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Subsidiary Legislation made under ss.6(1), 24(3)(v), 44(4), 61(1), 63(3), 64(3), 150(1), 164(1), 166(2), 620(1), 621(1) and 627.

Financial Services (Bureaux de Change) Regulations 2020

LN.2020/008

		<i>Commencement</i>	15.1.2020
Amending enactments	Relevant current provisions		Commencement date
LN. 2022/188	Sch.		1.1.2021

2019-26

Financial Services

2020/008 Financial Services (Bureaux de Change) Regulations 2020

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In exercise of the powers conferred upon the Minister under sections 6(1), 24(3)(v), 44(4), 61(1), 63(3), 64(3), 150(1), 164(1), 166(2), 620(1), 621(1) and 627 of the Financial Services Act 2019, the Minister has made the following Regulations.

**PART 1
PRELIMINARY**

Title and Commencement.

1.(1) These Regulations may be cited as the Financial Services (Bureaux de Change) Regulations 2020.

(2) These Regulations come into operation on the day of publication.

Interpretation.

2.(1) In these Regulations, unless the context otherwise requires—

“the Act” means the Financial Services Act 2019;

“authorised credit institution” means a credit institution with a Part 7 permission or a credit institution that has received authorisation under Article 8 of the Capital Requirements Directive from its home state regulator and that has exercised its EEA right under Part 2 of Schedule 10 to the Act.

“auditor”, in relation to a bureau, means the person appointed by the bureau to be its auditor for the purpose of these Regulations and who is in office at that time;

“bureau de change business” means a regulated activity that falls within Paragraph 135 of Schedule 2 to the Act;

“bureau de change” or “bureau” means a person with a Part 7 permission to carry out bureau de change business;

“Capital Requirements Directive” has the meaning given in paragraph 3, Part 2 of Schedule 1 to the Act;

“customer” means any person for whom a bureau carries on or intends to carry on the activity of a bureau de change business, and includes a potential customer;

“financial year”, in relation to a bureau, means—

- (a) the period beginning with the day on which the bureau commences to carry on bureau de change business and ending with the date as at which it prepares its first annual balance sheet; and
- (b) each subsequent period beginning with the day following the day as at which an annual balance sheet of the bureau is prepared for the purposes of these

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Regulations and ending with the day as at which the next annual balance sheet of the bureau is so prepared;

“money” includes any form of money, whether represented by a cheque, or other payable order, or otherwise;

“Part 7 permission” means a permission under Part 7 of the Act;

“regulatory system” means the arrangements for regulating a bureau under the Act and subsidiary legislation made under the Act and any rules or directions made by the GFSC;

“the Register” means the register which is established and maintained by the GFSC in accordance with both Part 4 of the Act and, in relation to the provision of fiduciary services business, regulation 50.

(2) In these Regulations any reference to a balance sheet or to a profit and loss account includes any notes to the financial statement in question giving information which is required by any provision of these Regulations and required or allowed by that provision to be given in a note to the bureau’s financial statements.

(3) Accordingly, in these Regulations, the expressions listed in the first column below are defined or otherwise explained by the provisions of Schedule 2 to the Act which are listed in the second column—

<i>Expression</i>	<i>Provision of Schedule 2 to the Act</i>
financial instrument	Paragraph 46

Application.

3. These Regulations apply to and have effect in relation to every bureau in respect of its bureau de change business.

PART 2 CONDUCT OF BUSINESS

Independence

Independence.

4. Where a bureau is acting for a customer—

- (a) it must not claim it is independent or impartial if it is not; and
- (b) it must ensure that any claim it makes as to its independence or impartiality adequately includes any limitation that there may be on either.

Material interest.

5. Where a bureau has a material interest in a transaction to be entered into with or for a customer, or a relationship which gives rise to a conflict of interest in relation to such a transaction, the bureau must not knowingly deal in relation to that transaction unless it has—

- (a) fairly disclosed that material interest or relationship, as the case may be, to the customer; or
- (b) taken reasonable steps to ensure that neither the material interest nor relationship adversely affects the interests of the customer.

