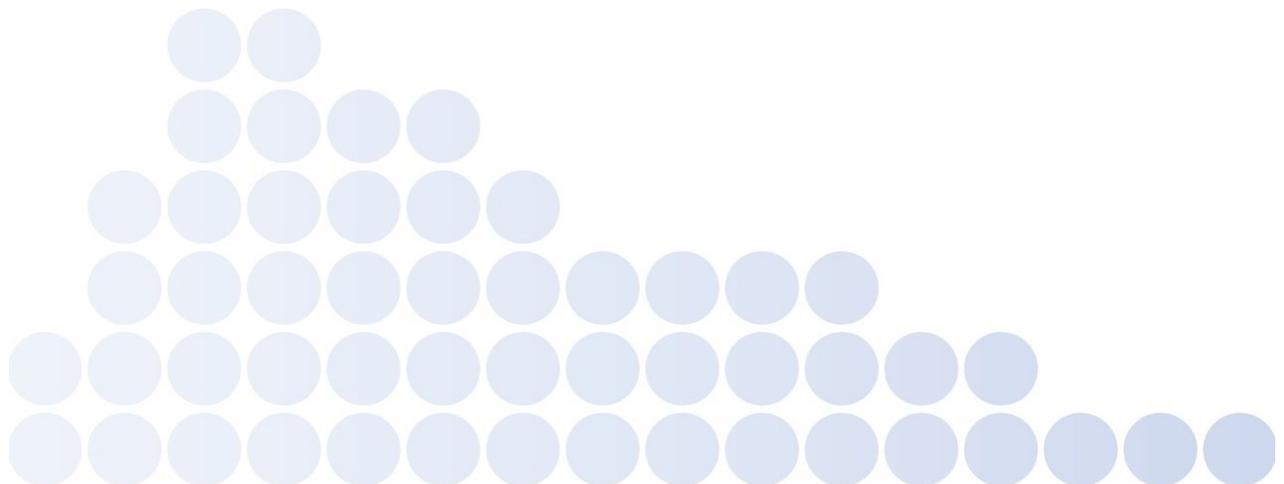




# The Gibraltar Financial Services Commission

Business Plan April 2016-March 2017

Published: April 2016





We published our strategic plan in October 2014. The plan set out our 3-year vision for the organisation and articulated 5 key objectives that underpinned this:

- To ensure we continue to be, throughout this period and thereafter, a competent regulator, ahead of the important risks, well prepared for Government of Gibraltar, EU and international initiatives, and acknowledged as expert in the markets regulated.
- To ensure we are an effective, professional cross border regulator, empowered, with skilled staff working as a team and focused on the public interest outcomes that are important in all the jurisdictions where Gibraltar firms operate.
- To ensure we support the safe, sustained growth and development of Gibraltar's financial services industry, while balancing competitiveness with the maintenance of best regulatory practice.
- To ensure we are an efficient, targeted regulator, providing value for money, with resources that are focused on mitigating important risks and thus protecting the public, financial markets and the reputation of Gibraltar.
- To ensure we are an accessible and efficient regulator, straightforward to transact business with, interacting easily with all of our stakeholders – with this including industry, Government of Gibraltar, international bodies and consumers.

Our 2015/16 business plan set out how we intended to achieve this during the 15 month period. Major strides were made during that time. We completed the restructure of the organisation and substantially strengthened our senior management team, as well as, recruiting expertise at all levels. We embarked on an investment into our workforce via training and the development of a coherent approach to competency and performance management.

We established a dedicated Authorisations team who developed and delivered an improved authorisation process that was streamlined and un-bureaucratic. We also created an Enforcement team that commenced testing of new enforcement processes. Our Policy team undertook substantial policy consideration and drafting for the transposition of directives, as well as in relation to the Legislative Reform Programme.

We adopted a very different approach to our communication with firms and carried out extensive industry engagement via the delivery of workshops, roadshows and seminars, as well as establishing a structured programme of meetings with trade bodies, associations and industry working groups for directive considerations.

We also embarked on two major pieces of work: the EIF Director Thematic Review and the Funding Review Consultation.

