GFSC publishes final rules and guidance on Guernsey's new Lending, Credit and Finance legislation

January 2023

The Guernsey Financial Services Commission (GFSC) has published its feedback paper (19 Jan 2022) on the consultation around the Lending, Credit & Finance Rules, Guidance and Implementation, following the States of Deliberation's approval of the **Lending, Credit and Finance Law ("the LCF Law")** on 14 July 2022.

The LCF Law requirements come into operation on 1 July 2023 and the window for licence applications formally opens on 1 February 2023. Published alongside the feedback paper were the final form of the Lending Credit & Finance Rules and Guidance, 2023 together with detail of a series of class exemptions from licensing the Commission is putting in place in accordance with the LCF Law.

Notwithstanding the LCF Law's name, the licensing regime extends beyond lending to a total of four categories:

- Consumer Credit & Home finance;
- Financial Firm Businesses;
- Virtual Asset Service Providers and;
- Fintech platforms.

This is because the LCF Law effectively replaces Guernsey's existing Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008.

Guernsey firms holding an existing NRFSB Law registration or operating in the crypto, fintech or lending spaces should therefore consider the necessity of LCF Law licensing with the benefit of the new rules, guidance and exemptions and if necessary begin taking the next steps towards an application. Collas Crill's finance and risk and regulatory teams have been monitoring the development of the LCF law since its initial proposal and will be issuing further guidance in the relevant categories in due course.

In the meantime, we would be delighted to assist or guide you with any queries at this stage.

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