

To the Hon Clare Christian, President of Tynwald and the Hon Council and Keys in Tynwald assembled

1. Title of measure

Financial Services (Exemptions) (Amendment) (Class 1 – Deposit-Taking) Regulations 2016.

2. Changes in policy

No change in policy is effected by this measure.

3. Effects of the measure

These Regulations amend the Financial Services (Exemptions) Regulations 2011 to provide that certain exemptions from Class 4 regulated activity for charities are also open to certain subsidiaries of those charities, also that certain exemptions from Class 8 regulated activity are only open to persons holding Class 1(1) or Class 1(2) permissions, and not Class (3) permissions.

4. Reasons for the measure

The measure widens an exemption from licensing that is available for charities and also reflects Government's wish to provide new 'non-retail' banking options for corporate clients and some very high net worth individuals, greater flexibility of ownership for such banks, and licensing of representative offices of foreign banks.

5. Legal Powers or Legal Advice obtained

The Regulations are made by the Isle of Man Financial Services Authority under section 44 of the Financial Services Act 2008.

6. Resource implications

No resource implications are envisaged.

7. Tynwald procedure

The Order is laid before Tynwald for approval. The Tynwald procedure is specified in section 45(2) of the Financial Services Act 2008.

8. Change in Fees

Not applicable.