

# ESMA ADVICE POSITIVE ON GUERNSEY AIFMD PASSPORT EXTENSION

30 JULY 2015

A recommendation by the European Securities and Markets Authority (ESMA) to grant Guernsey a 'third country' passport under the Alternative Investment Fund Managers Directive (AIFMD) has been welcomed by the Island's funds sector.

In announcing its findings from the 'Call for Evidence - AIFMD passport and third country AIFMs' consultation ESMA confirmed that Guernsey had demonstrated the ability to satisfy the criteria required under AIFMD. Of the six jurisdictions assessed, ESMA concluded that "no obstacles exist to the extension of the passport to Guernsey and Jersey, while Switzerland will remove any remaining obstacles with the enactment of pending legislation. No definitive view has been reached on Hong Kong, Singapore and the USA due to concerns related to competition, regulatory issues and a lack of sufficient evidence to properly assess the relevant criteria."

Following today's release, ESMA has now forwarded its advice and opinion to "the Commission, Parliament and Council for their consideration on whether to activate the relevant provision in the AIFMD extending the passport through a Delegated Act."

Dominic Wheatley, Chief Executive of Guernsey Finance, said: "Guernsey's response to the AIFMD regime has been second to none, so to receive ESMA's recommendation for an AIFMD passport extension is extremely pleasing.

"Guernsey has had its own opt-in equivalent AIFMD regime fully operational since 1 January 2014 - well in advance of today's news. We did this in order to demonstrate the high standards that our funds industry works to and are now ideally placed to continue to provide access to Europe."

Andrew Whittaker, Chairman of the Guernsey Investment Fund Association (GIFA), said ESMA's recommendation would enable Guernsey to operate on a level playing field with its European counterparts in the future.

"As a non-EU jurisdiction with close proximity and business ties to the EU, it is essential that we are able to comply with AIFMD for those clients obliged to or who wish to take advantage of the regime," said Mr Whittaker.

"Our opt-in equivalent regime may make commercial sense for a fund manager marketing almost exclusively to Europe and who therefore may require full AIFMD compliance. In being able to offer both EU and non-EU solutions from one location, Guernsey will be ideally placed to serve the global fund industry."

"Guernsey has a huge advantage as a fund domicile in terms of its regulatory integrity and the infrastructure of advisers and service providers which make up its thriving fund industry. There are more than 50 fund managers, administrators and custodians servicing assets valued at £222.3 billion. Quality of service is also evidenced by the fact that Guernsey's fund industry now administers or manages nearly 250 open-ended funds which are domiciled in other jurisdictions."

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Rupert Pleasant, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

PO Box 655, St Peter Port,  
Guernsey, GY1 3PN

+44 (0)1481 720071

**[INFO@WEAREGUERNSEY.COM](mailto:INFO@WEAREGUERNSEY.COM)**

