CONSULTATION PAPER    CP17-09/T10

DRAFT AMENDMENTS TO THE
REGULATED ACTIVITIES ORDER 2011
AND THE FINANCIAL SERVICES
(EXEMPTIONS) REGULATIONS 2011

Issue Date: 25 August 2017
Closing Date: 6 October 2017
CONSULTATION PAPER – CP17-09/T10

This consultation paper is issued by the Isle of Man Financial Services Authority, which is the regulatory body for financial services in the Isle of Man.

The purpose of this consultation is to obtain information, views and evidence regarding proposed amendments to the Regulated Activities Order 2011 and the Financial Services (Exemptions) Regulations 2011 in relation to —

(1) advising on pensions;
(2) acting as manager, administrator, trustee, fiduciary custodian or custodian to an exempt or exempt-type scheme to no more than one exempt or exempt-type scheme;
(3) payment services exclusions; and
(4) other miscellaneous amendments relating to the Class 2 nominee exemption and Class 4 domestic services exemption.

The closing date for comments is 06 October 2017.

Please send comments in writing and preferably by email (but not scanned documents) to:

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Email: andrew.knivet@iomfsa.im
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Confidentiality

The information you send may be published in full or in a summary of responses.

All information in responses, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2015 and the Data Protection Act 2002). If you want your response to remain confidential, you should explain why confidentiality is necessary. Your request will be acceded to only if it is appropriate in the circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding.

If you have a query in relation to how this consultation has been carried out, please contact the Authority’s Policy and Authorisations Division by email at IOMFSAPOLAUTH@gov.im or by telephone on +44 (0) 1624 646000.
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## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning in this document</th>
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<tr>
<td>Authority</td>
<td>Isle of Man Financial Services Authority</td>
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<tr>
<td>DB</td>
<td>Defined benefit</td>
</tr>
<tr>
<td>DC</td>
<td>Defined contribution</td>
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<td>ERegs11</td>
<td>Financial Services (Exemptions) Regulations 2011</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FSA08</td>
<td>Financial Services Act 2008</td>
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<td>RAO11</td>
<td>Regulated Activities Order 2011</td>
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<tr>
<td>Rule Book</td>
<td>Financial Services Rule Book 2016</td>
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<tr>
<td>SEPA</td>
<td>Single Euro Payments Area</td>
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<td>SIPP</td>
<td>Self-invested personal pension</td>
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1 EXECUTIVE SUMMARY

1.1 Overview

There are a number of recent or proposed changes which have or will have an impact on the Authority’s regulatory framework. The Authority has considered these changes and proposed amendments to the RAO11 and the ERegs11 to ensure that this legislation remains effective and appropriate. Examples of the recent or proposed changes resulting in the need for amendments are —

(1) **Pension Flexibilities** – proposals contained in the Treasury’s recent consultation which would increase the choices that consumers have in relation to their pension savings;

(2) **Payment Services Directive 2** – which comes into effect in the EU in January 2018; and

(3) **Rule Book** – amendments which came into effect on 1 January 2017.

The Authority has also taken this opportunity to make some miscellaneous amendments to —

(a) convert the current exclusion for managers, administrators, trustees, fiduciary custodians or custodians to no more than one exempt or exempt-type scheme into an exemption; and

(b) update some definitions contained within the legislation.

1.2 What is the purpose of this Consultation Paper?

The Authority invites affected parties to consider the proposals set out in this consultation paper. The proposed changes are shown as tracked changes in Keeling Schedules\(^1\) of the RAO11 and ERegs11 contained in Appendices A and B, respectively. In order to minimise the length of this consultation paper and enhance readability, the Keeling Schedules in Appendices A and B only show those provisions which would be affected by the proposed amendments.

The Authority is aware of the cost of regulation upon regulated entities and seeks to meet its regulatory objectives with minimum negative impact.

The Authority welcomes views in relation to the proposed amendments. Comments should be submitted to the Authority prior to the consultation’s closing date (see page 2).

\(^1\) A Keeling Schedule is a document setting out the legislation as it will read when amended.
1.3 **Who may be affected by this Consultation Paper?**

This paper will be of particular interest to —

- Class 1 deposit takers participating in SEPA schemes;
- Class 2 (investment business) licenceholders advising on pension transfers, and pension providers transferring or receiving pension benefits;
- Class 2 licenceholders which operate nominee companies;
- Persons providing services to one exempt or exempt-type collective investment scheme;
- Persons taking advantage of the Class 4 domestic services exemption (exemption 4.7 of the ERegs11);
- Persons taking advantage of some exemptions under Class 8 (payment services); and
- Class 8 licenceholders undertaking payment services activity.
2 CONSULTATION PROCESS

2.1 The Authority’s regulatory objectives

The Authority’s regulatory objectives are set out in section 2(2) of the FSA08 as —

(a) securing an appropriate degree of protection for policyholders, members of retirement benefits schemes and the customers of persons carrying on a regulated activity;
(b) the reduction of financial crime; and
(c) the maintenance of confidence in the Island’s financial services, insurance and pensions industries through effective regulation, thereby supporting the Island’s economy and its development as an international financial centre.

The proposals in this consultation paper should help to reduce the possibility of poor consumer outcomes and are therefore particularly relevant to advancing the Authority’s consumer protection objective under paragraph (a).

The Authority is required to give consideration to certain factors when undertaking its role in accordance with paragraph 3 of Schedule 1 to the FSA08. The factors that are most relevant to this proposal are as follows:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Information</th>
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<tr>
<td>The need for the regulatory, supervisory and registration regimes to be effective, responsive to commercial developments and proportionate to the benefits which are expected to result from the imposition of any regulatory burden.</td>
<td>The proposed amendments to the RAO11 and the ERegs11 would ensure that the legislation is up-to-date and effective, and would provide enhanced protection to consumers with minimal costs to industry.</td>
</tr>
<tr>
<td>The need to safeguard the reputation of the Island.</td>
<td>The proposed amendments should ultimately contribute to safeguarding the reputation of the Island.</td>
</tr>
</tbody>
</table>

2.2 Responding to the Consultation Paper

The Authority considers open dialogue with stakeholders as essential in developing its proposals and greatly appreciates comments on the proposals in this document. The purpose of this consultation is to gather views and evidence from which an informed decision will be made on the content of proposed legislation. However, please note that your comments may not result in a change to the proposals.
The Authority wishes to encourage submission of views, but requests that comments are not submitted anonymously, as they will not be considered or included in the Consultation Response.

