

GUIDANCE NOTES ON THE COMPLETION OF FIDUCIARY ANNUAL RETURNS

Introduction

This guidance is being issued to assist licensed fiduciaries in the completion and submission of the Annual Return. A common sense approach should be applied where questions in the Annual Return ask for percentages, figures or summaries.

The Annual Return form is to be submitted within two calendar months of the end of the Annual Return period to which it relates. The deadline therefore is 31st August.

Notes for completion

The relevant Annual Return form is in Excel format and can be downloaded from the Commission's website or from the start page of the return on the online submissions portal. Alternatively you can click on the links below:

[Annual Return for a Holder of a Full Fiduciary Licence](#) (including a licence granted to more than one company/partnership jointly)

[Annual Return for a Holder of a Personal Fiduciary Licence](#)

Once downloaded you should save the Annual Return form to your computer.

The guidance on the following pages relates to the sections in the Annual Return form. Please complete **all** sections of the form. Please do not complete any previous versions of the Annual Return form as the submission will be rejected.

Notes for submission

Once completed the Annual Return form should be submitted to the Commission in Microsoft Excel format through the online submissions portal at <https://submit.gfsc.gg>. The Return will appear in the timeline for the lead or personal licensee. If you click on the return and select 'Begin' you will be taken to the start page of the submission which will display an introduction, the name of the licensee, and the dates covered by the return. Holders of a full fiduciary licence will need to select an Ownership Category. If you click on 'Create' this will take you to the Document Upload page where you can upload the Annual Return form and any other additional information.

Annual Return forms which are not submitted through the online submissions portal will **not** be accepted.

FRONT SHEET

Please give the full name of the licence holder and GFSC Reference number as they appear on the Commission's website.

An organogram showing the ownership structure for licensed fiduciaries holding a full fiduciary licence is required together with a group organogram (if applicable) as at the end of the Annual Return period, disclosing all intermediate vehicles, their place of registration or incorporation and ultimate ownership. If the licensed fiduciary is owned by an overlying trust this also needs to be identified on the organogram together with the trustees and beneficiaries (if known). This information should be included in a separate document and uploaded using the Document Upload page of the Return.

PART A MANAGEMENT, CONTROL AND STAFFING (Full Fiduciary only)

Please state whether there have been any changes to the directors, controllers, managers or partners of the licensed fiduciary **including joint licensees** during the Annual Return period. If these changes have not been notified to the Commission, please submit a new electronic Personal Questionnaire ("PQ") or amend the details on your PQ using the Online PQ Portal.

The total number of staff and number of full time equivalent (FTE) staff are required for the sections on regulated fiduciary activities and other activities. Regulated fiduciary activities would include, for example, those staff engaged in administration and compliance. Other activities would include, for example, those staff engaged in information technology, human resources, bookkeeping and accountancy.

Where the employer is not the licensed fiduciary please state the name of the relevant employer(s) for each category in the relevant boxes provided.

The staff organogram should state each individual's name, position and contracted hours and should include consultants and non-executive directors, indicating which staff are signatories of the licensee. This information should be included as a separate document submitted with the Annual Return.

PART B ACTIVITIES OF THE LICENSED FIDUCIARY (Full Fiduciary only)

Please specify the regulated activities undertaken that relate to formation, management or administration or the provision of advice in relation to trusts, companies or other regulated activities. Please refer to the definition of regulated activities as set out in section 2 of [The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc \(Bailiwick of Guernsey\) Law, 2000](#) .

Licensed fiduciaries holding full and personal fiduciary licences should not submit their business plans in response to questions in this section of the Annual Return form.

Please ensure that you specify what function(s) are being outsourced and insourced, for example those support service functions; information technology, human resources, bookkeeping and accountancy.

ASSETS UNDER REGULATED ACTIVITIES

(Part B (Detail) for full fiduciary licensees – Part A (1) for personal fiduciary licensees)

“Assets under Trusteeship” is a term that has been used previously however “Assets under Regulated Activities” is a broader term whether administering trust assets directly or not; the licensee remains responsible for their proper administration. All assets held by fiduciaries when conducting regulated activities are included in the scope of this exercise including, but not limited to, standalone companies and foundations. The term “Assets under Trusteeship” is to be interpreted accordingly; that is Assets under Trusteeship can, for this exercise, be interpreted as Assets under Regulated Activities.

