

ESG regulatory outlook: Guernsey funds sector



Channel Islands and Gibraltar ESG reporting analysis

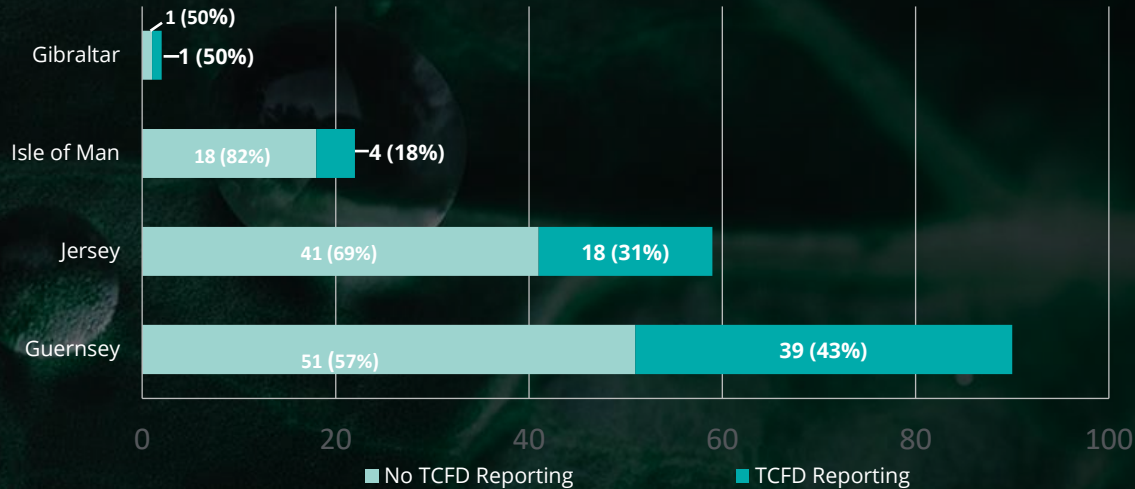
An analysis of Channel Islands & Gibraltar entities reporting on the Taskforce on Climate related Financial Disclosures “TCFD” and/or obtaining ESG assurance.



Channel Islands and Gibraltar ESG Reporting Analysis

The below charts provide the results of our analysis of Channel Islands and Gibraltar entities reporting on the Taskforce on Climate related Financial Disclosures “TCFD” and/or obtaining ESG assurance

Channel Islands & Gibraltar LSE listed entities reporting on TCFD



43% of all LSE listed companies incorporated in Guernsey are reporting on TCFD*.
27 of the 65 LSE listed companies incorporated in Guernsey in the financial services sector report on TCFD.

I&G LSE listed entities with assurance on ESG metrics



6% of all LSE listed companies incorporated in Guernsey have obtained Assurance on their ESG metrics.

