

Statutory Document No. 2018/0151

*Financial Services Act 2008*

# FINANCIAL SERVICES (AMENDMENT) RULE BOOK 2018

*Approved by Tynwald:* 18 July 2018  
*Coming into Operation:* 1 August 2018

The Isle of Man Financial Services Authority makes the following Rule Book under section 18 of, and Schedule 3 to, the Financial Services Act 2008 after carrying out the consultations required by section 44(5) of that Act.

## 1 Title

This Rule Book is the Financial Services (Amendment) Rule Book 2018.

## 2 Commencement

If approved by Tynwald, this Rule Book comes into operation on 1 August 2018.

## 3 Amendments to the Schedule to the Financial Services Rule Book 2016

- (1) The Schedule to the Financial Services Rule Book 2016 is amended as follows.
- (2) In rule 2.13 for (1)(b) substitute —
  - ☐(b) any associated company of the licenceholder, which must be the most recently produced,  
unless such a subsidiary or associated company has not traded in the financial year in question. ☐.
- (3) For column 2 of rule 6.37 substitute ☐ *All Class 2 except those acting on an execution only basis in compliance with rule 6.17. But, paragraphs (3) and (4) do not apply to: Class 2(1) to (7) inclusive; Class 2(2) to (7) inclusive; or Class 2(3) to (7) inclusive when acting under a discretionary mandate. ☐.*
- (4) For column 1 of rule 7.9 substitute —
  - ☐ **7.9 New appointments and departures from office**
    - (1) In relation to any licenceholder, this rule applies to the following offices and positions —
      - (a) Head of compliance;

- (b) MLRO;
  - (c) DMLRO; and
  - (d) any other key person.
- (2) In relation to a licenceholder incorporated in the Island, this rule also applies to the following offices and positions —
  - (a) a controller who is an individual; and
  - (b) a director.
- (3) Subject to (4) and rule 7.10, a licenceholder must notify the Authority at least 20 business days in advance of —
  - (a) an appointment or intended appointment to any office or position to which this rule applies; and
  - (b) the title and responsibilities of the office or position.
- (4) Despite the notification period at (3), if the appointment is to an office or position which is a **“notified only”** appointment a licenceholder must notify the Authority within 10 business days following the date of the appointment.
- (5) A licenceholder must notify the Authority of any departure or intended departure from an office or position to which this rule applies, giving reason for departure, within 10 business days of the giving of notice or other event giving rise to the departure.
- (6) A reference in this rule to —
  - (a) **“an appointment”** includes an appointment of an existing officer or employee of a licenceholder; and
  - (b) a **“notified only”** appointment, means any one or more of the appointments specified by the Authority as notified only (set out in the second column of the table at Appendix 2 of the Regulatory Guidance – Fitness and Propriety). **22**.
- (5) In rules 8.21, 8.23 and paragraph 1 of Appendix 6 for “compliance officer” (wherever occurring) substitute **23** Head of compliance **22**.
- (6) In rule 8.25(1)(c) after “20” insert **23** business **22**.
- (7) In rule 8.26 —
  - (a) for column 1 substitute **23**8.26 This rule has been removed **22**; and

- (b) for column 2 substitute **“All Classes”**.
- (8) In rule 8.57(1) and (4)(a) for “paragraph (2)” (wherever occurring) substitute **“paragraph (3)”**.
- (9) In Appendix 1 in the definition of “**interim financial return**” for “rule 2.34” substitute **“rule 2.33”**.

**MADE 21 JUNE 2018**

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

This Rule Book amends the Financial Services Rule Book 2016, primarily to reflect changes to the periods of notification of certain appointments to licenceholders, as well as to correct some cross-referencing and similar errors found within the 2016 Rule Book.