Professional bodies, trade associations and other representative groups are asked to provide a summary of the people and organisations that they represent when responding, as well as the methodology used to gain members’ input.
3 PROPOSALS

3.1 Amendments regarding advising on pensions

3.1.1 Background

The RAO11\(^2\) currently provides, amongst other things, that the following rights and interests constitute an “investment” for the purposes of that Order:

“rights to and interests in anything falling within any other paragraph of this definition, except interests under the trusts of an occupational pension scheme”\(^3\).

Therefore, broadly, advice provided in relation to a transfer from an occupational pension scheme (DB or DC) to a personal pension scheme is currently subject to regulation under the FSA08 only if the receiving personal pension scheme is expected to hold at least one asset which is an “investment” within the meaning of Schedule 2 to the RAO11. The Authority is aware, however, that in some cases the underlying assets within personal pension schemes (particularly SIPP type arrangements) may not necessarily include any assets which constitute an “investment” within the meaning of Part 1 of Schedule 2 to the RAO11.

In addition, the 2017 Budget announced the intention to introduce further freedoms and choice in relation to pensions, and more recently the Treasury has issued a consultation paper setting out its proposals in this respect. The proposed new pension flexibilities may make advising on pension transfers more prevalent and/or complex, which may subsequently increase the risk of unsuitable advice.

3.1.2 Summary of proposals

The Authority is proposing to amend Part 1 of Schedule 2 to the RAO11 to make rights under a personal pension scheme an “investment” in relation to advice under Class 2(6) and (7) of that Order.

Rights under a personal pension scheme would encompass all rights that membership confers on a member. Examples of such rights include, but are not limited to, some or all of the following rights\(^4\) —

- to make payments to the scheme;
- to withdraw sums from the scheme;
- to transfer value to another pension scheme;

\(^2\) The RAO11 was made under section 3(5) of the FSA08.

\(^3\) Paragraph (k) in the definition of “investment” in Part 1 of Schedule 2 to the RAO11.

\(^4\) For the avoidance of doubt, the rights specified in the list are not exhaustive.
• to place certain types of property in the scheme.

If the proposed amendments are enacted, this would enhance consumer protection by ensuring that providing advice on rights under a personal pension scheme would be subject to regulation under the FSA08 irrespective of whether any of the underlying assets held or to be held within the personal pension scheme constitute an “investment” within the current meaning of the RAO11.

Consequently, this would also mean that advising on the transfer of pension benefits from an occupational pension scheme (DB or DC) to a personal pension scheme would fall within the scope of regulation under the FSA08 regardless of whether the receiving personal pension scheme is expected to hold any assets which constitute an “investment” within the meaning of Part 1 of Schedule 2 to the RAO11.

In connection with the proposed change to the definition of “investment”, the Authority is also proposing to insert a new definition for the terms “occupational pension scheme” and “personal pension scheme” in Part 1 of Schedule 2 to the RAO11, as follows:

<table>
<thead>
<tr>
<th>Expression</th>
<th>Proposed definition</th>
</tr>
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<tbody>
<tr>
<td>“occupational pension scheme”</td>
<td>has the meaning given in section 1 of the Pension Schemes Act 1993 (of Parliament) as it has effect in the Isle of Man;</td>
</tr>
<tr>
<td>“personal pension scheme”</td>
<td>means a scheme or arrangement which is not an occupational pension scheme and which is comprised in one or more instruments or agreements, having or capable of having effect so as to provide benefits to or in respect of people – (a) on retirement; (b) on having reached a particular age; or (c) on termination of service in an employment;</td>
</tr>
</tbody>
</table>

The Authority considers that it would be inappropriate for advice to be provided to current or prospective personal pension scheme members other than in accordance with an appropriate Class 2 financial services licence under the FSA08. Therefore, the proposals do not provide for any further exclusions in the RAO11 or exemptions in the ERegs11. However, the Authority welcomes comments from respondents in relation to the exclusions or exemptions already under the FSA08 in the context of the proposed amendments.

At this time, the Authority is not proposing to change the regime in respect of transfers from one occupational pension scheme to another.
Transitional arrangements have been included in the draft amendments to the RAO11 so that anyone carrying on an activity which was previously unregulated would have until 1 April 2018 to apply for a financial services licence.

3.1.3 Rationale

The amendments have been proposed to ensure that advice regarding rights under personal pension schemes are subject to regulation irrespective of the nature of the underlying assets.

In particular, we are conscious that consumers who are considering transferring from a DB occupational pension scheme to a personal pension scheme may not necessarily understand the implications of losing the underlying guarantees provided by a DB occupational pension scheme, and that their future pension would become reliant on uncertain investment returns. Similarly, consumers who are considering transferring from a DC occupational pension scheme to a personal pension scheme may not fully understand the implications of this, including the potential loss of employer contributions.

Information asymmetries may also mean that consumers lack sufficient knowledge to adequately assess the advantages and disadvantages associated with underlying assets to be held within a personal pension scheme, particularly SIPP-type arrangements.

Consequently, consumers may seek advice to help them to make the right choices about their pension savings; the Authority’s proposals are intended to help ensure that the advice that they receive considers all relevant factors.

In addition to the above, the possible introduction of further pension flexibilities in the Island would increase the choices that consumers have in relation to their pension savings, and this increases the need to ensure that all pension advice is suitably regulated.

3.1.4 Impact

The proposals in section 3.1 of this paper are intended to reduce the possibility of poor consumer outcomes and advance the Authority’s consumer protection objective.

The costs to the Authority of these proposals are expected to be minimal, and it is believed that the additional costs to the advice sector would be low (if any) and proportionate to the benefits.

3.1.5 Questions

For the purposes of the following questions, the policy objective is to amend the RAO11 to make advising on rights under a personal pension scheme subject to regulation under the FSA08 irrespective of whether any of the underlying assets held, or proposed to be held,
within the personal pension scheme are themselves “investments” within the meaning of that Order.

**Question A1**

Do you agree that the proposed amendments to the RAO11 would achieve the policy objective set out above? If not, please provide the reasons for your response.

**Question A2**

Do you agree with the proposed definitions for the terms “occupational pension scheme” and “personal pension scheme” in the context of the policy objective? If not, please state why you consider the proposed definition(s) to be unsuitable and/or suggest an alternative definition for the relevant term(s).