Inducements.

6. A bureau must take reasonable steps to ensure that neither it nor any of its employees or agents either offers or gives, or solicits or accepts, any inducement that is likely to conflict with any duties owed to customers.

*Advertising and marketing***Issue of advertisements.**

7. Where a bureau issues an advertisement concerning bureau de change business, it must have appropriate expertise in relation to that bureau de change business concerned and take all reasonable steps to ensure that—

- (a) the contents and presentation of the advertisement are demonstrably fair and not misleading; and
- (b) the advertisement discloses fairly the risks involved.

Identification of advertisement issuer.

8. Where a bureau issues an advertisement concerning bureau de change business, it must ensure that the advertisement identifies it as the issuer.

Fair and clear communications.

9.(1) A bureau may make a communication with another person which is designed to promote the activities of its bureau de change business only if it can show that it believes on reasonable grounds that the communication is fair and not misleading.

(2) A bureau must take reasonable steps to ensure that any agreement, written communication, notification or information that it gives or sends to customers is presented fairly and clearly.

Customer's understanding of risk.

10. A bureau must not–

- (a) effect a transaction with or for a customer unless it has taken all reasonable steps to enable the customer to understand the risks involved; or
- (b) mislead a customer as to any advantages or disadvantages of a contemplated transaction.

Information about the bureau.

11. A bureau must take reasonable steps to ensure that a customer is given adequate information about its identity and business address and the identity and status within the bureau of employees and other relevant representatives with whom the customer has contact.

Representatives of the bureau.

12.(1) A bureau must satisfy itself on reasonable grounds and on a continuing basis that any representative it appoints is fit and proper to act for it in that capacity.

(2) The bureau must also satisfy itself on reasonable grounds and on a continuing basis that it has adequate resources to monitor and enforce compliance by its representatives with high standards of business conduct.

Customer relations

Customer agreements.

13. Where a bureau enters into an agreement with a customer, the agreement must set out in adequate detail the basis on which the bureau de change business is carried on in respect of that client.

When written customer agreement required.

14. Where Regulations require that there be a written agreement for certain bureau de change business, a bureau must not provide to a customer any such bureau de change business except under a written agreement which–

- (a) is signed by the customer and returned to the bureau; and
- (b) sets out in adequate detail the basis on which the bureau de change business is carried on in respect of that customer.

Customer's rights.

15. A bureau must not, in any written communication or agreement, seek to exclude or restrict–

- (a) any duty or liability to a customer which it has under the Act, any subsidiary legislation made under the Act, including these Regulations
- (b) any other duty to act with skill, care and diligence that is owed to a customer in connection with the carrying on of bureau de change business for that customer; or
- (c) any liability owed to a customer for failure to exercise the degree of skill, care and diligence that may reasonably be expected of it in carrying on the bureau de change business.

Suitability.

16. A bureau must take all reasonable steps to ensure that it does not effect a transaction with or for a customer unless that transaction is suitable for the customer having regard to the facts disclosed by that customer and other relevant facts about the customer of which the bureau is or ought reasonably to be aware.

Charges.

17.(1) A bureau's charges must not be unfair in their incidence or unreasonable in their amount having regard to all relevant circumstances.

(2) Before a bureau carries on any bureau de change business for a customer it must disclose to the customer the basis or amount of its charges for the provision of that activity and the nature of and amount of any other remuneration receivable by it and attributable to them.

Administration

Complaints.

18. A bureau must have internal procedures to ensure the proper handling of complaints from customers and to ensure that any appropriate remedial action on those complaints is promptly taken.

Compliance.

19.(1) A bureau must take reasonable steps, including the establishment and maintenance of procedures, to ensure that—

- (a) its officers, employees and other representatives are aware of their obligations under the Act, subsidiary legislation made under the Act, including these Regulations, and under rules made by the GFSC, and that they act in conformity with them; and
- (b) sufficient information is recorded and retained about its bureau de change business and compliance with the regulatory system.

