



## GUIDANCE FOR PREPARING INVESTMENT BUSINESS & FUNDS STATISTICAL RETURN

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## General Information

A. The Investment Business & Funds statistical return (the “return”) is applicable to all firms licensed under the Financial Services Act 2008 to conduct any combination of Class 2 and/or Class 3 regulated activity, except the following:

- Class 4 / 5 licenceholders with associated ancillary permissions (for example Class 3 services to exempt schemes);
- Firms only holding any combination of Class 2(3), (6) and (7), with no other Class 2 permissions (financial advisers);
- Class 1 licenceholders.

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<sup>1</sup>.

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 sections.

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<sup>1</sup> 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).

- 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.

## 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	<p>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.</p> <p>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.</p> <p>The comments box can be utilised to provide any additional information.</p>

## 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 <sup>2</sup> during the reporting period. The firm's judgement is required to determine the materiality <sup>3</sup> of any breach. The firm may

<sup>2</sup> 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.

<sup>3</sup> Guidance on what constitutes a "material" breach is available [here](#).

		<p>provide supplementary information regarding its materiality threshold in the comments box provided.</p> <p>Managers / administrators of Isle of Man collective investment schemes should also report any breaches / contraventions of applicable legislation by those schemes in cell G4.</p>
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## 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.
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## 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 box 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. Clients' Assets – held during the period

Section 8 - Clients' Assets - held during the period		
8.1	Did the firm hold client money or trust money in the reporting period?	Use the drop down options to select the appropriate response. For this purpose, client money and trust money are as defined in the Financial Services Rule Book (rule 3.2, interpretation).  Client money / trust money does <b>not</b> include monies held in client company bank accounts.
8.2	Did the firm hold safe custody assets in the reporting period?	Use the drop down options to select the appropriate response. For the purpose, safe custody assets relate to firms that provide safe custody services in relation to clients' investments, including through nominees.

## 9. Clients' Assets - Breaches

Section 9 - Clients' Assets - Breaches		
9.1	Total number of Client Asset Breaches identified in the reporting period	The firm's judgement is required to determine the materiality <sup>4</sup> of any breach. See also section 3.1.

## 10. Clients' Assets – Account Information

Section 10 - Clients' Assets - Account Information		
10.1 to 10.8		For each category specified in 10.1 to 10.8 (as per part 3 of the Rule Book) input the information for columns D to K in accordance with the guidance below.
Column D	Number of new accounts opened in the reporting period	Input the total number of accounts, including dormant / inactive accounts, opened in the reporting period. Multi-currency accounts (an account with sub-accounts in different currencies) should be treated as one account.

<sup>4</sup> Guidance on what constitutes a "material" breach is available [here](#).

Column E	Number of accounts closed in the reporting period	Input the total number of accounts, including dormant / inactive accounts, closed in the reporting period.
Column F	Number of accounts held as at the reporting date	Input the total number of accounts, including dormant / inactive accounts, held at the reporting date. Multi-currency accounts (an account with sub-accounts in different currencies) should be treated as one account.
Column G	Number of multi-currency accounts as at the reporting date	Input the total number of different currency sub-accounts in this cell, as at the reporting date; i.e. where the accounts have the same account number.
Column H	Number of inactive / dormant accounts as at the reporting date	Input the total number of inactive / dormant accounts, held at the reporting date, which have had no financial activity in the reporting period.
Columns I, J & K	Location of Accounts held as at the reporting date	For the number of accounts reported in column F, input the number of accounts according to the jurisdiction of where the account is located (including dormant accounts). Multi-currency accounts (an account with sub-accounts in different currencies) should be treated as one account. The sum total of column I, J & K is automatically calculated in column L, and this sum-total must equal the number reported in column F.