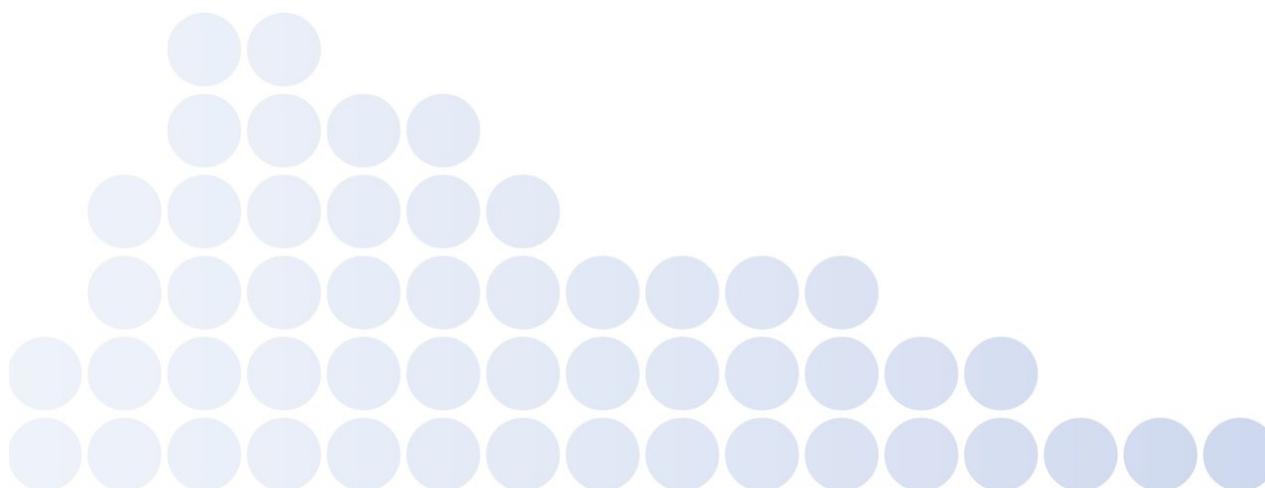
Our IT infrastructure was completely modernized and our security arrangements were upgraded.

There were also a small number of items where a substantial amount of progress was made and these continue into our next business plan period e.g. the appointment of the Director Legal, Enforcement & Policy, the website redevelopment and rebranding exercise, the statutory review and the publication of a risk outlook. These items feed into our business plan for the 2016/17 period.

The objectives set out in our 2014 Strategic Plan continue to be relevant and are at the forefront of what we do and how we do it. This Business Plan sets out what we will be doing to meet our objectives and the priorities that we will focus on during the period April 2016 to March 2017.



Samantha Barrass  
Chief Executive Officer  
April 2016



## Objectives & Priorities

### Objective one

Ensure we continue to be, throughout this period and thereafter, a competent regulator, ahead of the important risks, well prepared for Government of Gibraltar, EU and international initiatives, and acknowledged as expert in the markets regulated.

#### *Refining our risk and supervision approach*

We will continue to enhance and improve our approach to risk management and our approach to the supervision of the firms we regulate. We will ensure that our resources are utilised in a focused, consistent and pragmatic manner, concentrating on those firms that pose the biggest risk to the jurisdiction and/or consumers.

#### *Thematic reviews that deliver improved regulatory outcomes*

Following the EIF Thematic Review that was launched in late 2015, we will work towards rolling out our approach to thematic reviews both across the supervisory teams of the organisation as well as across the whole spectrum of firms that we regulate. Targeted thematic reviews will form an integral part of our supervisory and risk management approaches. We will publish the results of our thematic work and highlight good and bad market practices as well as any common issues identified across firms or sectors. Our thematic reviews during 2016 will primarily focus on areas covering corporate governance, conduct and consumers, and financial reserving.

#### *Publishing the organisation's risk appetite*

As part of our commitment to developing and maturing our risk framework and capability we will be publishing our risk appetite and tolerance to risk. This will help regulated entities, individuals and other stakeholders better understand our regulatory actions as well as how we focus our regulatory activity and resource allocation. We will publish a number of statements that clearly set out what we will and will not tolerate and what we find generally acceptable.

#### *Completion of the Legislative Reform Programme (LRP)*

We will continue to work towards meeting our LRP milestones to deliver a streamlined legislative and regulatory framework for financial and professional services in Gibraltar.