**Question A3**

Are you aware of any unintended consequences which might occur as a result of making the proposed amendments to the RAO11? If so, please provide brief details regarding the unintended consequences that you believe might occur.

**Question A4**

The proposed amendments do not include any further Class 2 exclusions under the RAO11 or exemptions under the ERegs11 – do you have any concerns or comments in relation to the exclusions or exemptions in the context of the proposed amendments?

**Question A5**

Some jurisdictions, such as Gibraltar, regulate financial advice in relation to interests under occupational pension schemes, including, for example, advice regarding participation in an occupational pension scheme or transfers from one occupational pension scheme to another – do you think advice in relation to interests under occupational pension schemes should be regulated under Class 2 of the FSA08? Please explain the reasons for your response.
3.2 Amendments required due to the Payment Services Directive 2

3.2.1 Background

Since 1 May 2016, the Isle of Man has been a member of the SEPA and the Island’s banks have been able to join the SEPA direct debit and credit transfer schemes. In order for banks to become members of these schemes, the Island needed to implement legislation that encompassed Titles III and IV of the Payment Services Directive 1 (“PSD1”). The Payment Services Directive 2 (“PSD2”) updates (amongst other things) Titles III and IV of PSD1. EU Member States are required to implement the PSD2 changes by January 2018.

3.2.2 Summary of proposals

The RAO11 contains a number of exclusions and definitions in relation to Class 8 (Money Transmission Services), which includes payment services. The exclusions specify whether a particular activity is caught by the FSA08 and a regulated activity. It is proposed to change the wording of some of these exclusions and definitions to ensure the Island’s breadth of regulation continues to replicate PSD2 in these areas. However, it should be noted that the Authority does not currently intend to implement the new EU regulated activities of “account information service providers” or “payment initiation service providers” into its legislation.

The area of most change is in relation to exclusion 8(h)(k) and 8(i) regarding instruments that can only be used in a limited manner, because this has been narrowed in its application. Persons relying on the current wording of the exclusion as the basis for their exemption from requiring a licence are advised to consider the breadth of their activities against the proposed changes, and, should the legislation come into effect, limit their activities accordingly or apply for a financial services licence.

3.2.3 Rationale

In order for the Island to maintain its SEPA membership and for banks to continue to be a member of the SEPA direct debit and credit transfer schemes, the Island is required to demonstrate equivalence with certain of the requirements of PSD2. It is therefore important that, for activities currently covered by the Island’s legislation, the definitions and breadth of their coverage remain in line with that of the corresponding EU law to avoid complications and potential loopholes.

3.2.4 Impact

The proposals in section 3.2 of this paper are intended to ensure that the Island’s breadth of regulation continues to replicate PSD2 in necessary areas to maintain consistency and avoid loopholes.
The costs to the Authority and to the payment services sector of these proposals are expected to be minimal, and it is not anticipated that there will be many persons utilising a current exclusion or definition that will, in future, need to limit their activities or seek an appropriate licence. If this is the case, the draft legislation provides a transitional period for this purpose.

3.2.5 Questions

For the purposes of the following questions, the policy objective is to amend the RAO11 to update the wording of relevant exclusions and definitions in relation to Class 8 (Money Transmission Services) in order to maintain equivalence with certain of the requirements of PSD2.

<table>
<thead>
<tr>
<th>Question B1</th>
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<tbody>
<tr>
<td>Do you agree that the proposed amendments to the RAO11 would achieve the policy objective set out above? If not, please provide the reasons for your response.</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Question B2</th>
</tr>
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<tbody>
<tr>
<td>Are you aware of any unintended consequences which might occur as a result of making the proposed amendments to the RAO11? If so, please provide brief details regarding the unintended consequences that you believe might occur.</td>
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<table>
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<tr>
<th>Question B3</th>
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<tbody>
<tr>
<td>Are you a person that, at present, does not require a financial services licence on the basis of the current exclusions and definitions in the RAO11, and will the amendments to the exclusions and definitions require you to seek a licence or limit your activities? If so, please provide details of how you would be affected and why.</td>
</tr>
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</table>

3.3 Amendments required due to changes in the Rule Book

3.3.1 Background

Paragraph 2.7 of the EReggs11 exempts Class 2 and 3 nominee companies from requiring a financial services licence, subject to certain conditions, when dealing in investments, arranging deals in investments, or administering or safeguarding investments. The conditions applicable to the exemption are that the nominee company is —

- a directly and wholly-owned subsidiary of a Class 2 or Class 3 licenceholder;
- the activities are carried on solely on behalf of companies in the same group as the nominee company;
• the nominee companies complies with the relevant provisions relating to clients’ money and investments within the Rule Book; and
• the nominee company arranges for an annual audit report to be sent to the Authority confirming that the nominee company —
  o has adequate systems;
  o has complied with the Rule Book; and
  o reconciliations have been prepared in accordance with the Rule Book.

On 1 January 2017, the Rule Book introduced new rules for nominee bank accounts and a new reporting requirement relating to clients’ assets. Any licenceholder which controls clients’ assets is required to complete a Clients’ Asset Report annually.

3.3.2 Summary of proposals

The Authority proposes to amend exemption 2.7 to refer to “nominee bank accounts” rather than “clients’ money” and to the “Clients’ Asset Report” rather than an “audit report”.

3.3.3 Rationale

Exemption 2.7 needs to be updated to reflect the relevant Rule Book requirements, which were amended on 1 January 2017.

3.3.4 Impact

The proposals in section 3.3 of this paper are intended to update the ERegs11 to meet the amended requirements of the Rule Book which came into effect on 1 January 2017.

The costs to the Authority and to the regulated sector of these proposals are expected to be nil.

3.3.5 Questions

For the purposes of the following questions, the policy objective is to amend the ERegs11 to update the wording to exemption 2.7 for nominee companies in order to reflect the changes to the relevant Rule Book requirements, which were made on 1 January 2017.

**Question C1**

Do you agree that the proposed amendments to the ERegs11 would achieve the policy objective set out above? If not, please provide the reasons for your response.

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5 Clients’ assets comprise clients’ money (including money held for clients in a nominee bank account), trust money, relevant funds and clients’ investments
**Question C2**

Are you aware of any unintended consequences which might occur as a result of making the proposed amendments to the ERegs11? If so, please provide brief details regarding the unintended consequences that you believe might occur.