(2) Records required to be maintained by the regulatory system must be kept available, for a period of not less than 6 years, by the bureau for inspection by any person duly authorised by the GFSC.

Supervision.

20. A bureau must establish and maintain procedures—

- (a) for the supervision of each of its officers, employees and other representatives; and
- (b) for ensuring that each such person does not carry on any bureau de change business of such a nature as is beyond his or her competence to give or to provide.

Cessation of business.

21. Where a bureau decides to withdraw from bureau de change business it must ensure to the satisfaction of the GFSC that any such business which is outstanding is properly completed or transferred to another bureau.

**PART 3
CORPORATE GOVERNANCE AND RISK MANAGEMENT**

Accounting records

Duty to keep accounting records.

22.(1) A bureau must, in respect of its bureau de change business, keep accounting records which are sufficient to show and explain the bureau's transactions (whether effected on its own behalf or on behalf of others) and must be such as to—

- (a) disclose with reasonable accuracy, at any time, the financial position of the bureau at that time;
- (b) demonstrate whether or not the bureau is at that time complying with any financial resources requirements imposed by the GFSC; and
- (c) enable the bureau to prepare a balance sheet and a profit and loss account as at any time and which complies with the requirements of these Regulations.

(2) The accounting records must in particular contain—

- (a) entries from day to day of all sums of money received and expended by the bureau, and the matters in respect of which the receipt and expenditure takes place;
- (b) a record of all assets and liabilities of the bureau including any commitments or contingent liabilities;
- (c) entries from day to day of—
 - (i) all money which is paid into or out of a customer bank account maintained for the purposes of these Regulations;
 - (ii) receipts and payments of customer money not passed through such a customer bank account, identifying the persons to whom each such receipt or payment relates; and
- (d) a record of—

- (i) balances on individual customer bank accounts;
- (ii) balances with individual customers stating the name of each customer and the amount held or received for that customer; and
- (iii) reconciliations made pursuant to regulations 23.

Reconciliation of customer money.

23.(1) A bureau must, at least once every 2 months, reconcile the balance on each customer bank account (as recorded by the bureau) with the balance on that account (as set out on the statement issued by the bank).

(2) Where a customer bank account contains the money of more than one customer, a bureau must, in addition to the reconciliation made under sub-regulation (1), at least once every 2 months reconcile the balance on that account with the total of the credit balances in respect of each customer (both totals as recorded by the bureau).

(3) Where any difference arises on reconciliation under sub-regulation (1) or (2), the bureau must correct it forthwith unless the difference arises solely as a result of timing differences between the accounting systems of the approved bank and of the bureau.

Records to be kept up to date.

24. The obligations under this Part 3 are continuing obligations and continuous performance of them is required so as to ensure that records are at all times up to date.

Audit trail.

25.(1) Information required by this Part 3 to be recorded must be recorded in such a way as to enable a particular transaction to be identified at any time and traced through the accounting systems of the bureau.

(2) All records must be arranged, filed, indexed and cross referenced so as to permit prompt access to any particular record.

Conformity with accounting standards.

26. The accounting records required to be kept by a bureau must conform with statements of standard accounting practice issued by such body or bodies as may be prescribed.

Retention of records.

27. A bureau must preserve the accounting records which it is required to keep under regulation 22 for 6 years from the date on which they are made.

Inspection of records.

28. Accounting records which are required to be kept under regulation 22 must, at any time during the period in which they are required to be preserved, be produced to the GFSC, or to any person with the authority of the GFSC, on demand at such reasonable time and place as may be specified by the GFSC or that person.

**PART 4
PRUDENTIAL REQUIREMENTS**

Financial statements

Duty to prepare annual financial statements.

29. A bureau must, in respect of its bureau de change business, prepare for each of its financial years annual financial statements which must consist of—

- (a) a balance sheet as at the last day of the financial year; and
- (b) a profit and loss account for the financial year.

