

Explanatory Memorandum to Tynwald Members

Issued by the Isle of Man Financial Services Authority

To the Hon Stephen Rodan MLC, President of Tynwald and the Hon Council and Keys in Tynwald assembled

1. Title of measure

Financial Services (Amendment) Rule Book 2018 (SD 2018/0151)

2. Changes in policy

This measure will make necessary amendments to the Financial Services Rule Book 2016 which result from changes to, and harmonisation of, the Isle of Man Financial Services Authority's process for the assessment of fitness and propriety.

No change in policy is proposed.

3. Effects of the measure

Most of the changes in the measure are directly linked to the changing fit and proper assessment process. The most important of these is the change to Rule 7.9 to allow the simplified process for post notification for those Controlled Functions which are 'notified only'.

4. Reasons for the measure

The proposed amendments to the Rule Book (and the changes to the assessment process) reduce the burden on regulated entities in relation to some roles which will become subject to post notification only. Whilst making these changes the chance has also been taken to correct some cross-referencing and similar errors within the 2016 Rule Book.

Focusing the actions of the regulator in connection with the assessment of fitness and propriety on the areas in which it can provide most value (such as inter-regulatory checks), and the Controlled Functions which provide the most risk to the regulatory objectives, is a more efficient use of its resources.

5. Resource implications

There are no resource implications.

6. Tynwald procedure

This Rule Book is laid for the approval of Tynwald, as required by section 45(1) of the Financial Services Act 2008.