

GUERNSEY-CHINA RELATIONSHIP STRENGTHENED WITH REGULATORY MOU

14 MARCH 2017

The international finance centre of Guernsey in the Channel Islands has today signed a Memorandum of Understanding (MoU) with the China Insurance Regulatory Commission (CIRC) of the People's Republic of China, signalling an increased level of cooperation between the regulatory bodies of both markets.

The agreement between the Guernsey Financial Services Commission (GFSC) and the CIRC on the Mutual Assistance and Exchange of Information Memorandum is the third insurance MoU struck between Guernsey and China in the last nine months.

The MoU was signed at a ceremony in Beijing between the CIRC's Director General, Bo Jiang, and the Director General of the GFSC, William Mason. It will enable a flow of information between the regulators to ensure compliance with the relevant laws in each jurisdiction, thereby promoting the integrity, efficiency and financial soundness of those doing business between the two places.

Mr Mason commented: "I am delighted to have been able to sign this MoU which means that the GFSC now has MoUs with all of China's financial services regulators including the China Banking Regulatory Commission and the China Securities Regulatory Commission. As Chinese financial services firms are expanding they are looking for a high quality domicile from which to conduct their international business and the signing of this MoU is symbolic of the openness of Guernsey's insurance sector to Chinese-led business."

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GFSC Director General William Mason

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The CIRC's Vice Chairman, Wenhui Chen, who was present at the signing ceremony alongside Guernsey Finance Chairman Lyndon Trott, welcomed the progress represented by the MoU.

"The MoU between the CIRC and GFSC shows the strong relationship built up by an important jurisdiction from developed countries and another from the emerging markets. I hope the MoU will strengthen the relationship between China and Guernsey especially for the insurance industry and we look forward to cooperation after the signing," said Mr Chen.

The MoU sets out the guidelines for cooperation which include: both supervisory bodies having a specific point of contact for communication between the organisations; the types and timing of requests for information; and the respect for a public interest test.

Guernsey Finance Chief Executive Dominic Wheatley highlighted the wider-reaching value of the MoU.

"The signing has broader, positive implications for the island's finance sector as it will also provide Chinese insurance companies with an approved conduit for investing into Guernsey funds, once they have obtained a quota from the State Administration of Foreign Exchange," he said.

One of the early adopters of the Common Reporting Standard, Guernsey has a reputation for working in tandem with its finance industry to maintain a pragmatic, proportional yet flexible approach to regulation – built on more than 50 years' experience as an international finance centre.

In 2016 Guernsey signed insurance industry MoUs with the Chinese city of Kashgar and the China Captive Alliance and, in the last six months, at least three Chinese delegations have visited the island in order to better understand the full range of Guernsey's specialist insurance, fund, private wealth, and asset management products.

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CIRC Vice Chairman Wenhui Chen

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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 Dominic Wheatley, 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.

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