Balance sheet to give true and fair view.

30. The balance sheet must give a true and fair view of the state of affairs of the bureau as at the end of the financial year.

Profit and loss account to give true and fair view.

31. The profit and loss account must give a true and fair view of the profit or loss of the bureau for the financial year.

Form and content of financial statements.

32.(1) The financial statements of a bureau must comply with the provisions of the Schedule (so far as applicable) with respect to the form and content of the balance sheet, the profit and loss account and any additional information to be provided by way of notes to the financial statements.

(2) Where compliance with the provisions of the Schedule and the other provisions of this Part 4 as to the matters to be included in the bureau's balance sheet or profit and loss account or in notes to them, would not be sufficient to give a true and fair view, the necessary additional information must be given in the balance sheet or profit and loss account or in a note to them.

(3) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the bureau must depart from that provision to the extent necessary to give a true and fair view.

(4) If the bureau departs under sub-regulation (3) from any such provision, particulars of the departure, the reasons for it and its effect must be given in a note to the financial statements.

Annual financial statements to be submitted to meeting of partners, etc.

33.(1) Where the bureau is not a sole proprietor, the annual financial statements of the bureau must be submitted to a meeting of the partners or, if the bureau is not a partnership, to a meeting of the directors or other governing body of the bureau and the meeting must be invited to pass a resolution approving those statements.

(2) Where sub-regulation (1) applies, the balance sheet must contain a statement, in a position immediately above the signatures, whether the annual financial statements were approved at a meeting of the partners, directors or governing body of the bureau and, if so, the date on which they were approved.

Additional requirement in case of sole proprietor.

34. Where the bureau is a sole proprietor, the balance sheet must be accompanied by a statement (which must not be regarded as part of the annual financial statements of the bureau for the purposes of regulation 37) stating whether, at the date as at which the balance sheet is made up—

- (a) the proprietor's current assets exceed his or her current liabilities; and
- (b) the proprietor's total assets exceed his or her total liabilities.

Annual financial statements must be submitted to GFSC.

35. Each financial year a bureau must submit its annual financial statements to the GFSC within 4 months after the end of the financial year to which the annual financial statements relate.

Bureau must obtain auditor's report, etc.

36.(1) A bureau must submit its annual financial statements to its auditor for audit and must obtain an auditor's report thereon which report must comply with the requirements of regulation 37.

(2) A bureau must submit its auditor's report to the GFSC together with–

- (a) the annual financial statements in accordance with regulation 35; and
- (b) confirmation in writing that it has complied with each and every one of the provisions of this Part 4 with which it is required to comply and such further information or confirmation as may be prescribed.

(3) Where the auditor's report is qualified on the grounds of the auditor's uncertainty as to the completeness or accuracy of the accounting records, that report must when submitted by the bureau to the GFSC be accompanied by a written document (signed by those who signed the balance sheet) stating–

- (a) whether all the accounting records of the bureau have been made available to the auditor for the purposes of the audit;
- (b) whether all transactions undertaken by the bureau have been properly reflected and recorded in the bureau's accounting records; and
- (c) whether all other records of the bureau and related information have been made available to the auditor.

Contents of auditor's report.

37.(1) The auditor's report must be addressed to the GFSC and must state whether the annual financial statements of the bureau have been audited in accordance with approved auditing standards.

(2) The auditor's report must also state whether in the opinion of the auditor–

- (a) the annual financial statements of the bureau have been properly prepared in accordance with these Regulations;
- (b) in the case of the balance sheet, a true and fair view is given of the state of affairs of the bureau as at the end of the financial year;

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- (c) in the case of the profit and loss account, a true and fair view is given of the profit or loss of the bureau for the financial year;
- (d) the bureau has, throughout the financial year, kept proper accounting records in accordance with the requirements of these Regulations;
- (e) the balance sheet and the profit and loss account are in agreement with the bureau's accounting records; and
- (f) the auditor has obtained all the information and explanations which, to the best of the auditor's knowledge and belief, are necessary for the purposes of the audit.