### 3.4 Class 3 exclusion converted to exemption

#### 3.4.1 Background

The RAO11 contains an exclusion in relation to paragraph (11) of Class 3 (acting as a manager, administrator, trustee, fiduciary custodian or custodian to exempt or exempt-type schemes) where the person carrying on the activity acts for no more than one exempt or exempt-type scheme, taking into account that no person in the same economic group may act in the same capacity for an exempt or exempt-type scheme.

#### 3.4.2 Summary of proposals

It is proposed to convert this exclusion into an exemption in the ERegs11. This would result in that activity being a regulated activity (and within the scope of the FSA08), however, any person carrying on such activity (who is not already the holder of a financial services licence) would be exempt from the requirement to hold a licence for that activity.

#### 3.4.3 Rationale

It is considered appropriate that the Authority's powers apply to persons undertaking Class 3(11) activity even where the activity is in relation to only one exempt or exempt-type scheme. This is to enable the Authority to take appropriate action, if deemed necessary, in the event of issues arising of pertinence to the Authority's regulatory objectives.

#### 3.4.4 Impact

The proposals in section 3.4 are intended to make the activity of acting as a manager, administrator, trustee, fiduciary custodian or custodian to one exempt or exempt-type scheme a regulated activity (even though it would be exempt from licensing) in order to enable the Authority to take action should this be necessary, reduce the possibility of poor consumer outcomes and advance the Authority’s consumer protection objective.

The costs to the Authority and any affected persons as a result of these proposals are expected to be negligible.
3.4.5 Questions

For the purposes of the following questions, the policy objective is to amend the RAO11 and ERegs11 by converting an exclusion to an exemption which would enable the Authority to take action should this ever be necessary.

**Question D1**

Do you agree that the proposed amendments to the RAO11 and ERegs11 would achieve the policy objective set out above? If not, please provide the reasons for your response.

**Question D2**

Are you aware of any unintended consequences which might occur as a result of making the proposed amendments to the RAO and ERegs11? If so, please provide brief details regarding the unintended consequences that you believe might occur.

3.5 Definition updates

3.5.1 Background

Some of the definitions and exemptions in the RAO11 and ERegs11 are considered outdated or superfluous. As these pieces of legislation are being amended, the opportunity has been taken to update or remove certain definitions.

3.5.2 Summary of proposals

In Schedule 2 to the RAO11, it is proposed to update the definition of “close relative” and bring it into line with a similar definition in other Isle of Man regulatory legislation. Also, it is proposed to remove the superfluous definition of “open-ended investment company” and make amendments to simplify the wording of collective investment scheme in the definition of “investment” (sub-paragraph (f)).

It is proposed to amend sub-paragraph (1)(c)(iv) in paragraph 4.7 of the ERegs11 to refer to “real property” and define such as including shared areas such as car parks, gardens and access areas.

3.5.3 Rationale

Where suitable opportunities arise, the Authority considers it appropriate to update definitions contained within legislation to help ensure they remain meaningful in the current environment.
3.5.4  Impact

The proposals in section 3.5 are intended to update certain definitions within the RAO11 and ERegs11 to help ensure that they remain meaningful in the current environment.

It is not anticipated that there would be any costs to the Authority or industry by updating these definitions.

3.5.5  Questions

For the purposes of the following questions, the policy objective is to amend the RAO11 and ERegs11 to update certain definitions.

Question E1

Do you agree that the proposed amendments to the RAO11 and ERegs11 would achieve the policy objective set out above? If not, please provide the reasons for your response.

Question E2

Are you aware of any unintended consequences which might occur as a result of making the proposed amendments to the RAO11 and ERegs11? If so, please provide brief details regarding the unintended consequences that you believe might occur.

4  DRAFT AMENDMENTS

The proposed amendments to the RAO11 and ERegs11, and the statutory powers that they would be made under, are set out in the form of a draft tracked changes versions of the legislation contained in Appendices A and B.

5  NEXT STEPS

Following the closure of the consultation period the Authority will publish a summary of the comments received, which will be accessible through the Authority’s website and the Isle of Man Government’s Consultation Hub.

Subject to views expressed in response to the consultation, it is intended that the proposed changes will come into effect later in 2017.
APPENDIX A – REGULATED ACTIVITIES ORDER 2011 (AS AMENDED BY THE REGULATED ACTIVITIES (AMENDMENT) ORDER 2017)

FINANCIAL SERVICES ACT 2008

REGULATED ACTIVITIES ORDER 2011
(as amended 2013 and 2016)

Approved by Tynwald 13 December 2011 (Original Order)

Coming into operation 1 January 2012: SD 884/11
(amendments in operation 1 February 2014: SD 0373/2013)
(amendments in operation 1 May 2016: SD 2016/0099)
(amendments in operation 1 August 2016: SD 2016/0188)
(amendments in operation 1 December 2017: SD 2017/xxxx)

The Treasury, after carrying out the consultations required by section 44(7) of the Financial Services Act 2008, makes this Order under section 3 of that Act.

1 Title

This is the Regulated Activities Order 2011.

2 Commencement

This Order shall come into operation on 1st January 2012.

3 Interpretation

(1) In this Order –

(a) any provision in Schedule 1 for the interpretation of any expression (marked * in that Schedule) in relation to a class referred to in article 4(1) or an exclusion referred to in article 4(2) shall have effect for the construction of that expression in relation to that class or exclusion;

(b) other expressions in this Order have the meanings given by Schedule 2.
(2) The expressions used in paragraphs (a) to (f) of section 3(2) of the Act have the meanings specified in relation to them in Schedule 3.

4 Regulated activities

(1) Subject to paragraph (2), any activity of a class specified as a regulated activity in Schedule 1 is a regulated activity for the purpose of the Act.

(2) Where an activity of a class referred to in paragraph (1) is carried on in circumstances specified in that Schedule as an exclusion in relation to that class, that activity shall not be treated as a regulated activity for the purpose of the Act by reason only that it falls within that class.

4A Saving for activities previously unregulated

(1) This article applies where –
   (a) any person was, immediately before the Regulated Activities (Amendment) Order 2017 came into operation, carrying on an activity which is a regulated activity, but
   (b) the carrying on of that activity did not require a licence under the Act.

(2) Where an application has been made for a licence to carry on that activity before 1 November 2018, section 4 of the Act (prohibition of unlicensed activities) shall not apply to the carrying on of that activity by that person, or an employee of that person, until –
   (i) the end of the period within which an appeal can be brought under section 32 of the Act against the decision on the application; or
   (ii) where an appeal is brought, the determination or withdrawal of the appeal.

