



Financial Services Rule Book 2016 – Rules relating to policies

Summary only – this document is not intended to be used without reference to the Financial Services Rule Book, nor can the Isle of Man Financial Services Authority accept responsibility for its accuracy. It remains the user’s responsibility to review the source legislation and ensure compliance with the Rule Book requirements.

This table sets out the obligations in the Financial Services Rule Book 2016 for licenceholders under the Financial Services Act 2008 to maintain policies.

Rule Title	Rule	Responsibility	Applies To	Comment
Vulnerable clients	6.31	A licenceholder	Class 2	Establish and implement.
Valuation of investments	6.55	A licenceholder	Class 3 (except activities in subclasses 11 or 12)	Changes to valuation methods must be agreed by the governing body.
Management controls	8.3	Responsible officers	Classes 1 - 8	Establish and maintain.
Risk management	8.6	Responsible officers	Classes 1 – 8 (except Class 8(1), 8(2)(b), or 8(3))	Annual review required. See also 8.33 for Class 1 licenceholders.
Remuneration policy	8.7	A licenceholder	Class 1, Class 2 and Class 3(6),(7) or (8)	Establish, implement and maintain.
Whistleblowing policy	8.8	A licenceholder	All Classes	Establish, implement and maintain.
Conflicts of interest	8.9	A licenceholder	All Classes except Class 8(1), 8(2)(b), or 8(3)	Establish, implement and maintain.

Summary only. It is each licenceholder's responsibility to review the rules and ensure that it is in compliance with the Rule Book.

Rule Title	Rule	Responsibility	Applies To	Comment
Credit risk policy	8.36	A licenceholder by its directors	Class 1 incorporated in IOM	Annual review required under 8.36 and notification to the Authority, within 4 months after the end of its financial year, that during the financial year the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.47. ¹
Large exposures policy	8.38	A licenceholder by its directors	Class 1 incorporated in IOM	Annual review required under 8.38 and notification to the Authority, within 4 months after the end of its financial year, that during the financial year the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.47.
Arrears and provisions policy for bad and doubtful debts	8.42	A licenceholder by its directors	Class 1 incorporated in IOM	Annual review required under 8.42 and notification to the Authority, within 4 months after the end of its financial year, that during the financial year the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.47.

¹ The Authority's [Consent and Notification Summary Table](#) provides further information regarding the various types of events which licenceholders are required to inform the Authority of, either on a notification basis, or prior consent before an action can proceed basis.

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Rule Title	Rule	Responsibility	Applies To	Comment
Liquidity policy	8.43	A licenceholder by its directors	Class 1 incorporated in IOM	Annual review required under 8.43 and notification to the Authority, within 4 months after the end of its financial year, that during the financial year the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.47.
Foreign exchange risk	8.45	A licenceholder	Class 1 incorporated in IOM	Annual (or more frequent) review required under 8.45 and notification to the Authority, within 4 months after the end of its financial year, that during the financial year the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.47.
Interest rate risk	8.46	A licenceholder	Class 1 incorporated in IOM	Annual (or more frequent) review required under 8.46 and notification to the Authority, within 4 months after the end of its financial year, that during the financial year the directors reviewed and approved the policy and were satisfied that it was up to date and appropriate under 8.47.

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Rule Title	Rule	Responsibility	Applies To	Comment
Annual review of certain policies	8.47	A licenceholder	Class 1 incorporated in IOM	Notification to the Authority, within 4 months after the end of its financial year, that during the financial year the directors reviewed and approved each policy and were satisfied that they were up to date and appropriate.
Credit risk policy	8.49	A licenceholder	Class 1 incorporated outside IOM	Annual review required.
Large Exposures	8.51	A licenceholder	Class 1 incorporated outside IOM	Must have and comply with documented controls and procedures in accordance with the large exposures policy of its head office or parent company.
Arrears and provisions policy for bad and doubtful debts	8.52	A licenceholder	Class 1 incorporated outside IOM	Annual review required.
Liquidity policy	8.53	A licenceholder	Class 1 incorporated outside IOM	Annual (or more frequent) review required.
Foreign exchange risk	8.55	A licenceholder	Class 1 incorporated outside IOM	Annual (or more frequent) review required.
Interest rate risk	8.56	A licenceholder	Class 1 incorporated outside IOM	Annual (or more frequent) review required.
Conflicts of Interest	9.21	Professional Officer	Professional Officer	Establish, implement and maintain.