GUIDANCE FOR PREPARING
FINANCIAL ADVISERS
STATISTICAL RETURN

Contents

General Information

A. The Financial Advisers statistical return (the "return") is applicable to all firms licensed under the Financial Services Act 2008 to conduct any combination of Class 2(3), (6) and (7), with no other Class 2 Permissions. This guidance document provides direction on how to complete the return. All firms must complete all relevant sections of the submission template, in accordance with this guidance. Grey areas within the tables in the return are input cells. Blue areas within tables are calculated fields or fields where no entry is required/permitted.

B. The spreadsheet workbook is "protected" to prevent alterations to the return structure and content in order for the return to be successfully submitted to the Authority's data warehouse. You must not tamper with the spreadsheet protection and validation or alter the structure or validation by adding or removing spreadsheet tabs or fields.

C. The default value in all grey data cells for completion must be zero (where no other value is entered) and must not be left blank. Any monetary amounts must be reported in GBP.

D. Firms should submit the return to **returns@iomfsa.im**. The reporting date is 31 December. Firms must submit the return annually, within four months of each reporting date (i.e. by 30 April). For the purpose of the return, the reporting period is the 12 months preceding the reporting date (01/01/20YY to 31/12/20YY), and the accounting period means the firm's latest 12 month fiscal period for which audited financial information is available[1].

E. Send any enquiries regarding the completion of the return, or the interpretation of this guidance, to **returns@iomfsa.im**.

F. The return contains free text comments boxes that allow firms to provide any commentary that is relevant to the completion of return section.

G. Under Section 40 of the Financial Services Act 2008 a person commits an offence if they knowingly or recklessly give any information to the Authority which is false or misleading.

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[1] Note: this means that the accounting period should normally reflect a year end within the reporting period, including if the accounting year end is December (as the audited accounts should be completed and available prior to the 30 April submission date).

Cover Sheet

A. The current return version number is 1.0, as stated in cell E3 of the cover sheet of the return template available on our website. This version must be used otherwise the return will be rejected.

B. Completion of the cover sheet spreadsheet is mandatory and the form sections should be completed as follows:

- **Firm Information**: Input the full registered name of the firm. For this return type and name the reporting period should be 01/01/20YY (date from) and 31/12/20YY (date to). New firms should input the date of licensing/registration for the "Date Return From" field.

- **Firm Declaration**: A Notified and Accepted role holder within the firm or an R17 Notified Only role holder must complete the Firm Declaration. The primary Controlled Function(s) held should be input in the "Position" field. [Please note that only one signatory is required for this return].

- **Comments:** Additional information to explain the data submitted may be input to this non-mandatory free text field. For example, you may explain any material variances or assumptions made.

C. Note: validation is embedded into the Cover Sheet; if Cell G2 shows an "Incomplete" error message this means either the cover sheet or content of the return is insufficiently completed. You can review column G to help determine the cause of the issue. Cell G2 must show as "complete" or the return will be rejected by the data warehouse.

1. Staffing

Section 1 - Staffing		
1.1	Total staff working for the firm	Populate the total number, FTE and FTE vacancies fields with the number of persons working for the firm, either through direct employment including contractual work, or via group service agreements as at the reporting date.
1.2	Total staff that are shared services or on contract	Populate the total number, FTE and FTE vacancies fields with the number of persons working for the firm, either through contractual work or via group service agreements as at the reporting date.

1.3	Number of dedicated compliance and / or risk personnel	Populate the total number, FTE and FTE vacancies fields with the number of dedicated compliance and / or risk personnel (including the MLRO) engaged by the firm whether directly or through a contract for service as at the reporting date.

2. Staff Turnover

Section 2 - Staff Turnover		
2.1	Turnover of employed staff as a percentage	This field relates to staff employed by the firm and staff employed through a group service company for the firm. Calculate this percentage using the formula: (total number of leavers in the reporting period / average number of employees in the reporting period) x 100. To calculate the average number of employees, just add the number of employees at the beginning of the time-period (e.g. as at 1 January) to the number of employees at the end of the time-period (e.g. at 31 December), and divide by two. The comments box can be utilised to provide any additional information.

3. Breaches

Section 3 - Breaches / contraventions		
3.1	Total number of breaches/ contraventions identified in the reporting period	The sum of cells D4 and E4 should equal the total number recorded on the firm's breach register[2] during the reporting period. The firm's judgement is required to determine the materiality[3] of any breach. The firm may provide supplementary information regarding its materiality threshold in the comments box provided.