4A.4B Consequential provision in relation to Class 1 – Deposit Taking

For the avoidance of doubt, all licenceholders permitted to undertake Class 1 regulated activity on 31 July 2016, shall be licenceholders permitted to undertake Class 1(1) regulated activity after that date.

6 SD 2017/0099
5 Revocations

The Regulated Activities Order 2009\(^2\) and the Regulated Activities (Amendment) Order 2010\(^7\) are revoked.

MADE 26 October 2011

W E Teare

Minister for the Treasury

\(^2\) SD 738/09
\(^7\) SD 882/10
Article 4.

SCHEDULE 1

REGULATED ACTIVITIES

CLASS 1 — DEPOSIT TAKING

Regulated activity

(1) [Redacted for the purposes of this document]

Exclusions

Deposits received by certain persons

1(a) [Redacted for the purposes of this document]

Deposits made by certain persons

1(b) [Redacted for the purposes of this document]

Credit unions

1(c) [Redacted for the purposes of this document]

Client money or trust money

1(d) [Redacted for the purposes of this document]

Electronic money

1(e) [Redacted for the purposes of this document]

Groups

1(f) [Redacted for the purposes of this document]

Friendly societies

1(g) [Redacted for the purposes of this document]

Diocesan Board of Finance

1(h) [Redacted for the purposes of this document]

Payment institutions

1(i) [Redacted for the purposes of this document]

Interpretation

(1) For the purpose of exclusion 1(f) "group" includes any company in which a member of the group holds a qualifying capital interest; and for this purpose —
(a) "qualifying capital interest" means an interest in relevant shares of the company which the member holds on a long term basis for the purpose of securing a contribution to its own activities by the exercise of control or influence arising from that interest;

(b) "relevant shares" means shares comprised in the ordinary share capital of the company of a class carrying rights to vote in all circumstances at general meetings of the body; and

(c) a holding of 20 per cent or more of the nominal value of the relevant shares of a company shall be presumed to be a qualifying capital interest unless the contrary is shown.

CLASS 2 — INVESTMENT BUSINESS

[Redacted for the purposes of this document]

CLASS 3 — SERVICES TO COLLECTIVE INVESTMENT SCHEMES

Regulated activities

(1) Acting as a manager* of a collective investment scheme* other than an exempt scheme or an exempt-type scheme.

(2) Acting as an administrator* of a collective investment scheme other than an exempt scheme or an exempt-type scheme.

(3) Acting as a trustee* of a collective investment scheme other than an exempt scheme or an exempt-type scheme.

(4) Acting as a fiduciary custodian* of a collective investment scheme other than an exempt scheme or an exempt-type scheme.

(5) Acting as a custodian* of a collective investment scheme other than an exempt scheme or an exempt-type scheme.

(6) Acting as an asset manager to a collective investment scheme.

(7) Acting as an investment adviser* to a collective investment scheme.

(8) Acting as a promoter* of a collective investment scheme which is subject to a legislative requirement that the promoter of the scheme be regulated as a promoter.

(9) Providing management or administration services to a person acting as mentioned in paragraphs (1), (2), (6) or (7).

(10) Providing administration services to the manager or administrator of a collective investment scheme where that person is located outside the Island,
in relation to a collective investment scheme that is managed or administered by that person.

(11) Acting as a manager, administrator, trustee, fiduciary custodian or custodian to a collective investment scheme which is an exempt scheme or exempt type scheme.

(12) Providing administration services to a person who is exempt from licensing under section 4 of the Act by virtue of paragraphs 3.2 or 3.6 of the Financial Services (Exemptions) Regulations 2011 in relation to an exempt scheme or an exempt-type scheme.


The exclusion in relation to paragraph (11) has been removed.

Exclusion

In the case of an activity falling within paragraph (11) of Class 3, where—

(1) the person by whom it is carried on acts as manager, administrator, trustee, fiduciary custodian or custodian of no more than one exempt scheme or exempt-type scheme; and

(2) no person in the same economic group as that person is acting in the same capacity in relation to an exempt scheme or exempt-type scheme.

Interpretation

(1) For the purpose of Class 3—

(a) the following terms have the same meanings as in the Collective Investment Schemes Act 2008—

"administrator"
"asset manager"
"collective investment scheme"
"custodian"
"fiduciary custodian"
"investment adviser"
"manager"
"promoter"
"trustee"
"exempt scheme"

(2) For the purpose of the above exclusion persons are in the same economic group where a person, either alone or with an associate or associates, is
entitled to exercise or control the exercise of 50% or more of the voting power at any general meeting of any of those persons or of another company of which they are subsidiaries.

CLASS 4 — CORPORATE SERVICES

[Redacted for the purposes of this document]

CLASS 5 — TRUST SERVICES

[Redacted for the purposes of this document]

CLASS 6 — CROWDFUNDING PLATFORMS

[Redacted for the purposes of this document]

CLASS 7 — MANAGEMENT OR ADMINISTRATION SERVICES

[Redacted for the purposes of this document]

CLASS 8 — MONEY TRANSMISSION SERVICES

Regulated activities

[Redacted for the purposes of this document]

Exclusions

Client money, trust money and ‘client company’ money

8(a) [Redacted for the purposes of this document]

Activities incidental to professional services

8(b) [Redacted for the purposes of this document]

Activities incidental to provision of goods or services

8(c) [Redacted for the purposes of this document]

Insurance etc.

8(d) [Redacted for the purposes of this document]

Giving of change for goods or services

8(e) [Redacted for the purposes of this document]

Friendly societies

8(f) [Redacted for the purposes of this document]
Diocesan Board of Finance

8(g)  [Redacted for the purposes of this document]

Other activities which do not constitute payment services

8(h)  In the case of an activity falling within paragraph (2) of Class 8, where the activity consists of—

(a) payment transactions executed wholly in cash and directly between the payer and the payee, without any intermediary intervention;

(b) payment transactions between the payer and the payee through a commercial agent authorised in an agreement to negotiate or conclude the sale or purchase of goods or services on behalf of either the payer or the payee but not both the payer and the payee;

(c) the professional physical transport of banknotes and coins, including their collection, processing and delivery;

(d) payment transactions consisting of non-professional cash collection and delivery as part of a non-profit or charitable activity;

(e) services where cash is provided by the payee to the payer as part of a payment transaction for the purchase of goods or services following an explicit request by the payment service user immediately before the execution of the payment transaction;

(f) money exchange business consisting of cash-to-cash currency exchange operations where the funds are not held on a payment account;

