

# Unclaimed investor money guidance

Last reviewed: February 2025

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## Introduction

In March 2024, the Guernsey Financial Services Commission (the **Commission**) published a [consultation paper](#) (the **Consultation Paper**) on unclaimed money under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the **POI Law**). The Consultation Paper followed the Commission's [Thematic Review](#) during 2022 which found that unclaimed investor money was not being dealt with in a consistent manner within the funds industry.

The Commission was also mindful that, other than in the Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021 (in relation to Class B schemes)<sup>1</sup>, there was no guidance or rules relating to unclaimed investor money of Guernsey collective investment schemes (**CIS**).

## Guidance

The Commission has issued [guidance](#)<sup>2</sup> (the **Guidance**) which applies to all authorised and registered CIS under the POI Law, excluding private investment funds (PIFs). The Guidance does not apply to open or closed-ended CIS that are no longer accepting subscriptions (although such CIS may choose to adopt the principles voluntarily).

The Guidance requires that all CIS (other than those noted above) have a [documented](#) policy regarding unclaimed investor money (the **Policy**) which has been approved by the board of the CIS (the **CIS Board**).

## What is unclaimed investor money?

Unclaimed investor money is 'money, comprising income or capital distributable to its investors by a CIS, which is unclaimed where either the rightful owner is known but contact has been lost or where the money is *Blocked Investor Money*' (**Unclaimed Investor Money**).

'Blocked Investor Money' is investor money which remains unpaid because meaningful engagement with the investor can no longer be entered into or maintained, for example due to inadequate client due diligence documentation (**Blocked Investor Money**). It does not include investor money which is subject to restraint or asset freezes under the Bailiwick of Guernsey's legislation for detecting and preventing money laundering, terrorist financing and proliferation financing, including sanctions legislation or to investor money which is subject to a 'no consent' from the Financial Investigation Unit (which fall outside of the scope of the Guidance).

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<sup>1</sup> The provisions for Unclaimed Investor Money in the Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021 have been removed in view of the Guidance.

<sup>2</sup> Entitled 'Unclaimed Investor Money under the Protection of Investors (Bailiwick of Guernsey) Law, 2020' and dated 17 December 2024

## What should the Policy cover?

The Guidance is not prescriptive in nature and the Commission expects entities to fully consider their respective duties and responsibilities under applicable laws and ensure that there are no contradictions. The Policy must be drafted in compliance with the Handbook on Countering Financial Crime and the relevant legislation set out in Schedule 3 to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (in so doing, the treatment of Blocked Investor Money may differ from that of other forms of unclaimed investor money).

As a minimum, the Policy must cover the following:

- **Identification of a responsible entity:** The Policy must identify a 'responsible entity' which must be a firm regulated under the POI Law, who will be responsible for implementing the Policy (the **Responsible Entity**). The Responsible Entity should be agreed by the CIS Board in conjunction with the designated administrator of the CIS prior to the launch of the CIS.
- **Contact policy and applicable timeframe:** The Policy should prescribe a timeframe during which the Responsible Entity will make *reasonable efforts* to attempt to contact the investor(s) and/or rightful owner(s) (the **investor**) of the Unclaimed Investor Money. The timeframe should, at a minimum, take into account the value of the Unclaimed Investor Money, the type of CIS, the type of investor and any other relevant factors.

The Commission would generally consider 'reasonable efforts' to include, at a minimum, an attempt to contact the relevant investor **once a year**, whether a direct attempt using the latest available contact details, or indirectly by issuing a stock exchange announcement or other method of contact. Efforts to contact the relevant investor **should not stop before six years** after the first contact attempt.

- **Communication with the CIS Board:** The Policy should detail how the CIS Board will be updated on Unclaimed Investor Money in relation to the CIS and the frequency of such reporting.
- **De minimis amounts:** The reasonable efforts taken to contact and trace investors should be proportionate to the sum of the investment. The Policy may specify a *de minimis* amount per investor below which the Responsible Entity will not be required to follow the Policy. In setting the *de minimis* amount, the CIS Board may have regard to the nature of the investors (there being an expectation that a lower level would be set for a CIS with retail investors) and the relative costs of attempting to contact the investor in comparison to the value of the Unclaimed Investor Money.
- **Costs:** The Policy must address how administrative costs relating to Unclaimed Investor Money will be allocated (where those costs may not already be covered by standard administration fees), ie whether the costs will be charged to the Unclaimed Investor Money balance only or to the CIS.

## How should the Policy be disclosed to investors?

The Policy must be explained and disclosed to investors in the CIS scheme particulars.

## Which other documents could be impacted?

In addition to the Policy and its disclosure in the CIS scheme particulars, any consequential changes to a CIS's principal documents, such as the administration agreement, will also need to be considered.

## What happens to the Unclaimed Investor Money once the *de minimis* period has ended?

Once the *de minimis* period has ended, the CIS Board and the Responsible Entity must decide how any Unclaimed Investor Money should be treated. Consideration should be given to the extent to which investor contact has been attempted, in line with:

- the Guidance
- the reasonable expectations of investors, taking into account the disclosure of the Policy by the CIS
- the likelihood of future contact
- whether the Unclaimed Investor Money could be returned should there be contact
- the materiality of the amount of Unclaimed Investor Money, taking into account the nature of the CIS and its investors, and the relative cost of ongoing administration arrangements for Unclaimed Investor Money, and
- the duties and obligations of the CIS Board and the Responsible Entity under applicable law.

## What happens to Unclaimed Investor Money at the end of the life of a CIS?

A liquidator is responsible for Unclaimed Investor Money, whether held by the CIS upon liquidation or arising during the liquidation process.

## Contacts

A full list of contacts specialising in Guernsey CIS can be found [here](#).

This guide is only intended to give a summary and general overview of the subject matter. It is not intended to be comprehensive and does not constitute, and should not be taken to be, legal advice. If you would like legal advice or further information on any issue raised by this guide, please get in touch with one of your usual contacts. You can find out more about us, and access our legal and regulatory notices at [mourant.com](https://www.mourant.com). © 2025 MOURANT ALL RIGHTS RESERVED