The Annual Return requests data for assets by reference to trust related activities; foundation related activities; corporate service activities and partnership related activities. The five asset categories and the valuation methodologies to be included for the regulated activities in this section are:

Category 1 Liquid or near liquid assets:

Marketable securities should be included at values (the carrying value in the balance sheet) according to the financial records of the entity concerned. This may well be the lower of cost or net realisable value or the market value if the decision has been made to revalue, both are acceptable valuations.

If real estate is held via a marketable fund or company it should be included in Category 1.

Category 2 Real Estate:

It is acknowledged that real estate may be stated in the balance sheet at cost, at a valuation made some years ago or according to a recent valuation. Occasionally real estate may be stated at a nominal value, where, for example, it was settled on the trustees. Licensees are urged to take a pragmatic view. The insurance value may assist if no other value is readily available. The Commission does not expect licensees to incur any costs in terms of valuing assets.

Category 3 Private company shares and other trading assets:

This category is intended for the typical “family company” type of trust asset and for traded assets included but not limited to merchant shipping stock, aircraft for commercial lease or charter and hotels (where not already included under real estate). It is acknowledged that valuing such assets can be difficult and that in some cases such assets (particularly private company shares) may be stated at nominal amounts whilst in other cases such assets may be stated at fair values (usually market value) which may, sometimes, be very substantial.

These assets should be reported at the amounts stated in the financial records.

Where trustees hold private equity assets of any sort which would not pass as “near liquid” assets, they should be included in this category.

Category 4 Works of Art, Antiques etc:

These assets should be reported at the amounts stated in the financial records of the entity concerned. This category may include other tangible assets held for investment purposes including, but not limited to, classic cars, stamps and wine collections.

Category 5 Other diverse assets:

Trustees often hold a diverse range of asset types which are not held for investment or re-sale. Such assets should be included in this category and would include private yachts and other pleasure craft, private aircraft plus other assets that cannot be categorised elsewhere. Once again these assets should be reported at the amounts stated in the financial records.

As a general note, assets can be stated by reference to the latest financial statements, where available, or, if not readily available from the insured value of the asset.

The focus is on assets and therefore liabilities are to be ignored.

It is acceptable to use the best estimate but licensees should be prepared to explain their methodology to the Commission on request.

Please ensure that when completing the asset values that you have agreed where it is relevant with any other licensed fiduciaries in the Bailiwick of Guernsey, which party is including the assets in the Annual Return in order to avoid duplication.

Trust related activities

Within the trust related activities section please include the value of all trust assets (including assets held via underlying companies). *For example a discretionary trust with GBP 100,000 liquid assets that owns 100% of an underlying company which holds GBP 200,000 liquid assets and real estate recorded at GBP 1 million in the company financial statements. The appropriate fields to populate within this section would be; All trusteeships (excluding ones listed above); Liquid and near liquid assets GBP 300,000 and Real Estate GBP 1 million. i.e. the value of the trust and the underlying company assets are recorded in the trust related activities section. Please note that for companies not owned by either a trust or a foundation those assets held by that company are recorded in the corporate services activities section.*

Number of appointments

Where a licensed fiduciary provides two or more trustees to a trust then this should be treated as one appointment.

Number of members (if multi-member scheme)

Where the licensee has one multi-member scheme with, for example, 100 members the “Number of Appointments” column is to be populated with 1 and “Number of Members (*if multi-member scheme*)” column with 100. If more than one multi-member scheme is held then the number of total schemes is to be populated in the “Number of appointments” column and the total members regarding all schemes in the “Number of members” column.

Trusteeships of purpose trusts

The number of appointments to a purpose trust and assets for purpose trusts and underlying companies to a purpose trust are required in this category. A purpose trust is a trust created for the fulfillment of a purpose, not for the benefit of a person.

Trusteeships of RATS

Where the data is requested for “Trusteeships of RATS” the Commission would expect the data entered for RATS to cover:

1. Schemes approved by the Director of Income Tax under 157A of the Income Tax (Guernsey) Law 1975 where those scheme members are resident in Guernsey or who have made Guernsey tax relieved contributions.
2. RATS which have received transfers from a UK scheme because the member has re-located to Guernsey or is also making Guernsey tax relieved contributions.

Trusteeships of QROPS - other than approved RATS

Where data is requested for “Trusteeships of QROPS other than approved RATS” the Commission would expect the data entered to relate to:

Schemes which have been approved by the Director of Income Tax under the Income Tax (Guernsey) Law 1975, which have accepted relevant transfers from UK pension schemes before 6 April 2012.