#### *Proactive approach to EU requirements*

We will further refine our approach to ensuring that transposition, implementation and operationalisation of directives is well planned, and occurs in a timely manner and in consultation with the relevant industry bodies via the establishment of working parties and groups. We will continue with the work already embarked on in relation to the Mortgage Credit Directive, as well as the Markets in Financial Instruments Directive II and the Markets in Financial Instruments Regulation, as well as the Audit Directive and the Audit Regulation.

Our work will also focus on delivering the outcomes set out in the Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPs). We will also continue to prepare for the advent of the Payment Accounts Directive and the Market Abuse Directive and Market Abuse Regulation. We will also be considering the impact of the 4th Money Laundering Directive during the latter part of the year.

## Objective two

Ensure we are an effective, professional cross border regulator, empowered, with skilled staff working as a team and focused on the public interest outcomes that are important in all the jurisdictions where Gibraltar firms operate.

### *Focus on our work with other regulators and within the international arena*

We will continue to foster and further develop our relationship with other regulators in jurisdictions where we have firms, groups and issues in common. We will share learnings and experience on a bilateral basis, as well as via supervisory colleges and through common membership of international bodies. We will also focus on further developing the European Supervisor Authorities (ESAs) understanding of Gibraltar, the regulatory framework within the jurisdiction and the GFSC more generally.

In addition, we will, through our involvement within the Group of International Finance Centre Supervisors (GIFCS), be leading on looking at increasing the way in which we can collectively provide timely input into strategic and high-level policy matters at the International Organisation of Securities Commissions (IOSCO). We shall also continue to support the GIFCS standard for Trust and Company Service Providers and will be promulgating this within the jurisdiction.

### *Building and supporting our workforce*

Our focus will very much continue on building a workforce that is characterised by strong regulatory expertise that can be delivered in a pragmatic way. We will further develop our performance management approach to ensure that across our staff complement the achievement of excellence is at the forefront.

We will continue to enhance our behavioural and technical competency framework which will help us to identify the knowledge, skills and attributes that are required for each role within the organisation. Whilst recruitment has now normalised, in line with our forward looking philosophy, we will continue to focus on targeting talent and experience both in the industry and in the regulatory environment.

We will continue to develop a training and development programme across the organisation to ensure all members of staff have the appropriate skills, demonstrate the appropriate behaviours and have access to knowledge that allows them to engage effectively with the regulated community.

We will design and develop an employee engagement approach focusing on recognition, the working environment, staff development and well-being, flexibility and transparency.

We will continue to focus on developing ways of working together to create high performing teams of professionals. We will do this via continuous improvement of our processes and procedures that will make us more efficient and effective as well as developing a mentoring programme for staff.

### Objective three

Ensure we support the safe, sustained growth and development of Gibraltar's financial services industry, balancing competitiveness with the maintenance of best regulatory practice.

#### *Providing support to areas of innovation*

We will continue to support the sustained safe growth of the Gibraltar financial services sector. With this in mind, we will launch an innovations team who will lead on the GFSC's response to new ideas or products in financial services. The work of the team will include suggesting whether and how any proposal may be covered by the legislative framework, providing support on how to apply to be authorised in Gibraltar and considering what broader regulatory framework and operational changes may be necessary to support safe innovation that underpins the provision of improved services to consumers and the growth of the Gibraltar financial services sector.

#### *Delivery of a comprehensive IT Strategy – completion of revamp of technology and systems*

We will continue to work on the delivery of a comprehensive technology project that aims to deliver updated IT capabilities in support of increased operational efficiency. Business Intelligence, Knowledge Management and Document Management will be improved to ensure our staff is better able to locate and utilise the information they need. We will work to significantly improve the effectiveness of our systematic validation, process monitoring and risk governance.

#### *The establishment of an online portal*

In line with both small and large regulators across the globe, including those that have been identified in our immediate peer group, we will develop, as a key deliverable within the IT strategic approach, a Web Portal through which we will be able to interact and collaborate with external parties in a modern and professional manner, as expected of an International regulator.

#### *The establishment of a robust data governance approach*

We will enhance our approach to data governance through various initiatives that will ensure that supervisory analysis and business decisions are underpinned by accurate, complete and reliable information. The quality of existing data will be assessed and improved where required. In addition, procedures and principles with respect to data ownership will be implemented to ensure required standards are maintained.

