well-regulated international finance centre.

13. Guernsey Registry – beneficial ownership

Bailiwick financial services businesses, prescribed businesses² and eGambling businesses (**obliged entities**) can now request information from the Registrar of Beneficial Ownership (**Registrar**) on the beneficial ownership of Guernsey legal persons, provided that it is for a 'lawful purpose', ie to assist in meeting their customer due diligence obligations in relation to both existing and prospective customers.

The Registrar has published **guidance** to assist those obliged entities in understanding the process.

14. Guernsey Registry – portal update

The Guernsey Registry has updated its portal to add enhancements to existing functionality.

Further details are available [here](#).

15. Sanctions – update

The **Sanctions (Implementation of UK Regimes) (Bailiwick of Guernsey) (Amendment – Global Irregular Migration etc.) Regulations, 2025** came into force on **5 August 2025** to give effect within the Bailiwick to a change to the sanctions regime in the United Kingdom, which has the aim of preventing and combating people smuggling, trafficking in persons and the use of migration for the purpose of destabilising a country.

16. Charities – economic substance

With effect from **31 October 2025**, the **Charities etc. (Amendment) (Guernsey and Alderney) Regulations, 2025** will amend the

² Prescribed businesses include firms (including sole practitioners) of lawyers, accountants and estate agents.

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Charities etc. (Guernsey and Alderney) Ordinance, 2021 so that charities and other non-profit organisations (eg clubs and associations) are required to register with the Registry if they carry on activity that is in scope of economic substance requirements.

17. Financial Ombudsman - news

The Channel Islands Financial Ombudsman received 129 complaints in quarter 2 of 2025 and opened 90 new case files.

The most frequently complained about product areas remained current accounts and health and home emergency insurance. The most common issues were poor administration or delay, followed by non-payment of claims and fraud. Further details are found [here](#).

18. Data Protection – breaches and enforcement

The Office of the Data Protection Authority (ODPA) has received 52 self-reported personal [data breach notifications](#) for quarter 2 2025. Of those, eight were graded as high-risk, ie where the breach has a significant likelihood of negative consequences. The most frequently reported breach related to personal data being sent to an incorrect email recipient.

The ODPA has issued an [Enforcement Order](#) following a complaint from a customer who had submitted a data subject access request (DSAR) but received an incomplete response, including after the complainant raised concerns with the business over the material provided. An ODPA investigation resulted in the business locating additional material relevant to the complainant's original DSAR.

The Enforcement Order required the recipient to undertake a further search, provide all material to the complainant and to review its systems and internal procedures to ensure that any future DSARs are handled in accordance with the Data Protection (Bailiwick of Guernsey) Law, 2017 (DP Law).

The ODPA has issued [a public statement and imposed a fine](#) of £65,000 on a Guernsey company for carrying out direct marketing communication against the wishes of some of their customers.

19. Data Protection – other news

The ODPA has published its [2024 annual report](#) detailing its activities under the DP Law. The annual report highlights the importance of the European Commission's confirmation of the 'adequacy' of the Bailiwick's DP Law and supervisory arrangements. This demonstrates that the DP Law and the ODPA's supervisory role are recognised to be sufficiently robust to allow the free flow of personal information to and from the European Union.

The ODPA [has signed](#) a Memorandum of Understanding with the UK Information Commissioner's Office (ICO) setting out how the ODPA and ICO will cooperate across data protection matters, including in relation to cross-border investigations and promoting compliance.

20. MO FinReg Updates

In addition to our quarterly Guernsey FinReg Update, similar periodic updates are provided by our colleagues in Jersey, the Cayman Islands and British Virgin Islands.

The most recent Regulatory Update for the Cayman Islands and the British Virgin Islands is available [here](#).

21. MO FinReg Forum

If you would like to participate in our quarterly FinReg Forum, which provides updates on similar matters for each of Guernsey, Jersey and from time to time the Isle of Man (provided by Cains), please do get in touch. The next FinReg Forum is on **16 October 2025**.

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