As most QROPS are RATS and may include Guernsey resident members, licensees are required to enter data regarding the non-Guernsey membership and the total asset values of the pension funds attributed to those members in the data field for QROPS. For any Guernsey resident members of these QROPS the relevant data should be entered in the box for “Trusteeships or administration of other pension categories”. The number of appointments for this one multi member scheme would be “one”, which should be included within the “Trusteeship of QROPS other than approved RATS”. If this scenario does arise it should be included within the text box field provided beneath the trust related activities section.

Trusteeships or administration of other pension categories

This relates to the administration of pension schemes which are not approved by the Director of Income Tax under the Income Tax (Guernsey) Law 1975, i.e. non-Guernsey schemes and those schemes under Section 40(ee).

Please also include in this category details of those schemes which were defined as QROPS prior to 5th April 2012 and which, post 5th April 2012, have not been reinstated as QROPS.

Additionally, data in respect of other types of pension schemes should also be included under “Trusteeships or administration of other pension categories”. For example, data regarding QNUPS should be entered within this category. As there are a number of different types of pension schemes it would be helpful if licensees were to identify what type of scheme the data relates to, and this may be done in a covering note or an accompanying schedule.

Trusteeships of Employee Benefit Trusts

Where the licensee has one multi-member scheme with, for example with a 100 members, the “Number of appointments” column is to be populated with “one” and “Number of members” column with 100. If more than one multi-member scheme is held then the number of total schemes is to be populated in the “Number of appointments” column and the total members regarding all schemes in the “Number of members” column.

Trusteeships of other benefit/incentive/ savings schemes

If completing “Trusteeships of other benefit/incentive/savings schemes” please provide details within the text box field provided beneath the trust related activities section.

All trusteeships (excluding ones listed above)

Please include details of all trusteeships that have not been recorded previously in the trust related activities section. Where a licensed fiduciary provides two or more trustees to a trust then this should be treated as one appointment.

Administration of trusts without acting as trustee (excluding ones listed above)

Please include the number of such appointments and relevant assets when providing administration services only and **not** acting as trustee.

Where the licensee undertakes the administration of trusts but does not act as trustee (as an example, the trusteeship may be in another jurisdiction) please include the number of such appointments and appropriate assets.

Foundation Related Activities:

Within the Foundation related activities section, please include the value of all foundation assets (including assets held via underlying companies). Please refer to the example within the trust related activities section for guidance.

Councillors (or equivalent)

Where a licensed fiduciary provides two or more councillors to a foundation then this should be treated as one appointment.

Administration only

Please note that where a licensed fiduciary provides a councillor to a foundation then the relevant category above entitled “Councillors” should only be populated.

Please include within the “Administration only” category the number of appointments in which the licensed fiduciary undertakes administration only; i.e. it does not undertake the role of Councillor, Guardian, Adviser or Protector of a foundation. For the purpose of this exercise providing the registered office will be treated as providing administration, therefore please include any registered office only appointments here.

Resident Agent when providing no other services

Please only populate this category when solely acting as resident agent and **not** performing any of the additional roles: acting as either Councillor, Guardian, Adviser; Protector or performing the administration (including that of registered office). Please note that no Assets under Regulated Activity values are required for this category.

Other Trust and Foundation Activities

Appointments as protector of a trust

Only the total number of appointments is required for this category.

Appointments as enforcer of a purpose trust

Only the total number of appointments is required for this category.

Guardian, Adviser or Protector of a foundation

Only the total number of appointments is required for this category.

Corporate Service Activities:

In this section asset values are required solely for those companies which are **not** owned by a trust or foundation, as asset values for trusts and foundations with underlying companies have already been recorded in the appropriate trust related and foundation sections. There is the potential for those assets held within a company owned by a trust, (for example), to be recorded twice, once in the trust related activities section and also incorrectly in the corporate services activities section.

Details of **all** company appointments (“Number of companies” – column) should, however, be included in this section regardless of whether asset values have been provided elsewhere. *For example, if a licensee administers 100 Guernsey companies in which it acts as corporate director; 80 of those companies are owned by an overlying trust and 20 are stand-alone companies; then the number of companies in which directorships of companies registered in Alderney and Guernsey would be populated with 100 within the Corporate Service Activities section.*

Directorships of companies registered in Alderney and Guernsey

Please provide the number of **all** companies registered in Alderney and Guernsey including **only** those assets for companies not owned by overlying trusts or foundations (as per the guidance above), as those assets held by companies owned by overlying trusts or foundations will have been reported elsewhere.

