

GROUP OF INTERNATIONAL FINANCE CENTRE SUPERVISORS

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PRESS RELEASE

GROUP OF INTERNATIONAL FINANCE CENTRE SUPERVISORS MEET IN LONDON

The Group of International Finance Centre Supervisors (GIFCS¹) held a Plenary meeting in London on 1 and 2 April 2014. The meeting was kindly facilitated by the Commonwealth Secretariat.

The GIFCS brings together supervisors from smaller international financial centres around the world, with a key aim of encouraging and assisting the implementation of international standards of regulation.

The purpose of the Plenary was to update members on important regulatory and supervisory developments and trends.

Crowdfunding – the Financial Conduct Authority updated on the background to the UK crowdfunding market, the FCA's approach to peer-to-peer and peer-to-business lending, and its approach to investment-based crowdfunding and similar activities – all in the light of its policy approach released in March 2014.

Stress testing a banking system – following the release of its discussion paper on a framework for stress testing the UK banking system, the Bank of England described its approach with particular reference to aspects relevant for smaller jurisdictions.

Beneficial ownership – the Financial Conduct Authority (Financial Crime and Intelligence Department) updated members on issues concerning beneficial ownership, especially in relation to international standards and how they may evolve in the light of G8/G20, EU and other national initiatives.

GIFCS new Standard on the supervision of trust and company service providers – the GIFCS has been revising its previous best practice statement in this area, and will shortly consult widely on its draft new international standard.

¹ GIFCS members are Aruba, Bahamas, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, Curacao and Sint Maarten, Gibraltar, Guernsey, Isle of Man, Jersey, Labuan, Macau, China, Mauritius, Panama, Samoa and Vanuatu. Regulators from Liechtenstein, Malta and Qatar also joined the meeting as observers.

Virtual currencies – following rapid (and volatile) development, an international correspondent led an informative discussion on the market and the new regulatory challenges posed.

Corporate directors – following a presentation from a major UK law firm, the meeting considered the use of corporate directors in the light of UK consultation in this area and the move towards greater transparency internationally.

Financial Ombudsman – the UK Financial Ombudsman Service explained how the UK scheme works, to assist those GIFCS members contemplating their own schemes where not already in place.

Commonwealth Secretariat – the Commonwealth Secretariat outlined their own priorities and commitments toward smaller Commonwealth IFC jurisdictions, and the regulatory assistance programme which they have provided.

Shadow banking – the Financial Stability Board outlined its approach towards shadow banking monitoring, following lessons learned from the financial crisis and the need to guard against the recreation of systemic risks and regulatory arbitrage.

Three further discussions were held, on *regulatory independence and how it works*, on *regulating in smaller countries* including the implications of being principles and risk-based, and on *asset recovery, mutual assistance and investigatory issues*.

The next meeting of the GIFCS will be held in September 2014 in Tianjin, China, on one of the days immediately prior to the International Conference of Banking Supervisors (also to take place in the same location). The date will be announced as soon as the exact timing can be finalised.

GIFCS

4 April 2014

Notes for Editors

The GIFCS is a long-established group of financial services supervisors with a core interest of promoting the adoption of international regulatory standards especially in the banking, fiduciary and AML/CFT arena.

The GIFCS, in its previous form as the OGBS, was established in 1980. Today its present membership accounts for a market share of approaching 10% of global international banking assets. The Group has become a very positive contributor to promoting compliance among its membership with the Basel Core Principles and the FATF Recommendations on AML/CFT. The GIFCS has become recognised as a leading authority on the regulation of trust and company service providers, the interface of these intermediaries with AML/CFT standards, and on the principle of identifying beneficial owners behind trust and company structures.

Please see www.gifcs.org for further information.

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