Qualified reports.

38.(1) If the auditor is of the opinion that one or more of the requirements of regulation 37 have not been met, the auditor must state that fact in the auditor's report and must specify the relevant requirements and the respects in which they have not been met.

(2) If the auditor fails to obtain all the information and explanations which, to the best of the auditor's knowledge and belief, are necessary for the purposes of the audit, the auditor must state that fact in the auditor's report.

(3) If the auditor is unable to form an opinion as to whether one or more of the requirements of regulation 37 have been met, the auditor must state that fact in the auditor's report and must specify those requirements and give the reasons why the auditor has been unable to form an opinion.

**PART 5
REPORTING AND NOTIFICATION**

Appointment of auditors

Auditor required.

39. A bureau must not carry on, or hold itself out as carrying on, bureau de change business unless it has appointed an auditor in accordance with these Regulations.

Qualification for appointment as auditor.

40. A person is not qualified for appointment as the auditor of a bureau unless the person is or the firm is registered in accordance with section 487 to 492, Part 24 of the Act.

Ineligibility on ground of lack of independence.

41.(1) A person must not act as an auditor to a bureau if the person is ineligible for appointment to the office.

(2) A person is ineligible for appointment as auditor to a bureau if the person is—

- (a) a director, officer, employee, shareholder or partner of the bureau; or
- (b) a partner or employee of such a person.

(3) For the purposes of this regulation an auditor of a bureau is not regarded as an officer or employee of the bureau.

Engagement letters.

42. A bureau must ensure that the auditor appointed under these Regulations has the powers and duties specified in section 165 of the Act and regulation 44 that—

- (a) those powers and duties are set out in an engagement letter;
- (b) the engagement letter is signed by the bureau and the auditor; and
- (c) the bureau retains a copy of the engagement letter.

*Reporting by auditors***Duties of auditors.**

43.(1) In the circumstances specified in subsection (2) the auditor of a bureau must notify the GFSC of any matters which relate to the affairs of the bureau and of which the auditor becomes aware in his or her capacity as auditor.

(2) The circumstances referred to in subsection (1) are those in which the auditor has reasonable cause to believe that the matters are or are likely to be of material significance for determining either—

- (a) whether a person is a fit and proper person to carry on the bureau de change business;
- (b) whether powers under section 69, 97(2), 102 or Part 11 of the Act should be exercised in order to protect customers from a significant risk of loss.

Reporting in respect of annual financial statements.

44.(1) An auditor must submit a report to the GFSC on the annual financial statements of a bureau in accordance with these Regulations and the report must state the matters specified in regulation 37.

(2) In preparing an auditor's report for the purposes of these Regulations, the auditor must carry out such investigations as will enable the auditor to form an opinion as to the matters required by regulation 37 to be stated in his or her report.

Notification to GFSC.

45. A bureau must within 7 days, give written notice to the GFSC of the appointment, removal or resignation of an auditor.

Resignation or removal of auditors.

46.(1) Where an auditor resigns or is removed by a bureau, a notice to that effect sent to the GFSC under regulation 45 must contain either–

- (a) a statement signed by the auditor to the effect that there are no circumstances connected with the auditor's resignation or removal which the auditor considers should be brought to the attention of the GFSC; or
- (b) a statement signed by the auditors of such circumstances as are mentioned in (a).

(2) For the purposes of these Regulations, a failure to appoint an auditor at the end of the auditor's term of office must be deemed to be the removal of that auditor.

**PART 6
REGULATORY POWERS**

**Chapter 1
Investigatory and supervisory powers**

Directions.

47.(1) If it appears to the GFSC that a person is not a fit and proper person to carry out any function in relation to bureau de change business or a bureau de change, the GFSC may direct that the person must not perform a specified function, any function falling within a specified description or any function as stated in the direction.