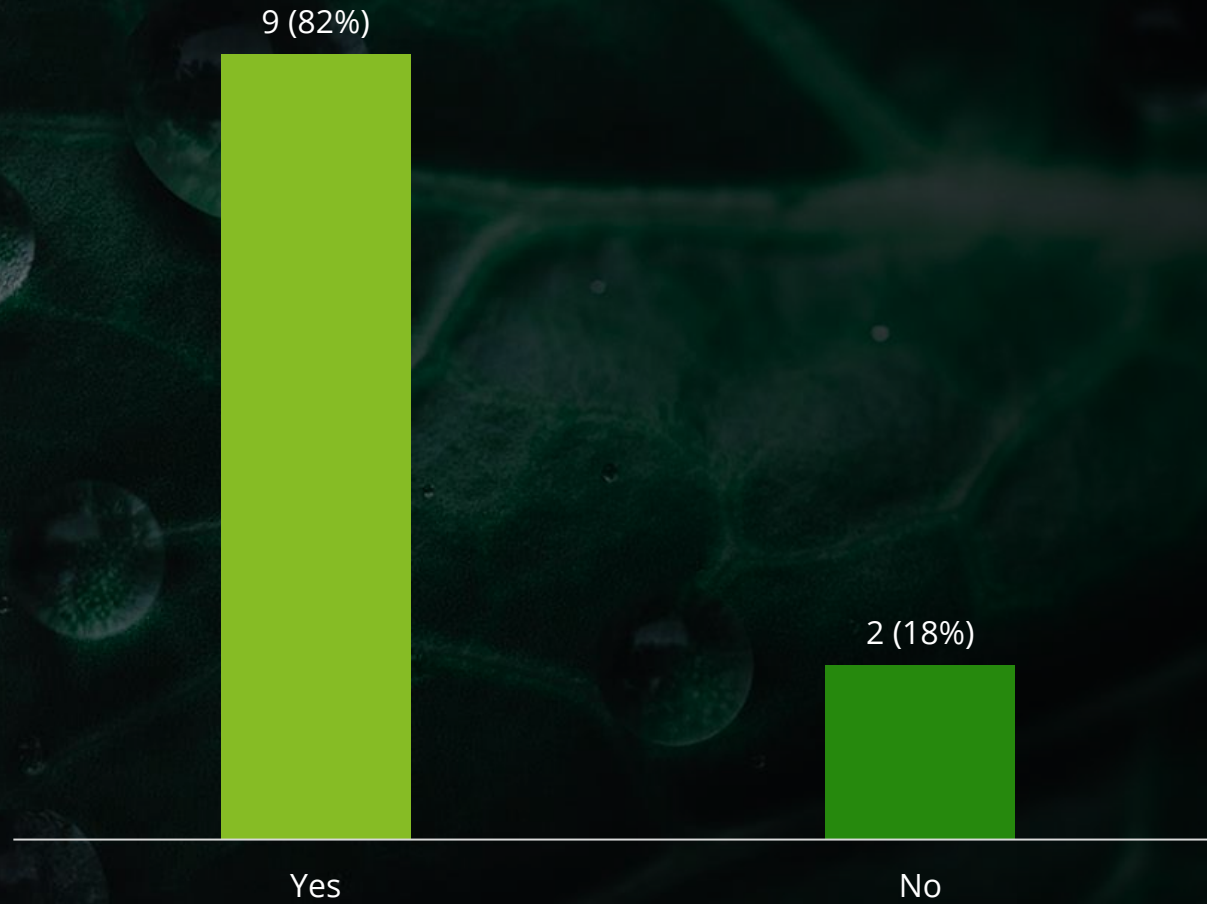
3 of the 65 LSE listed companies incorporated in Guernsey in the financial services sector have obtained Assurance on their ESG metrics.

*Companies in all sectors included (financial services, real estate, energy, industrial goods and services etc).

Survey results from the Guernsey ESG regulatory outlook event in June 2024



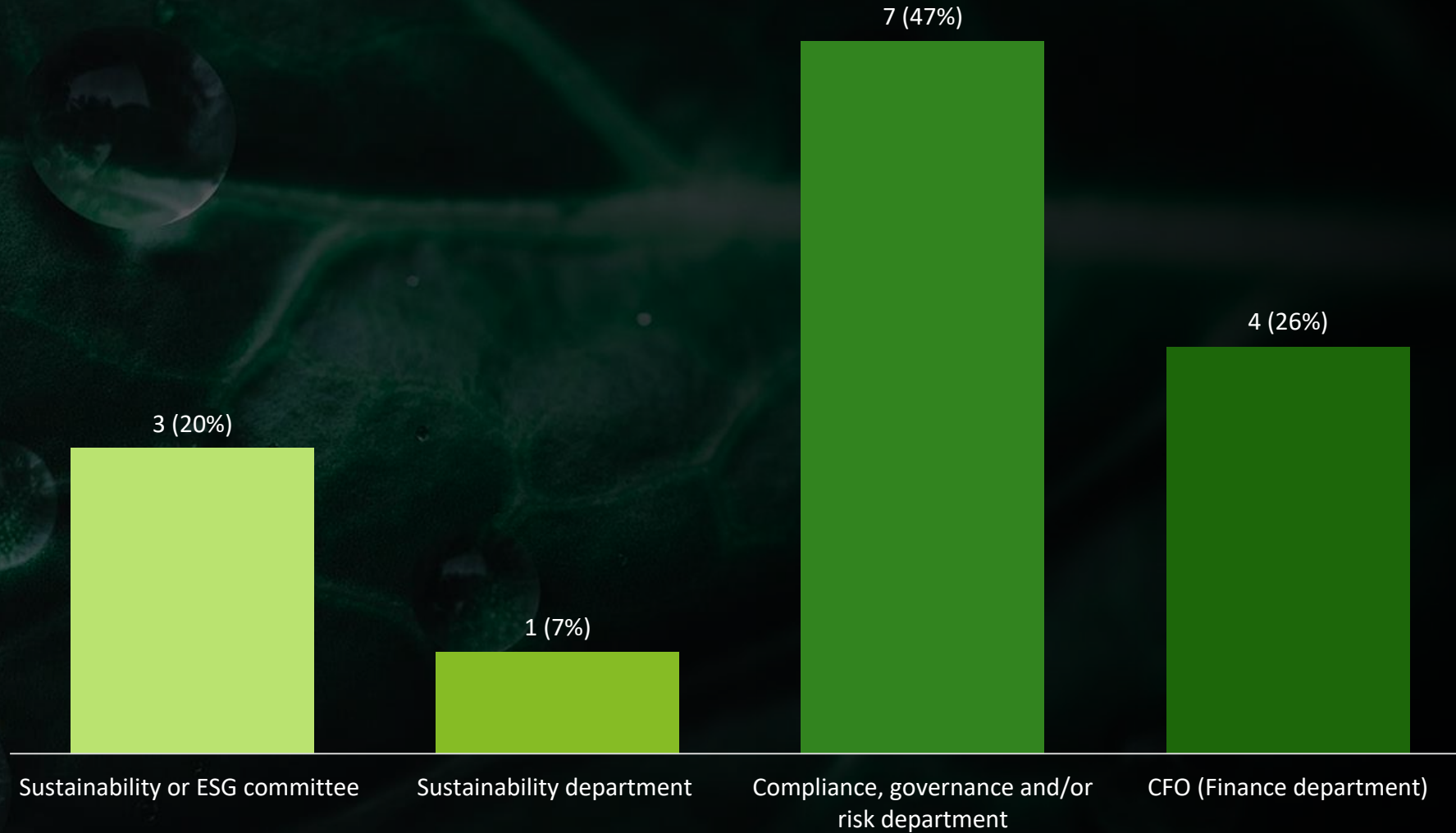
Are you seeking assurance for your sustainability report?