## 11. Clients' Assets - Balances

Section 11 - Clients' Assets - Balances		
11.1 to 11.8		For each category specified in 11.1 to 11.8 (as per part 3 of the Rule Book) input the information for columns D to F in accordance with the guidance below.
Column D	Highest balance held in the reporting period	Report the highest aggregate balance taken from the data that the firm has recorded from internal reconciliations.  For example, if there are 3 client bank accounts (refer line 11.1), take the highest value for each of those accounts

		(individually) in the reporting period, add up the value of those balances and report the total (aggregate) amount.
Column E	Lowest balance held in the reporting period	Report the lowest aggregate balance taken from the data that the firm has recorded from internal reconciliations.  For example, if there are 3 client bank accounts (refer line 11.1), take the lowest value for each of those accounts (individually) in the reporting period, add up the value of those balances and report the total (aggregate) amount.
Column F	Balance as at the reporting date	Report the aggregate balance taken from the data that the firm has recorded from internal reconciliations as at the reporting date.  For example, if there are 3 client bank accounts (refer line 11.1), add up the value of all those balances and report the total (aggregate) amount.

## 12. Top 5 institutions holding clients' money / trust money

Section 12 - Top 5 institutions holding clients' money / trust money as at the reporting date		
12.1 to 12.5		For each institution specified in 12.1 to 12.5, input the information for columns C to F in accordance with the guidance below.
Column C	Name of institution	This is a free text field; please input the full name of each institution as at the reporting date.
Column D	Percentage of total client money / trust money	Calculate this percentage on the basis of the balances used in the final internal reconciliation as at the reporting date.
Column E	Jurisdiction	Select the jurisdiction in which each institution is incorporated (or if held in a branch, the location of that branch), using the drop down list provided.

Column F	Is this institution part of the firm's own group	Indicate in this data field whether each institution is, or is not, in the same corporate group as the firm.
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### 13. Top 5 custodians holding clients' investments

Section 13 - Top 5 custodians holding clients' investments as at the reporting date		
13.1 to 13.5		For each custodian specified in 13.1 to 13.5 input the information for columns C to F in accordance with the guidance below. This information is in respect of eligible custodians (part 4 of the Rule Book).
Column C	Name of custodian	This is a free text field; please input the full name of each custodian as at the reporting date.
Column D	Percentage of total client investments	Calculate this percentage on the basis of the balances used in the final internal reconciliation as at the reporting date in question.
Column E	Jurisdiction	Select the jurisdiction in which each custodian is incorporated (or if held in a branch, the location of that branch), using the drop down list provided.
Column F	Is this institution part of the firm's own group	Indicate in this data field whether each custodian is, or is not, in the same corporate group as the firm.

### 14. Financial Information

Section 14 (part 1) – Split of business for whole firm - Turnover (in the Accounting Period)	
14.1 to 14.6	<p>The figures input into this section must be for the <b>accounting period</b>, and should be rounded to the nearest whole pound sterling. The sub-totals in 14.7 and the total turnover in 14.8 is automatically calculated.</p> <p>Generally, turnover from services to exempt-type schemes or recognised schemes should be allocated to "services to overseas (non-IOM) CIS" where possible. Turnover from services to other managers /</p>

		administrators of schemes should be allocated to either “services to IOM CIS” or “services to overseas (non-IOM) CIS” (based on there that manager / administrator is located), where possible.
14.1	Turnover earned from acting as a manager and / or administrator	Input the turnover earned from acting as a manager & / or an administrator of collective investment schemes.
14.2	Turnover earned from asset management / investment advisory	Input the turnover earned from providing asset management (including investment management) & / or investment advisory services.
14.3	Custody / Trustee fees	Input the turnover earned from providing custodian & / or trustee services.
14.4	Commission	Input the turnover earned from commission (this may be on a net commission basis).
14.5	Promoter fees	Input the turnover earned from acting as a promoter to collective investment schemes.
14.6	Interest income	Input the interest income earned on own funds.
14.7	Other turnover (if applicable)	<p>Input the turnover earned from products or activities other than those in sections 14.1 to 14.6. This may include turnover from FX turns, other regulated or non-regulated activities, or one off income items.</p> <p>Please provide additional information on the composition of any figures reported as “other” in the comments box.</p>
14.10	Audited turnover	Input the audited turnover for the accounting period. This figure should equal the total turnover in cell D13 (line 14.9). The “validation” cell shows the status.