(2) Where the GFSC—

- (a) proposes to issue a direction under sub-regulation (1), it must give the regulated firm and the person concerned a warning notice; or
- (b) decides to issue a direction under sub-regulation (1), it must give the regulated firm and the person concerned a decision notice.

(3) Sub-regulation (2)(a) does not apply if the GFSC is satisfied that a warning notice—

- (a) cannot be given because of urgency;
- (b) should not be given because of the risk that steps would be taken to undermine the effectiveness of the direction; or
- (c) is superfluous having regard to the need to give notice of legal proceedings, or for some other reason.

(4) A person aggrieved by a decision notice under sub-regulation (2)(b) may appeal against the decision under section 615 of the Act, but a decision notice in respect of a direction takes effect immediately.

(5) For the purposes of sub-regulation (3)(a), the GFSC must not consider that urgency exists unless Conditions B and C in section 80(3) and (4) of the Act are met.

(6) If those conditions are met, the GFSC must give the regulated firm and the person concerned a notice stating that the direction takes effect on the date of the notice or on any later date that may be specified in the notice.

(7) Sections 80(7) and (8) and 81 of the Act apply to a decision by the GFSC under sub-regulation (3)(a)—

- (a) as if references in those sections to the varying of a permission or the imposing or varying of a requirement (however expressed) were references to the imposition of a direction under sub-regulation (1); and
- (b) with such other modifications as may be required by the circumstances and context of sub-regulation (3).

(8) The issue of a decision notice imposing a direction under sub-regulation (1) is a specified regulatory decision to which section 24(3) of the Act applies.

**Chapter 2
Sanctions****Sanctioning powers.**

48. Part 11 of the Act sets out sanctioning powers for contravention of a regulatory requirement (including a regulatory requirement contained in these Regulations).

Maximum amounts of administrative penalty.

49.(1) Any administrative penalty imposed under section 152 of the Act for a contravention of a regulatory requirement by a person to whom these Regulations apply must be of an amount which does not exceed the higher of the following—

- (a) where the amount of the benefit derived as a result of the contravention can be determined, two times the amount of that benefit;
- (b) in the case of a legal person-
 - (i) £250,000; or
 - (ii) 5% of the total annual turnover according to the last available annual accounts approved by its management body;
- (c) in the case of an individual, £125,000.

(2) Where a legal person is a parent undertaking or a subsidiary of a parent undertaking which has to prepare consolidated financial accounts in accordance with the Accounting Directive, the relevant total turnover for the purpose of sub-regulation (1)(b) is the total annual turnover, or the corresponding type of income in accordance with the relevant accounting legislative acts, according to the last available consolidated annual accounts approved by the management body of the ultimate parent undertaking.

**PART 7
MISCELLANEOUS****The Register: bureaux de change.**

50.(1) This regulation makes provision as to the contents of the Register in connection with bureau de change business.

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(2) The Register must contain such information, as the GFSC considers appropriate and must include, at least, a list of bureaux de change.

(3) The Register must include details of any variation or cancellation of a bureaux de change's Part 7 permission.

(4) If it appears to the GFSC that a person in respect of whom there is an entry in the Register as a result of any provision of sub-regulation (2) has ceased to be a person in respect to whom that provision applies, the GFSC may remove the entry from the Register.

