

Circular B/15/08

15 August 2011

To all licensed banks in Guernsey

Qualifying Recognised Overseas Pension Scheme (“QROPS”)

The Board has received a number of enquiries as to whether a deposit in a QROPS is regarded as a qualifying deposit for the purposes of the Guernsey Banking Deposit Compensation Scheme. The Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance, 2008, confirms that a qualifying deposit includes “Any deposit made by a trustee for the purposes of a retirement annuity trust scheme” (“RATS”). Assuming that a QROPS is established and authorised by the Administrator of Income Tax in Guernsey it is the Board’s understanding that it will be authorised as a RATS and therefore that such a Scheme will qualify for compensation under the terms of the Scheme.

A QROPS with multiple beneficiaries will only benefit from a single claim on the Scheme. The beneficiaries should in the first place rely on the trustees to exercise their professional judgement on the choice of banks with which funds are to be placed.

For the Board of the Guernsey Banking Deposit Compensation Scheme

Charles Tracy

Chairman of the Board

Guernsey Banking Deposit Compensation Scheme