14.11	Accounting Period (year-end)	Input the accounting period (year-end) that the audited turnover figure in line 14.10 relates to. This should be input in the format DD/MM/20YY.
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#### Section 14 (part 2) – Five largest clients by income (in the accounting period)

14.12 to 14.16	Sections 14.12 to 14.16	<p>Input the turnover earned in the accounting period from the five largest clients. This should include turnover earned for any, and all, services provided to the clients.</p> <p><i>Identifying reference:</i> this may be an account number or similar to protect anonymity.</p> <p><i>Percentage of turnover:</i> this column will calculate automatically.</p> <p><i>Primary service provided:</i> from the drop down list, select the service that accounts for the largest proportion of the income earned for the client.</p>
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## 15. Client Base and Asset Types – split of clients by activity

#### Section 15 – Split of clients by activity as at the reporting date

15.1	Total number of clients as at the reporting date	<p>Input the total number of clients according to the firm's records as at the reporting date. If the firm does not record information by "client" but by another applicable measure such as "account", these figures can be input in section 15.1 and sections 15.2 to 15.5 instead. If this is the case, the firm should include comments in the comments box provided.</p> <p>For the purpose of this return, any client numbers reported in relation to collective investment schemes should simply consider each scheme as being a client, and not report the numbers of underlying investors in the schemes.</p> <p>Generally, clients that exempt-type schemes or recognised schemes should be allocated to "services to overseas (non-IOM) CIS". Clients that other managers / administrators of schemes should be allocated to either "services to IOM CIS" or "services to overseas (non-IOM)</p>
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		CIS" (based on there that manager / administrator is located).
15.2 to 15.7	Sections 15.2 to 15.7	<p>These rows should be populated with the total numbers of clients as at the reporting date as applicable to each service / category. Some clients may be provided with multiple services and thus be included in multiple categories in rows 15.2 to 15.7.</p> <p>The total number of clients at the reporting date in line 15.1 may therefore not be equal to the sum of 15.2 to 15.7.</p>
15.6	Clients provided with fund management / administration services	Input the number of schemes for whom the firm acts as a manager & / or administrator. Also, include the numbers of managers / administrators of schemes that the firm provides services to.
15.7	Clients provided with promoter services	Input the number of schemes for whom the firm acts as a promotor.
15.8	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).
15.9	State the average persistency rate over the reporting period	Input the percentage (to the nearest whole percent) of all clients retained over the reporting period. One way of calculating this is:- number of customers at the end of the reporting period, less new customers acquired, divided by the number of customers at the start of the period, expressed as a percentage.

## 16. Client Base and Asset Types – value per asset type

Section 16 – Value per Asset Type	
16.1 to 16.8	For each asset type specified in 16.1 to 16.8 input the information for columns D to K in accordance with the guidance below. This section seeks information on the underlying assets that clients held as at the reporting

		date. <i>This section is not applicable for fund management / administration, or promoter, activity.</i>
16.1	Equities on recognised or designated exchanges	Input the value of investments held in equities that are listed on recognised, or designated, exchanges. For this purpose, recognised and designated exchanges are as defined in the Rule Book.
16.2	Collectives	Input the total value of collectives held, excluding the value of <i>Unregulated Collective Investment Schemes</i> , which will be input in 16.3. Collectives may include unit trusts, investment trusts and exchange traded funds.
16.3	Unregulated Collective Investment Schemes	Input the value of investments in Unregulated Collective Investment Schemes only.
16.4	Fixed Income securities	Input the value of fixed income securities held. This will include government and corporate bonds.
16.5	Exchange traded derivatives	Input the value of any derivatives held at the reporting date. These may be options, forwards, futures, or other agreements whose value is based on that of an underlying asset.
16.6	Cash and cash equivalents	Input the value of cash and cash equivalents held. Cash equivalents may include (for example) short term Treasury Bills and Commercial Papers. Money Market funds should be included in 16.2 rather than here.
16.7	OTC instruments other than those reported above	Input the value of any Over the Counter (“OTC”) instruments held at the reporting date, unless already included in any of the above categories. Thus, this may include OTC equities and OTC derivatives.
16.8	Other (if applicable)	Input the value of any investments that are not any of 16.1 to 16.7.