What is the main challenge of embedding sustainability in your organisation?



Who takes ownership for your entity's sustainability reporting?



Are you planning to comply with the ISSB's IFRS S1 and S2 standards in the short to medium term?



Guernsey's direction of travel



Guernsey landscape

Proactive engagement

- Guernsey is a member of the **Financial Centres for Sustainability (FC4S)**, **Network for Greening the Financial System (NGFS)**, and **Sustainable Insurance Forum (SIF)**.



Anti-greenwashing measures

- Guernsey actively combats greenwashing with guidance for asset managers and investment licensees, emphasising factual substantiation and alignment with taxonomies like SFDR.

Industry-specific developments

- The **TISE Sustainable standard** is available to TISE listed entities that comply with a minimum of one internationally recognised sustainability standard and requires third party verification
- The Guernsey International Insurance Association launched its own ESG accreditation scheme, in conjunction with ESI Monitor
- The **Guernsey Sustainable Funds Framework** incorporates the Guernsey Green Funds Regime and the Natural Capital Fund.



Guernsey outlook



The GFSC has communicated its intention to consider local alignment with ISSB standards*, and the FCA wants to widen its scope for entities required to report on SFDR.

“...after 2023 it might be sensible for the Bailiwick to consider a balanced adoption of those international standards.¹”

GFSC Annual Report Y/E 2022

“We also want all firms marketing their products in the UK to be subject to the same broad requirements. Our view was supported by several respondents to our consultation. We will continue working with HMT to understand the options for extending the regime to overseas recognised funds, including those marketing under the Overseas Funds Regime.²”

FCA Policy Statement PS23/16 November 2023

The Guernsey Financial Services Commission (GFSC) has issued a [discussion paper](#) indicating its intention to consider the jurisdiction aligning with ISSB standards.³

GFSC 2024

* The FCA has announced that it will look to consult on moving from TCFD to the ISSB2 standards, in respect of listed companies, in 2025.

1. (source: [GFSC Annual Report & Accounts 2022.pdf](#))

2. The **Overseas Fund Regime** (OFR) went live in September 2024 allows certain non-UK funds to be promoted in the UK. By the end of 2024, the UK government aims to finalise its decision on applying Sustainability Disclosure Requirements and investment labels to the OFR funds, with potential implementation starting in late 2025, following consultations and rulemaking by the FCA (source: [PS23/16: Sustainability Disclosure Requirements \(SDR\) and investment labels](#).)

3. (source: [GFSC- Discussion paper on the future of sustainability reporting in the Bailiwick of Guernsey](#))



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