

Statutory Document No. 2017/0262



*Financial Services Act 2008*

## **FINANCIAL SERVICES (EXEMPTIONS) (CLASS 3) (AMENDMENT) REGULATIONS 2017**

*Approved by Tynwald:* 17 October 2017  
*Coming into Operation:* 1 November 2017

The Isle of Man Financial Services Authority makes the following Regulations under section 44(2) and (3) of the Financial Services Act 2008, after carrying out the consultations required by section 44(5) of that Act.

### **1 Title**

These Regulations are the Financial Services (Exemptions) (Class 3) (Amendment) Regulations 2017.

### **2 Commencement**

If approved by Tynwald<sup>1</sup>, these Regulations come into operation on 1 November 2017.

### **3 Amendments to Schedule 1 to the Financial Services (Exemptions) Regulations 2011**

(1) Schedule 1 to the Financial Services (Exemptions) Regulations 2011 is amended as follows.


(2) After paragraph 3.8, insert —

**3.8** *Exempt managers, asset managers or investment advisers to specialist funds*

3.9 (1) In relation to an activity falling within paragraphs (1), (6) or (7) of Class 3, section 4 does not apply to the manager, asset manager or investment adviser (“the SF exempt person”) of or to a scheme which is a specialist fund within the meaning of the Collective Investment Schemes (Specialist Fund) Regulations 2010 where the conditions specified in sub-paragraph 2 are met.

(2) The conditions referred to in sub-paragraph (1) are that —

<sup>1</sup> Tynwald approval is required by section 45(2) of the Financial Services Act 2008

- (a) the specialist fund to which the SF exempt person provides services must have an administrator who holds the requisite Class 3(2) licence permission in relation to that Fund (“Isle of Man Administrator”);
- (b) the Isle of Man Administrator must —
  - (i) provide administration services under a Class 3(9) permission to the SF exempt person, which must include the maintenance of the SF exempt person’s records, including in relation to their compliance with AML/CFT legislation;
  - (ii) notify the Authority at least 20 business days prior to the commencement of services to each SF exempt person under (i) and confirm, as part of that notification, that it has considered and determined adequate and appropriate the SF exempt person’s systems and controls; and
  - (iii) notify the Authority of any matter relating to the SF exempt person which may have a material impact on the specialist fund to which the SF exempt person provides services;
- (c) arrangements for the provision of administration services must be in place between the specialist fund, the Isle of Man Administrator, and SF exempt person, and services must be provided in accordance with those arrangements;
- (d) a director, who is an individual, of the Isle of Man Administrator must also be a director of the SF exempt person; and
- (e) no activity of the SF exempt person, other than the activities in paragraph (1), may be carried on by the SF exempt person in relation to the specialist fund to which the SF exempt person provides services, unless the prior written approval of the Isle of Man Administrator has been obtained. 

**MADE 15 SEPTEMBER 2017**

**KAREN BADGEROW**

*Chief Executive of the Isle of Man Financial Services Authority*

**G.F. KARRAN**

*Member of the Isle of Man Financial Services Authority*

***EXPLANATORY NOTE******(This note is not part of the Regulations)***

These Regulations amend the Financial Services (Exemptions) Regulations 2011 to insert a new exemption from paragraphs (1), (6) or (7) of Class 3 (services to collective investment schemes) for persons undertaking the functions of either a manager, asset manager or investment adviser to a specialist fund if certain conditions, as specified in the exemption, are met.