SCHEDULE

FORM AND CONTENT OF FINANCIAL STATEMENTS

**PART 1
GENERAL RULES**

1. Subject to the following provisions of this Schedule, the annual financial statements of a bureau must—
 - (a) in the case of the balance sheet show the items listed in the balance sheet format set out in Appendix 1 to this Schedule; and
 - (b) in the case of the profit and loss account show the items listed in the profit and loss account format set out in Appendix 2 to this Schedule.
2. Any item required in accordance with paragraph 1 to be shown in a financial statement of a bureau may be shown in greater detail than required by the appropriate format.
3. A financial statement of a bureau may include as a separately identified item any item representing or covering the amount of any asset or liability, income or expenditure not otherwise covered by any of the items listed in the appropriate format.
- 4.(1) In respect of every item shown in a bureau's balance sheet or profit and loss account or in notes thereto, the corresponding amount for the immediately preceding financial year must also be shown.
 - (2) Where that corresponding amount is not comparable with the amount to be shown for the item in question in respect of the financial year to which the balance sheet or profit and loss account relates, the former amount must be adjusted and particulars of the adjustment and the reasons for it must be disclosed in a note to the accounts.
5. Amounts in respect of items representing assets or income may not be set off against amounts in respect of items representing liabilities or expenditure (as the case may be), or vice versa.
6. In the case of a bureau which is a sole proprietor, the items to be included in the bureau's financial statements prepared in accordance with these Regulations must be those which arise in the course of the bureau de change business of that bureau.

**PART 2
ACCOUNTING PRINCIPLES AND RULES**

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7.(1) The amounts to be included in respect of all items shown in the annual financial statements of a bureau must be determined in accordance with the Companies Act 2014 and either Gibraltar Financial Reporting Standards or UK-adopted international accounting standards within the meaning of section 237(1) of the Companies Act 2014.

(2) Subparagraph (1) is subject to regulation 26.

8. Subject to paragraph 7, items must be included in such a way as to reflect the substance and not merely the form of the underlying transactions and balances.

APPENDIX 1 BALANCE SHEET FORMAT

A. FIXED ASSETS

I. Intangible Assets

1. Development costs
2. Goodwill
3. Other

II. Tangible Assets

1. Freehold land and buildings
2. Leasehold land and buildings
3. Motor vehicles
4. Office equipment and computers
5. Fixtures and fittings
6. Payments on account
7. Other tangible assets

III. Investments

1. Loans to and shares in group companies and connected companies
2. Other listed investments
3. Other unlisted investments

B. CURRENT ASSETS

I. Physical stocks

II. Debtors (1)

1. Trade debtors (2)
2. Other debtors

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3. Amounts due from connected and group companies
4. Prepayments and accrued income

III. Investments (long positions)(3)

IV. Cash at bank and in hand

C. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

1. Bank loans and overdrafts.
2. Eligible subordinated loans (6)
3. Other debenture loans
4. Trade creditors (4)
5. Investments (short positions)(5)
6. Income tax
7. Other taxation and social security
8. Amounts due to group and connected companies
9. Other creditors
10. Accruals and deferred income

D. NET CURRENT ASSETS (LIABILITIES)

E. TOTAL ASSETS LESS CURRENT LIABILITIES

F. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

1. Bank loans and overdrafts
2. Eligible subordinated loans (6)
3. Other debenture loans
4. Trade creditors(4)
5. Income tax
6. Amounts due to group and connected companies
7. Other creditors
8. Accruals and deferred income

G. PROVISIONS FOR LIABILITIES AND CHARGES

1. Commissions on indemnity terms
2. Pension and similar obligations
3. Taxation including deferred taxation
4. Other provisions

This version is out of date

H. TOTAL ASSETS LESS TOTAL LIABILITIES

I. CAPITAL AND RESERVES

1. Called up share capital (7)
2. Share premium account
3. Partners' or proprietors' capital accounts
4. Partners' or proprietors' current accounts
5. Revaluation reserve
6. Other reserves
7. Profit and loss account

Approved by the directors/partners/governing body on

Signature _____

Signature _____

NOTES ON THE BALANCE SHEET FORMAT

(1) Debtors

The amount falling due after more than one year must be shown separately for each item included under debtors.

(2) Trade debtors

- (a) Fees
Outstanding for more than 30 days
Outstanding for 30 days or less.

- (b) Commissions

Outstanding for more than 30 days
Outstanding for 30 days or less.

- (c) Other

Amounts outstanding for more than 30 days

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Amounts outstanding for 30 days or less.

