

THE BAILIFF OF GUERNSEY
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The President
States of Alderney
Island Hall
Royal Connaught Square
ALDERNEY
GY9 3UE

20 June 2012



Dear Sir

I enclose a copy of a States Report dated 23rd August 2010, from the Chief Minister, Policy Council, concerning GTA University Centre – Involvement and Funding by the Guernsey Financial Services Commission.

On the 23rd November 2010, the States of Deliberation resolved as follows:-

1. That, pursuant to Section 2 (2) (f) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as amended, ('1987 Law'), the general functions of the Guernsey Financial Services Commission ('Commission') shall include, as from the date of such resolution,
"to take such steps as the Commission considers necessary or expedient for participating in the ownership and governance of the GTA University Centre, including (without limitation) to act as protector of the charitable trust declared on 6 June 1996 by which the Finance Training Agency Trust was constituted, and to fund and support the GTA University Centre";
2. To amend the 1987 Law so as retrospectively to ratify and confirm all and whatsoever the Commission has done for or in respect of the GTA University Centre since its incorporation, including (again without limitation) those matters mentioned in proposition 1 above.
3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

On the 30th May 2012, the States of Deliberation approved a Projet de Loi entitled "The Financial Services Commission (Bailiwick of Guernsey) (Amendment) Law 2012", which gives effect to the above Resolution.

I enclose fifteen copies of the Projet de Loi and shall be obliged if you will place it before the States of Alderney for their approval at their next meeting.

Yours faithfully,

A handwritten signature in dark ink, appearing to be 'J. R. M.' or similar, written in a cursive style.

POLICY COUNCIL

GTA UNIVERSITY CENTRE – INVOLVEMENT AND FUNDING BY THE GUERNSEY FINANCIAL SERVICES COMMISSION

Executive Summary

Following recent correspondence from the Director General, Guernsey Financial Service Commission (GFSC), a States resolution is required to put beyond doubt the GFSC's legal right to provide ongoing funding, governance and support to the GTA University Centre. In addition, for the avoidance of doubt, an amendment is recommended to the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 (as amended) to make such provision retrospective. These changes will do no more than restore the legal position to what it was immediately prior to the amendment to the 1987 Law being implemented in October 2008.

Background

The Financial Services Commission (Bailiwick of Guernsey) Law, 1987 (as amended) divides the functions of the GFSC, into "general functions" and "statutory functions." The GFSC's ability to support the GTA University Centre in a governance/funding role used to be a general function.

The GFSC's involvement with the GTA University Centre (formerly Guernsey Training Agency), and its prospective involvement with other bodies (including those engaged more directly with promoting and developing the Bailiwick's finance sector), was reinforced by the Financial Services Commission (Amendment) (Bailiwick of Guernsey) Law, 2002, which came into effect on 1 November 2002. This amendment extended the general functions of the GFSC in such a way as to put beyond doubt the ability of the Commission to be involved in, and to help fund, such bodies as the GTA.

However in 2008, with the approach of the International Monetary Fund review of the Bailiwick, the States resolved, in order to reinforce the GFSC's operational independence as regulator, to remove the functions of the 1987 Law relating to the development of the finance sector. The resultant Financial Services Commission (Amendment) (Bailiwick of Guernsey) Law, 2008 came into effect on 28 October 2008.

This 2008 Amendment Law, inter-alia, removed the provisions inserted in 2002 relating to the establishment and ongoing support of bodies and organisations whose own functions included the development of the finance sector and the improvement of the infrastructure serving the finance sector. The GFSC has been advised of some resultant uncertainty over the Commission's ability to support the GTA University Centre, both in its governance (as protector) and as part-funder.

It would therefore be advisable for the States to pass a Resolution (pursuant to Section 2 (2) (f) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 (as

amended)) to once more put such activities of the GFSC beyond doubt for the present. It would also be advisable for any such confirmation to be retrospective to cover the period prior to the date of the above States resolution, but this would need to be done by an amendment to the Law rather than by Resolution of the States.

The Future

Notwithstanding the desirability for the above changes, the GFSC has informed the GTA University Centre, the Commerce and Employment Department and the Guernsey International Business Association of its intention to cease financial support to the GTA University Centre no later than 31 December 2012. Its preferred position is also to remove itself from its ownership, governance and membership of the GTA University Centre. It recognises, however, that it should remain available to advise and assist in the courses developed to provide skills training for the finance sector.

These are matters which will need to be taken into account by the Guernsey Skills Strategy Development Group, which is being led by a number of States Departments and industry representative bodies, as it progresses its work. However, the amendment to the 1987 Law, explained above, is required whatever the future support and funding models for the GTA University Centre are to be.

Consultations

The Policy Council has consulted the Law Officers regarding the proposals and also the Commerce and Employment Department, which has no objection to the changes recommended in this Report. Consultations with the insular authorities in Alderney and Sark are ongoing and will be completed before the resulting legislation is referred to the States for approval.

Recommendations

The Policy Council therefore recommends the States to resolve:-

- a. that, pursuant to Section 2 (2) (f) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as amended, ('1987 Law'), the general functions of the Guernsey Financial Services Commission ('Commission') shall include, as from the date of such resolution,

“to take such steps as the Commission considers necessary or expedient for participating in the ownership and governance of the GTA University Centre, including (without limitation) to act as protector of the charitable trust declared on 6 June 1996 by which the Finance Training Agency Trust was constituted, and to fund and support the GTA University Centre”;
- b. to amend the 1987 Law so as retrospectively to ratify and confirm all and whatsoever the Commission has done for or in respect of the GTA University

Centre since its incorporation, including (again without limitation) those matters mentioned in paragraph a. above.

L S Trott
Chief Minister

23rd August 2010

(NB The Treasury and Resources Department has no comment on the proposals.)

The States are asked to decide:-

IV.- Whether, after consideration of the Report dated 23rd August, 2010, of the Policy Council, they are of the opinion:-

1. That, pursuant to Section 2 (2) (f) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as amended, ('1987 Law'), the general functions of the Guernsey Financial Services Commission ('Commission') shall include, as from the date of such resolution,

"to take such steps as the Commission considers necessary or expedient for participating in the ownership and governance of the GTA University Centre, including (without limitation) to act as protector of the charitable trust declared on 6 June 1996 by which the Finance Training Agency Trust was constituted, and to fund and support the GTA University Centre";
2. To amend the 1987 Law so as retrospectively to ratify and confirm all and whatsoever the Commission has done for or in respect of the GTA University Centre since its incorporation, including (again without limitation) those matters mentioned in proposition 1 above.
3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.