### Objective four

Ensure we are an efficient, targeted regulator, providing value for money, with resources that are focused on mitigating important risks and thus protecting the public, the financial markets and the reputation of Gibraltar.

### *Delivery of a new approach to Enforcement*

We will publish details of our enforcement strategy and will continue to develop our work in this area focusing on providing a framework that is fair and transparent whilst delivering a credible deterrent.

### *Delivery of a new approach to funding*

Following on from the Funding Consultation and the change in the methodology to how fees are set and calculated, we will deliver a fee setting structure that is fair, proportional, transparent and predictable. We will also keep firms abreast of any funding-related matters.

### *Statutory Review*

We will be subject to a review of our supervisory and operational activities as provided for in Section 13 of the Financial Services Commission Act 2007. The review will be carried out by an independent party and we will publish their report. We will consider any lessons and recommendations arising from the review.

## **Objective five**

Ensure we are an accessible and efficient regulator, straightforward to transact business with, interacting easily with all of our stakeholders – with this including industry, Government of Gibraltar, international bodies and consumers.

### *A continued emphasis on targeted engagement with all our stakeholders*

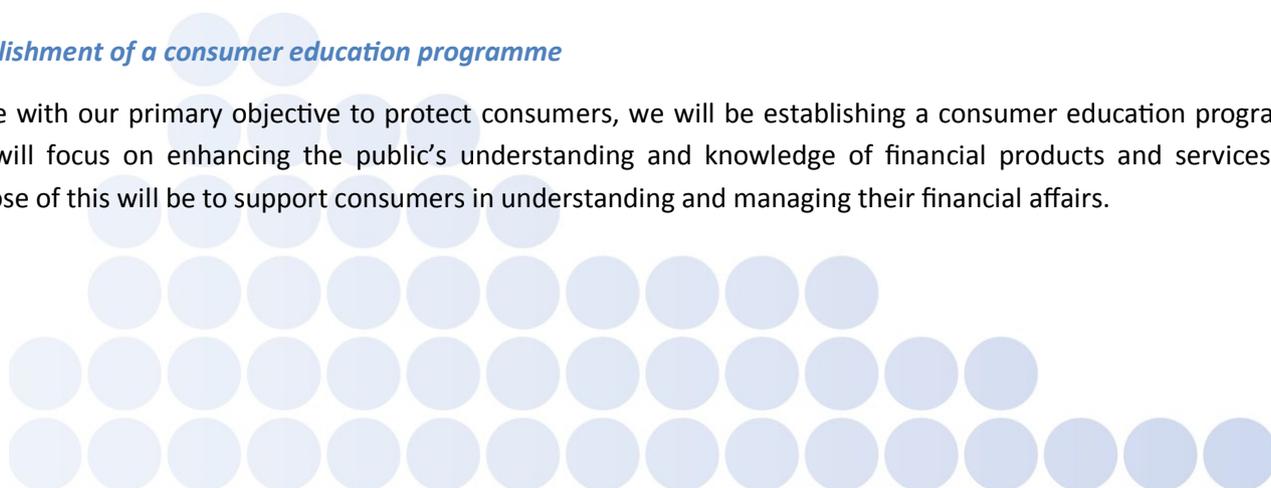
We will continue to develop our engagement programme with industry associations and firms. This will include sector-specific and theme-specific workshops, as well as more general seminars and roadshows. We will also continue to meet with representatives from each of the industry associations throughout the year. Our work on rebranding the GFSC and our website will also continue. We will focus on bringing these up to date and making both more consistent with the proactive, contemporary, accessible and commercial regulatory approach that we have adopted.

### *Establishment of a formal process for seeking feedback*

We will initially pilot a process of seeking feedback from firms that have recently gone through the authorisation process. We will then build upon this and seek periodic feedback from firms that we supervise, as well as more generally from consumers and other stakeholders.

### *Establishment of a consumer education programme*

In line with our primary objective to protect consumers, we will be establishing a consumer education programme that will focus on enhancing the public's understanding and knowledge of financial products and services. The purpose of this will be to support consumers in understanding and managing their financial affairs.



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