Directorships of companies registered in other jurisdictions

Please provide the number of **all** companies registered in jurisdictions other than Alderney and Guernsey; including **only** those assets for companies not owned by overlying trusts or foundations as per the guidance above, as those assets held by companies owned by overlying trusts or foundations will have been reported elsewhere.

Corporate services where no director is provided excluding where registered office only

Please provide the number of **all** such appointments including **only** those assets for companies not owned by overlying trusts or foundations as per the guidance above, as those assets held by companies owned by overlying trusts or foundations will have been reported elsewhere.

Corporate services for the purpose of this exercise relates to services such as administration, resident agent or company secretary. This should not include registered office only appointments which are stated in the category below.

Registered office only when providing no other services

For the avoidance of doubt this section should only contain information for the number of companies in which the licensee acts as registered office only when providing no other *regulated fiduciary* services.

Partnership Related Activities:

Management or administration of partnerships (when not acting as or providing a partner)

If, for example, the licensee is only providing administration services and not acting as or providing a partner then the number of such appointments and assets are required.

Management or administration of partnerships (when also acting as or providing a partner)
Please provide details when acting as or providing the partner and for example conducting the administration.

Acting as a partner (without management or administration provision)
Please provide details when acting as a partner and not conducting the administration for example.

Estates Related Activities

(Part B (Detail) for full fiduciary licensees – Part A (3) for personal fiduciary licensees)
Information should only be provided under this heading where the appointment has crystallised.

Where the deceased has died domiciled in the Bailiwick, please state number of appointments or cases under “Number of appointments or Cases – Bailiwick”. Where the deceased has died domiciled outside of the Bailiwick, please state number of appointments or cases under “Number of appointments or Cases – Other Jurisdictions”.

Breakdown of business

The Commission acknowledges that this section is open to interpretation.

It is acceptable to use the best estimate but licensees should be prepared to explain their methodology to the Commission on request.

Breakdown of Business by Client/Beneficiary Base

This relates to those individuals or main parties requesting the licensed fiduciary to provide services. A percentage allocation is required between Private Clients and Institutional Clients. For example, whether it is an individual seeking to have a structure established for that personal/family wealth as opposed to a corporation in any line of business.

Breakdown of business by geography

This question requires a best estimate of the originating geographical location of the fiduciary licensee’s client base as a percentage of the licensee’s total **fiduciary turnover**.

Please note that while the word “fiduciary” has been added in front of “turnover”, this simply serves as clarification and does not represent any change in meaning.

For trusts the geographical location would be the nationality of the settlor.

For foundations the geographical location would be the nationality of the founder.
For companies where there are multiple owners, licensees can select a majority or principal beneficial owner’s nationality rather than sub-dividing turnover according to respective interests.

For corporate trusts (e.g. EBTs) licensees can use the business location of the employer company, rather than analysing the nationality of each beneficial owner.

A common-sense approach should be taken in relation to the above section.

Examples: A Russian who has lived in London for the last 6 years would realistically have as their heritage Russia.

Alternatively, someone who left Hong Kong shortly before it was returned to China in 1997 and has spent the last 15 or so years living in Canada could quite reasonably be considered now to be Canadian, regardless of whether citizenship was taken or not.

Breakdown of New Business by Geography

Please note that the definition of new business relates to new clients not new business from existing clients.

The geographical location definition for trusts; companies and corporate trusts above also applies to this question. The requirement is for the geographical location of new clients as a percentage of new clients.

Registered Businesses

Below are links to the relevant pages on the Commission's website regarding definitions of Registered Businesses:

[Non-Regulated Financial Services Businesses](#)

[Prescribed Businesses](#)

INDIVIDUAL APPOINTMENTS (Part C for full fiduciary licensees)

The number of appointments to be listed in this section is for those individuals who, at the end of the annual return period, were performing regulated activities on behalf of the licensee in question.

Please note that individual directorships of the lead licensee or directorships of any joint licensees should not be included within this section.

NON-FIDUCIARY RELATED ACTIVITIES (Part D for full fiduciary licensees)

Please state clearly those non-fiduciary regulated activities that are carried on "by way of business" and whether the activities are authorised, licensed or registered by the Commission.

COMPLAINTS AND CLAIMS (Part E for full fiduciary licensees – Part C for personal fiduciary licensees)

Complaints

The Commission would expect licensed fiduciaries to disclose those complaints which fall within the definitions set out in their complaints procedures.

Notifications to insurers

The Commission expects this to cover notifications to the insurer of a potential claim.

For the question relating to insurers claims and value, please record the value of all payments made in respect of all claims paid by the licensee's insurer.