(g) payment transactions based on any of the following documents drawn on the payment service provider with a view to placing funds at the disposal of the payee—

(i) paper cheques of any kind, including traveller’s cheques;

(ii) bankers’ drafts;

(iii) paper-based vouchers;

(iv) paper postal orders;

(h) payment transactions carried out within a payment or securities settlement system between payment service providers and settlement agents, central counterparties, clearing houses, central banks or other participants in the system;

(i) payment transactions related to securities asset servicing, including dividends, income or other distributions, or redemption or sale, carried
out by persons referred to in sub-paragraph (h) or by investment businesses, deposit takers, collective investment schemes or asset management companies providing investment services or by any other entities allowed to have the custody of financial instruments;

(j) services provided by technical service providers, which support the provision of payment services, without the provider entering at any time into possession of the funds to be transferred, including—

(i) the processing and storage of data;
(ii) trust and privacy protection services;
(iii) data and entity authentication;
(iv) information technology and communication network provision; and
(vi) the provision and maintenance of terminals and devices used for payment services;

(k) services based on specific payment instruments that can be used only in a limited way and to acquire goods or services only—

(i) allow the holder to acquire goods or services only in or on the issuer’s premises; or
(ii) allow the holder to acquire goods or services only under a commercial agreement with the issuer, either within a limited network of service providers which have direct commercial agreements with the issuer or for a limited range of goods or services;

(iii) may be used only to acquire a very limited range of goods or services; or
(iv) are valid only in the Isle of Man or in a single jurisdiction, are provided at the request of an undertaking or a public sector entity, and are regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers which have a commercial agreement with the issuer,

and for these purposes the “issuer” is the person who issues the instrument in question;

(l) payment transactions, initiated through a provider of electronic communications networks or services, where such initiation is in
addition to electronic communications services for a subscriber to the network or service executed by means of any telecommunication, digital or IT device, where the goods or services purchased are delivered to and are to be used through a telecommunication, digital or IT device, provided that the telecommunication, digital or IT operator does not act only as an intermediary between the payment service user and the supplier of the goods and services;

(m) payment transactions carried out between payment service providers, or their agents or branches, for their own account;

(n) payment transactions and related services between a parent undertaking and its subsidiary or between subsidiaries of the same parent undertaking, without any intermediary intervention by a payment service provider other than an undertaking belonging to the same group;

(o) cash withdrawals provided through services by providers to withdraw cash by means of automated teller machines, where acting on behalf of one or more card issuers, which are not party to the framework contract with the customer withdrawing money from a payment account, where no other payment service is conducted by the provider—

(i) is acting on behalf of one or more card issuers;
(ii) is not party to the framework contract with the customer withdrawing money from a payment account; and
(iii) does not conduct any other payment service.

Electronic money - exclusions

8(i) For the purposes of this Order electronic money does not include—

(a) monetary value stored on instruments that can be used only in a limited way to acquire goods or services—

(i) in or on the electronic money issuer’s premises; or
(ii) under a commercial agreement with the electronic money issuer, either within a limited network of service providers which have direct commercial agreements with the electronic money issuer;
(iii) may be used only for a limited range of goods or services; or
(iv) are valid only in the Isle of Man or in a single jurisdiction, are provided at the request of an undertaking or a public sector entity, and are regulated by a national or regional public
authority for specific social or tax purposes to acquire specific goods or services from suppliers which have a commercial agreement with the issuer;

(b) monetary value that is used to make payment transactions executed by means of any telecommunication, digital or IT device, where the goods or services purchased are delivered to and are to be used through a telecommunication, digital or IT device, provided that the telecommunication, digital or IT operator does not act only as an intermediary between the payment service user and the supplier of the goods and services.
Article 3.

SCHEDULE 2

INTERPRETATION

PART 1 — DEFINITIONS

Expression  

Definition

[Unchanged definitions redacted for the purposes of this document]

| close relative | in relation to an individual, means a child, step-child, parent, step-parent, brother, sister, step-brother, step-sister or spouse of that individual; means parent, step-parent, spouse, child, step-child, brother or sister (including a brother or sister of the half blood); |
| investment | means any of the following — |
| (a) a share; |
| (b) a debenture; |
| (c) a government security; |
| (d) a warrant; |
| (e) a certificate representing securities; |
| (f) a unit in a collective investment scheme; including a share in, or security of, an open-ended investment company; |
| (g) an option to acquire or dispose of — |
| (i) an investment falling within this or any other paragraph of this definition; |
| (ii) currency of any country or territory, |
| (iii) gold, palladium, platinum or silver; or |
| (iv) a commodity or goods of any description except under an option entered into for commercial and not investment purposes; |
(v) an option to acquire or dispose of an option falling within sub-paragraph (i), (ii), (iii) or (iv).

(h) rights under a contract for the sale of a commodity or goods of any other description under which delivery is to be made at a future date and at a price agreed on when the contract is made, except rights under a contract made for commercial and not investment purposes;

(i) rights under a contract for differences, or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of property of any description or in an index or other factor designated for that purpose in the contract;

(j) long-term insurance;

(ja) in relation to activities falling within paragraph (6) or (7) of Class 2 only, rights under a personal pension scheme;

(k) rights to and interests in anything falling within any other preceding paragraph of this definition other than paragraph (ja), except interests under the trusts of an occupational pension scheme.

occupational pension scheme has the meaning given in section 1 of the Pension Schemes Act 1993 (of Parliament) as it has effect in the Isle of Man;

open-ended investment company has the same meaning as in the Collective Investment Schemes Act 2008;

payment transaction means an act, initiated by the payer or payee, or on behalf of the payer, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and payee;

personal pension scheme means a scheme or arrangement which is not an occupational pension scheme and which is comprised in one or more instruments or
agreements, having or capable of having effect so as to provide benefits to or in respect of people –
(a) on retirement;
(b) on having reached a particular age; or
(c) on termination of service in an employment;

PART 2 — FURTHER INTERPRETATION PROVISIONS

[Redacted for the purposes of this document]
Article 3.