(3) Investments (long positions)

(i) Debt instruments

Residual Maturity

0- 90 days
90 days- 12 Months
12 months - 5 years
more than 5 years
Total

- UK Government, Government of Gibraltar and Local Authority debt
 - Accepted or issued by an approved bank
 - Floating Rate Notes
 - Other debt instruments:
 - marketable investments
 - not marketable investments
-

(ii) Shares (other than in group companies)

- UK listed
- UK unlisted:
 - marketable investments
 - not marketable investments
- Overseas listed on an established investment exchange
- Overseas unlisted

(iii) Collective investment schemes

- Units in authorised and recognised unit trust schemes
- Other

(iv) Futures, options, contracts for differences

- Futures
- Purchased options
- Written options
- Contracts for differences

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(v) Shares in group companies

(vi) Other investments (specify)

(4) Trade Creditors

- (a) Amounts due to be paid against delivery of securities
- (b) Amounts due to be paid in respect of securities transactions otherwise than against delivery of securities.
- (c) Others

(5) Investments (short positions)

The same detail should be given as that required by note (3) above

(6) Eligible subordinated loans

- (a) Eligible long term subordinated loans
- (b) Eligible short term subordinated loans
- (c) Committed undrawn subordinated loan facilities
- (d) Bank Undertakings

(7) Called up share capital

Any amount of share capital which has not been paid up must be shown separately.

(8) Contingent liabilities and commitments

- (a) Amounts subject to an investment position risk factor
- (b) Other amounts arising in the ordinary course of business
- (c) Other contingent liabilities not provided for
- (d) Capital commitments contracted for but not provided for
- (e) Capital commitments authorised but not contracted for
- (f) Pension commitments not provided for
- (g) Other financial commitments not provided for

The following additional information must be given, where relevant–

- (i) Whether any valuable security has been provided by the bureau in connection with a contingent liability or commitment

- (ii) The amounts which relate to undertakings on behalf of or for the benefit of group and connected companies

APPENDIX 2

PROFIT AND LOSS ACCOUNT FORMAT

A. DEALING

Gains/losses on principal dealings (trading)

1. equities
2. debt instruments
3. futures, options and contracts for differences
4. units in collective investment schemes
5. foreign exchange
6. other - specify

B. REVENUE

I. Commissions on transactions in collective investment schemes

1. authorised unit trust schemes and recognised schemes
2. other - specify

II. Commissions on transactions in life insurance policies

1. commission on indemnity terms
2. other initial commission
3. renewal commission
4. other specify

III. Commissions on securities transactions

1. equities
2. debt instruments
3. other- specify

IV. Commissions on transactions in futures, options, contracts for differences, etc.

1. futures
2. options
3. contracts for differences

This version is out of date

4. other– specify (e.g. commodities)

V. Investment management fees

VI. Fee income in respect of financial advice

VII. Company management fees

VIII. Trustee fees

IX. Interest and dividends

1. investment positions
2. loan accounts and margin accounts
3. in respect of balances in client bank accounts
4. other specify

X. Dealing and settlement services

XI. Revenue from research and consulting services

XII Retained underwriting and placing commissions

XIII. Other revenue – specify if material

C. EXPENDITURE

I. Commissions

1. paid to staff
2. paid to other investment businesses
3. other (specify)

II. Salaries and other employment costs (exclusive of commission)

III. Directors' emoluments

IV. Staff bonuses

V. Interest charges

1. payable to customer in respect of customer's money balances

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2. other (specify)

VI. Establishment costs

VII. Communications and marketing

VIII. Office equipment and services

IX. Provisions for losses, bad and doubtful debts

X. Professional charges

XI. Investment exchange and clearing house charges

XII. Regulatory fees and expenses

XIII. Audit fees (including expenses)

XIV. Miscellaneous office expenses

XV. Other expenditure - specify if material

D. PROFIT OR LOSS BEFORE TAXATION

E. TAXATION

F. PROFIT OR LOSS AFTER TAXATION

G. EXTRAORDINARY ITEMS

H. PROFIT OR LOSS FOR THE FINANCIAL YEAR.