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[2] The breach register must include all breaches of the regulatory requirements (as defined in Rule 8.1 of the Financial Services Rule Book) applicable to the firm.
[3] Guidance on what constitutes a "material" breach is available **here**.

4. Complaints

	Section 4 - Complaints	
4.1	Total complaints received in the reporting period	Input the total number of complaints received in the reporting period, whether received by telephone, in writing or face to face.
4.2	Category of complaints received	Input the number of complaints received allocated against each category. The total number may add up to more than the total number of complaints reported in Section 4.1 as some complaints might cross multiple categories.
4.3	Financial Services Ombudsman Scheme ("FSOS") referrals	Input the number of complaints referred to the (Isle of Man) FSOS in the reporting period.
4.4	Complaints upheld by the FSOS	Input the number of complaints upheld by the FSOS in the reporting period.
4.5	Complaints referred to Professional Indemnity ("PI") Insurer(s)	Input the number of complaints referred to the PI Insurer(s) in the reporting period.
4.6	On how many claims has the PI Insurer(s) made payments	Input the number of claims in which the PI Insurer(s) has made a payment within the reporting period.

5. Complaint Remediation

Section 5 - Complaint Remediation in the reporting period		
5.1	Complaints not resolved within 8 weeks	Of all complaints received in the reporting period, input the number of complaints that took more than 8 weeks to be resolved (closed), and those which remain unresolved at the reporting date and have been outstanding for more than 8 weeks.

6. Outsourcing

Section 6 - Outsourcing		
6.1	Total number of outsourcing arrangements at the reporting date	Input the total number of outsourcing arrangements at the reporting date in column D, including indicating how many of these are considered material outsourcing, in column E. Columns F to I should also be completed as outlined below.
6.2 (6.2.1 to 6.2.8)	Breakdown of outsourcing arrangements	For each category specified in 6.2.1 to 6.2.8 input the information for columns D to I in accordance with the guidance below.
Column D	Number of outsourcing arrangements	Input the total number of outsourcing arrangements for each relevant category. The sum total of 6.2.1 to 6.2.8 in column D may exceed the number in cell D5.
Column E	Number of material outsourcing arrangements	Input the total number of outsourcing arrangements, for each relevant category, which the firm has assessed as being material outsourcing. The sum total of 6.2.1 to 6.2.8 in column E may exceed the number in cell E5.
Column F/G/H	Jurisdiction of service provider	For each relevant category, with reference to the number of arrangements reported in column D, provide a breakdown of the outsourcing arrangements according to the jurisdiction of the service provider (the jurisdiction should be with reference to the primary service provider, not to any sub-outsourced provider). The sum total of

		column F, G and H should equal the number reported in column D, for each relevant category of arrangement.
Column I	Number of outsource providers that are part of the firm's own group	Indicate in this column the number of outsource providers that are part of the same corporate group as the firm, broken down by nature of arrangement.

7. PII

Section 7 - Professional Indemnity Insurance ("PII")		
7.1	PII notifications	Input the total number of notifications made to the firm's PII Insurer(s) in the reporting period whether formally classified as a claim or not.
7.2	PII Insurer claims	Input the total number of claims made to the firm's PII Insurer(s) in the reporting period.
7.3	PII Insurer payments	Input the total number of claims where the PII Insurer(s) made a payment in the reporting period whether being an interim payment or in final settlement.
7.4	Claims turned down by PII Insurer(s)	Input the total number of instances where the PII Insurer(s) turned down a claim in the reporting period.
7.5 to 7.12		Data input into these sub-sections should relate to the firm's current PII policy (or policies), and should be completed with reference to the PII cover in place at the date of submitting this return.
7.5	The amount of the firm's current PII cover	Input the annual aggregate limit applying to the firm's current PII cover in relation to the regulated activity covered by this return.

7.6	The amount of the firm's current PII excess	Input the amount of the firm's current PII excess as applicable to the regulated activity covered by this return.
7.7	Cost of PII cover	Input the firm's most recent cost (last annual premium) of PII cover. Where group PII coverage applies and you are unable to extract the cost, you may input a nil entry.
7.8	Is the PII cover part of a group policy?	Use the drop down options to advise whether the current PII policy covers a group of companies or solely the firm. Please use the comments field to provide clarification, if needed.
7.9	Is the PII cover on a claims made basis, with a limit for "any one claim" and in the annual aggregate?	If the firm's current PII policy is "any one claim" and in the annual aggregate, "yes" should be selected. If not, please select "no" and provide further details in the comments box.
7.10	Non-standard exclusions relating to regulated activities, product types or jurisdictions	Use the drop down options to advise of any current non-standard exclusions relating to regulated activities, product types or jurisdictions. Examples of non-standard exclusions may be the exclusion of a particular country or product type that the firm operates in or sells.
7.11	Name of Insurer(s)	This is a free text field; please input the full name of your current PII Insurer(s). If there is more than one insurer, please indicate in the comments box which is the primary PII Insurer.
7.12	Jurisdiction of Insurer(s)	Select the jurisdiction of incorporation of your current PII Insurer(s), using the drop down list provided. Where more than one PII Insurer is used, input the primary PII insurer jurisdiction within this field and the jurisdiction of any other PII Insurer(s) within the comments box.