SCHEDULE 3

MEANING OF EXPRESSIONS IN SECTION 3(2) OF THE ACT

<table>
<thead>
<tr>
<th>Expression</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Deposit taking</td>
<td>Any activity of Class 1</td>
</tr>
<tr>
<td>(b) Investment business</td>
<td>Any activity of Class 2</td>
</tr>
<tr>
<td>(c) Any service to a collective investment scheme</td>
<td>Any activity of Class 3</td>
</tr>
<tr>
<td>(d) Corporate services</td>
<td>Any activity of Class 4</td>
</tr>
<tr>
<td>(e) Trust services</td>
<td>Any activity of Class 5</td>
</tr>
<tr>
<td>(f) Any service or activity involving money transmission</td>
<td>Any activity of Class 8</td>
</tr>
</tbody>
</table>

EXPLANATORY NOTE

(This note is not part of the Order)

This Order specifies the activities which constitute “regulated activities” for the purpose of the Financial Services Act 2008. It also defines expressions used in section 1(2) of that Act.
APPENDIX B – FINANCIAL SERVICES (EXEMPTIONS) REGULATIONS 2011 (AS AMENDED BY THE FINANCIAL SERVICES (EXEMPTIONS) (MISCELLANEOUS) REGULATIONS 2017)

FINANCIAL SERVICES ACT 2008

FINANCIAL SERVICES (EXEMPTIONS) REGULATIONS 2011
(as amended 2013 and 2016)

Approved by Tynwald 13 December 2011 (Original Regulations)

Coming into operation 1 January 2012: SD 885/11
(amendments in operation from 1 February 2014: SD 0374/2013)
(amendments in operation from 1 May 2016: SD 2016/0100)
(amendments in operation from 1 August 2016: SD 2016/0186)
(amendments in operation from 1 December 2017: SD 2017/xxxx)

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

1 Title
These are the Financial Services (Exemptions) Regulations 2011.

2 Commencement
If approved by Tynwald, these Regulations come into operation on 1 January 2012.

3 Interpretation
(1) In these Regulations—
"the Act" means the Financial Services Act 2008;
"the Order" means the Regulated Activities Order 2011;

2 0884/11
"section 4" means section 4 of the Act (prohibition of regulated activity except in accordance with a licence);

(2) (a) References in these Regulations to activities of Class 3 which are defined in the Collective Investment Schemes Act 2008 have the same meanings as in that Act;

(b) other expressions have the meanings given by Schedule 3.

(3) References in these Regulations to a numbered class or to a numbered paragraph of such a class, are to the class of regulated activities so numbered in Schedule 1 to the Order or to the paragraph so numbered of that class as the case may be.

4 Exemptions : general

Schedule 1 exempts persons that do not hold a licence issued under section 7 of the Act (issue of a licence) in respect of a particular class of regulated activity from the requirements of section 4 of the Act (prohibition of regulated activity except in accordance with a licence) in the circumstances there specified.

5. Exemption : Use of equipment on the Island

Schedule 2 exempts from the requirements of section 4 the persons, and in the circumstances, there specified.

6 Revocation

The Financial Services (Exemptions) Regulations 2009 and the Financial Services (Exemptions) (Amendment) Regulations 2010 are revoked.

MADE 4 November 2011

R V Penn
Commissioner

J R Aspden
Chief Executive

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3 2008 c.7
4 SD 739/09
5 SD 883/10
Regulation 4.

SCHEDULE 1

EXEMPTIONS FROM LICENSING

CLASS 1 — DEPOSIT TAKING

Company officers and employees

1. [Redacted for the purposes of this document]

CLASS 2 — INVESTMENT BUSINESS

Liquidators, receivers etc.

2.1 [Redacted for the purposes of this document]

Certificates of deposit

2.2 [Redacted for the purposes of this document]

Tied agents of friendly societies

2.3 [Redacted for the purposes of this document]

Enduring powers of attorney

2.4 [Redacted for the purposes of this document]

Bearer instruments — ‘post office’ facility

2.5 [Redacted for the purposes of this document]

Company pension schemes

2.6 [Redacted for the purposes of this document]

Nominee companies

2.7 (1) In relation to an activity falling within paragraph (2), (3) or (5) of Class 2, section 4 does not apply to a nominee company which is a directly and wholly-owned subsidiary of a person licensed to carry on that activity (‘the licenceholder’), where—

(a) the licenceholder is permitted by its licence to control clients’ money or assets;

(b) the activity is carried on by the nominee company solely on behalf of companies which are in the same group as the nominee company and are licensed to carry on that activity;
(c) the nominee company complies with the relevant provisions of the Rule Book relating to nominee bank accounts and clients’ money and investments; and

(d) the nominee company licenceholder arranges for an Clients’ Assets Report annual audit report complying with the requirements of rule 8.23(2) of the Rule Book, to be prepared annually and, when required by the Authority, to be reviewed by the licenceholder’s auditor and submitted to the Authority at a frequency to be determined by the Authority, sub-paragraph (3) to be sent to the Authority, which may be provided by the auditors to the licenceholder where the nominee company is not audited and its clients’ money and investment recording is undertaken by that licenceholder.

(2) In relation to an activity falling within paragraph (2), (3) or (5) of Class 2, section 4 does not apply to a nominee company which is a directly and wholly-owned subsidiary of a person licensed to carry on activity falling within paragraphs (1), (2) or (11) of Class 3 (“the Class 3 licenceholder”), where—

(a) the nominee company is providing services to participants in relevant schemes;

(b) the nominee company complies with the relevant provisions of the Rule Book relating to clients’ nominee bank accounts money and clients’ investments; and

(c) the Class 3 licenceholder arranges for a Clients’ Assets Report, complying with the requirements of rule 8.23(2) of the Rule Book, to be prepared annually and, when required by the Authority, to be reviewed by the licenceholder’s auditor and submitted to the Authority at a frequency to be determined by the Authority, the nominee company arranges for an annual audit report complying with the requirements of sub-paragraph (3) to be sent to the Authority, which may be provided by the auditors to the licenceholder where the nominee company is not audited and its clients’ money and investment recording is undertaken by that Class 3 licenceholder.

(3) The requirements referred to in sub-paragraphs (1)(d) and 2(c) are that the report—

(a) states whether, in the auditor’s opinion—
(i) the nominee company has maintained throughout the year systems adequate to enable it to comply with the provisions of the Rule Book relating to clients’ money and investments,

(ii) the nominee company was in compliance with those provisions at the balance sheet date; and

(iii) reconciliations of clients’ money and clients’ investments have been performed in accordance with those provisions; and

(b) where one or more of the requirements specified in sub-paragraph (a) have not been met, include a statement specifying the relevant requirements and the extent to which they have not been met; or

(c) where the auditor is unable to form an opinion as to whether one or more of those requirements have been met, specify those requirements and give the reasons why the auditor has been unable to form an opinion.