8. Client Base

Section 8 - Composition of clients as at the reporting date		
8.1	Total number of clients as at the reporting date	Input the total number of clients as at the reporting date.
8.2	Number of investment business clients generating income (by fee or commission)	Input the number of investment business clients generating income (by fee or commission) as at the reporting date.
8.3	Number of investment business clients not generating income (by fee or commission)	Input the number of investment business clients not generating income (by fee or commission) as at the reporting date.
8.4	Number of pure protection clients generating income (by fee or commission)	Input the number of pure protection clients generating income (by fee or commission) as at the reporting date.
8.5	Number of general insurance clients generating income (by fee or commission)	Input the number of general insurance clients generating income (by fee or commission) as at the reporting date.
8.6	Number of clients availing of other services not covered in 8.2 to 8.5 (for example mortgage broking)	Input the number of clients availing of other services not covered in 8.2 to 8.5 (for example mortgage broking) as at the reporting date.

9. Financial Information

Section 9 - Split of business for whole firm - Turnover (in the Accounting Period)		
9.1 to 9.4		The figures input into this section must be for the **accounting period,** and should be rounded to the nearest whole pound sterling. The sub-totals in 9.5 and the total turnover in 9.6 are automatically calculated.
9.1	Investment Business	Input the turnover earned from Class 2 investment business activities only, split between the bases specified in columns D to F.
9.2	General Insurance	Input the turnover earned from General Insurance business activities only (if applicable), split between the bases specified in columns D to F.
9.3	Pure Protection Insurance	Input the turnover earned from Pure Protection Insurance business activities only (if applicable), split between the bases specified in columns D to F.
9.4	Other	Input the turnover earned from products or activities other than those in sections 9.1 to 9.3, split between the bases specified in columns D to G. This may include non-regulated activities such as mortgage broking or items such as interest income earned on own funds. Please provide additional information on the composition of any figures reported as "other" in the comments box.
9.7	Audited turnover	Input the audited turnover for the accounting period. This figure should equal the total turnover in cell D10 (line 9.6). The "validation" cell shows the status.
9.8	Accounting Period (year-end)	Input the accounting period (year-end) that the audited turnover figure in line 9.7 relates to. This should be input in the format DD/MM/20YY.

10. Investment Business - Top 3 product providers

Section 10 – Top 3 product providers by income	
10.1 – 10.3	Input figures relating to the top 3 product providers by income received, as used for investment business activities.

11. Investment Business - Clawed Back Commission

Section 11 – Clawed Back Commission		
11.1	Clawed back Commission / Fees rebated due to surrender in the accounting period	Input the number of cases and value of the indemnity commission actually clawed back during the accounting period.
11.2	State the maximum indemnity commission liability of the firm	Input the maximum value of the indemnity commission that could be clawed back if all relevant products sold on this basis lapsed at the accounting period end date.

12. Investment Business - Client Activity

Section 12 - Client Activity		
12.1 & 12.2	New / ceased Investment Business clients	For the purpose of 12.1 and 12.2, *"Generating income"* includes any form or basis of remuneration including one off fees in the reporting period.
12.3	Existing Investment Business clients - new or additional investments or pensions	This may include any existing clients who have made top ups into existing investments made during the reporting period.

12.4	Investment Business clients assessed as being vulnerable	Input the number of clients identified as being vulnerable at any time during the reporting period (whether this assessment was for a new client or an existing client).

13. Investment Business - Service Type

Section 13 - Split of Investment Business By Service Type		
13.1 to 13.4	Percentage of clients to whom service type is provided	Input the % of total clients for each of rows 13.1 to 13.4 that have received services on each basis. It is noted that some clients may be provided with services on more than one basis. In such instances they should be included in each row as appropriate (there is no requirement for the total of rows 13.1 to 13.4 to equal 100%).
13.1 – 13.4	Business written in reporting period	This should include data pertaining to new clients as well as data for additional or further services provided to existing clients.

14. Investment Business - Value of Assets under Advice

Section 14 - Value of Assets under Advice as at the reporting period end		
14.1	Value of assets under advice as at the reporting date	Input the aggregate net asset value of securities and investment products for which the firm has rendered investment advice, and retains an ongoing business relationship (including continuing to receive fees and commission). The information should represent the position as at the reporting date, where possible. Otherwise, it should represent the most recent available data prior to the reporting date.
14.2	Value of execution only assets	Input the value of assets over which the firm facilitated only trade execution. The information should represent the position as at the reporting date, where possible. Otherwise, it should represent the most recent available data prior to the reporting date.

15. Investment Business - Types of Investments advised upon

Section 15 - Types of Investments advised upon		
15.1 to 15.5		For each type of investment specified in 15.1 to 15.5 input the information for columns D to F in accordance with the guidance below. This section seeks information on the underlying assets that clients ultimately invested into, and thus looks through (for example) life assurance wrappers.
Column D	Value of assets (£)	**15.1 - Discretionary Investment Management ("DIM")** - input the value of assets managed by DIMs as a result of the DIM managing the monies of the firm's clients. **15.2 - Collective Investment Schemes** - input the total value of collective investment schemes under advice, excluding the value of *Unregulated Collective Investment Schemes*, which should be input in 15.3. Collective Investment Schemes may include unit trusts, investment trusts and exchange traded funds. **15.3 – Unregulated Collective Investments Schemes** - input the value of investments in Unregulated Collective Investment Schemes only. **15.4 - Investment Bonds** - input the value of investments made into investment bonds. **15.5 – Investments (Other)** - input the value of any investments that are not any of 15.1 to 15.4. Please provide commentary on any such investments in the comments box.
Column E	Value of Assets relating to New Business in the Reporting Period	Values can be the initial amount(s) invested, as per the new business log.
Column F	Number of Items of New Business in the Reporting Period	Input the number of items of business written in each category. A portfolio of collective investment schemes for an individual client should be counted as being 1 item of new business.

16. Investment Business - Type of Adviser Remuneration

Section 16 - Type of Adviser Remuneration Structures Offered (by way of fee)		
16.1 to 16.10		For each remuneration type specified in 16.1 to 16.10 input the information for columns D to F in accordance with the guidance below.
Column D & E	Maximum Fee / Maximum % of Total Investment	If there is no "maximum fee chargeable" or no applicable "maximum % of total investment" for any of the rows 16.1 to 16.10 then the figure "0" must be input.
Column F	Typical Charging Basis	Select "yes" or "no" from the drop down list for each of rows 16.1 to 16.10.

17. Investment Business - Services provided to Group Pension Schemes

Section 17 - Services provided to Group Pension Schemes		
17.1	Group Pension Schemes	Input the number of group pension schemes that the firm provides services to as at the reporting date.
17.2	Group Pension Scheme Members	Input the number of group pension scheme members that the firm provides services to as at the reporting date.

18. Investment Business - Personal Pension Scheme Transfers and/or switches

Section 18 - Personal Pension Scheme Transfers and/or Switches		
18.1 to 18.3		Use the aggregated value(s) of the pension schemes as at the date of the transfers / switches.

19. Pure Protection Business - Top 3 product providers

Section 19 – Top 3 product providers by income	
19.1 to 19.3 Confirm the top three product providers by amount of income in the accounting period.	This section is applicable to firms that are also registered as partially exempt General Insurance Intermediaries under the Insurance Act 2008 (Pure Protection business). Firms that are not partially exempt General Insurance Intermediaries should enter zeros in all grey fields in this section. Firms that are fully registered as General Insurance Intermediaries will continue to submit data on these activities through a separate return, and should enter zeros in this section.
19.1 to 19.3	Input figures relating to the top 3 product providers by income received as used for pure protection insurance business activities only.

20. Pure Protection Business - Clawed Back Commission

Section 20 – Clawed Back Commission		
General		This section is applicable to firms that are also registered as partially exempt General Insurance Intermediaries under the Insurance Act 2008 (Pure Protection business). Firms that are not partially exempt General Insurance Intermediaries should enter zeros in all grey fields in this section. Firms that are fully registered as General Insurance Intermediaries will continue to submit data on these activities through a separate return, and should enter zeros in this section.
20.1	Clawed back Commission / Fees rebated due to surrender in the accounting period.	Input the number of cases and value of the indemnity commission actually clawed back during the accounting period.