(4)(3) For the purposes of this paragraph, “relevant schemes” means collective investment schemes to which the Class 3 licenceholder acts as manager, administrator, trustee, fiduciary custodian or custodian.

Company officers and employees

2.8 [Redacted for the purposes of this document]

Public authorities

2.9 [Redacted for the purposes of this document]

Crowdfunding platforms

2.10 [Redacted for the purposes of this document]

CLASS 3 – SERVICES TO COLLECTIVE INVESTMENT SCHEMES

Nominee companies

3.1 [Redacted for the purposes of this document]

Managers etc. of exempt schemes and exempt-type schemes

3.2 (1) In relation to a regulated activity falling within paragraph (11) of Class 3 consisting of services provided to an exempt scheme or an exempt-type scheme (“the scheme”), section 4 does not apply to a person carrying on that activity where—
(a) the exempt person provides those services to no more than one exempt scheme or exempt-type scheme, and

(b) the conditions specified in –

(i) sub-paragraph (2); or

(ii) sub-paragraph (3),

are met.

(2) The conditions referred to in sub-paragraph (1)(b)(i) are that, in accordance with an agreement between the exempt person and a person licensed to carry on activities falling within paragraph (12) of Class 3 ("the licenceholder") —

(a) the exempt person is responsible for providing sufficient information to the licenceholder about the exempt person and the scheme to enable the licenceholder to satisfy itself that the criteria in sub-paragraph (3)(4) are met; and

(b) the licenceholder is responsible for satisfying itself, on the basis of information provided pursuant to (a) above and any other information in the possession of the licenceholder, that those criteria are met.

(3) The conditions referred to in sub-paragraph (1)(b)(ii) are that —

(a) the exempt person is responsible for satisfying itself that the criteria in sub-paragraph (4) are met; and

(b) no person in the same economic group as the exempt person is acting in the same capacity in relation to an exempt scheme or exempt-type scheme.

(4) The criteria referred to in sub-paragraphs (2) and (3) are that —

(a) the exempt person continues to comply with the requirements of paragraph (1)(a); and

(b) the scheme continues to comply with the requirements of paragraph 1(1)(a) and (b) of Schedule 3 to the Collective Investment Schemes Act 2008.

Exempt managers of experienced investor funds and professional investor funds

3.3 [Redacted for the purposes of this document]
Company officers and employees

3.4 [Redacted for the purposes of this document]

Liquidators and receivers

3.5 [Redacted for the purposes of this document]

Functionaries of exempt or exempt-type schemes which are wholly-owned subsidiaries of licenceholders

3.6 [Redacted for the purposes of this document]

Appointments under section 13(1) of the Collective Investment Schemes Act 2008

3.7 [Redacted for the purposes of this document]

Court appointed scheme functionaries

3.8 [Redacted for the purposes of this document]

Exempt managers, asset managers or investment advisers to specialist funds

3.9 [Redacted for the purposes of this document]

CLASS 4 — CORPORATE SERVICES

Interpretation

[Redacted for the purposes of this document]

Regulated entities

4.1 [Redacted for the purposes of this document]

Directorships - de minimis activities

4.2 [Redacted for the purposes of this document]

Directorships – transitional arrangements

4.2A [Redacted for the purposes of this document]

Group officers

4.3 [Redacted for the purposes of this document]

Corporate officers

4.4 [Redacted for the purposes of this document]

Nominee services

4.5 [Redacted for the purposes of this document]

Company officers and employees

4.6 [Redacted for the purposes of this document]
Domestic services

4.7 (1) Subject to paragraph 4.2, in relation to an activity falling within paragraphs (1) to (4) and (6) to (15) of Class 4, section 4 does not apply to a person who is resident in the Island and where the company or partnership which is the subject of the activity—

(a) is resident in the Island;

(b) has a permanent establishment in the Island; and

(c) carries on as its sole or principal trade or business—

(i) the holding of assets which are beneficially owned by persons who are resident in the Island; or

(ii) the supply made within the Island of any goods or services; or

(iii) the manufacture in the Island of any goods; or

(iv) the holding of the freehold of real property blocks of flats or apartments in the Isle of Man, the majority of which are owned by persons who are resident in the Island.

(2) For the purpose of this paragraph—

"beneficially owned" includes ultimate ownership through a trust or company or a series of trusts or companies;

"company" does not include an open-ended investment company or other type of collective investment scheme;

"permanent establishment" means a fixed place of business through which the business of the company is wholly or partly carried on;

“real property” includes land and buildings including blocks of flats, apartments, houses or industrial units as well as shared areas such as car parks, gardens and access areas;

"resident" means a resident in the Island for the purposes of income tax.

Liquidators, receivers etc.

4.8 [Redacted for the purposes of this document]

Administration for licenceholder

4.9 [Redacted for the purposes of this document]

Activities of the Isle of Man Post Office
4.10  [Redacted for the purposes of this document]

Secretaryships – de minimis activities

4.11  [Redacted for the purposes of this document]

Entrepreneur directorships

4.12  [Redacted for the purposes of this document]

Charities

4.13  [Redacted for the purposes of this document]

CLASS 5 – TRUST SERVICES
[Redacted for the purposes of this document]

CLASS 6 – CROWDFUNDING PLATFORMS
[Redacted for the purposes of this document]

CLASS 7 – MANAGEMENT OR ADMINISTRATION SERVICES
[Redacted for the purposes of this document]

CLASS 8 – MONEY TRANSMISSION SERVICES
[Redacted for the purposes of this document]
Regulation 5.

SCHEDULE 2

USE OF EQUIPMENT ON THE ISLAND

[Redacted for the purposes of this document]

Regulation 3.

SCHEDULE 3

INTERPRETATION

Expression | Definition
---|---
regulated entity | means a company which is –
(a) licensed under the Act;
(b) authorised under section 8 of the Insurance Act 2008;
(c) the holder of a permit issued under section 22 of the Insurance Act 2008;
(d) registered under section 25 of the Insurance Act 2008;
(e) registered under section 36(1) of the Retirement Benefits Schemes Act 2000;
(f) a trustee of a retirement benefits scheme that is registered as authorised or recognised under the Retirement Benefits Schemes Act 2000; or
(g) the Gambling Supervision Commission;

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations set out exemptions for certain persons from section 4 of the Financial Services Act 2008, which prohibits the carrying on of regulated activities except in accordance with a licence.