

## NEWS RELEASE

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### **Specialist service set up to support fund sector boards**

A new service designed to help protect the non-executive directors (NEDs) of investment funds and their management companies from risks has been developed in tandem with the Guernsey Investment Funds Association (GIFA).

The Financial Protection and Advice Service (FPAS) for GIFA has been designed and is supported by Thorndon, an independent company comprising legal and insurance professionals experienced in managing process risk for fund directors and boards.

Thorndon Director Jonathan Bates said: “Fund boards and individual non-executive directors have enormous responsibilities in the pursuit of investors’ interests, yet little support mechanism around them should they find themselves exposed to the risks faced in their role, such as litigation and regulatory enforcement.”

At a roundtable event to launch the initiative Sir Geoffrey Rowland provided an introduction from an independent perspective. He stressed how dispute resolution of any sort, often endured at the same time as a regulatory investigation, can be lengthy, costly, time-consuming and emotionally draining for NEDs. Hard-won professional reputations can be eroded if unfair media reports are not properly managed.

Thorndon will provide advice and support to NEDs and their boards in relation to indemnity arrangements, insurance and the management of risk. The service’s resilience is underpinned by Thorndon’s international and professional relationships and working experience with the London insurance market and the English Bar.

The service will help the boards of investment fund and management companies to be proactive in loss prevention by being better informed when reviewing and procuring insurance and maintaining adequate contractual, indemnity and risk management processes.

Thorndon worked alongside the GIFA NED committee over the past year to tailor its service to the specific needs of the Guernsey funds sector. It is believed that Guernsey is the first jurisdiction to adopt such an initiative.

GIFA NED Committee Chair Mike De Haaff said that after several years seeking to resolve the challenge presented by the need for adequate risk management and protection at fund board level, the GIFA Executive and NED Committee felt this was a step forward in addressing shared goals for the fund sector and Guernsey's finance industry.

FPAS will work in collaboration with the wider legal and risk management and fund administrator community.

GIFA Chair Paul Smith said: "GIFA wishes to nurture a sustainable pool of NEDs who, as ultimate decision-makers, form a cornerstone of the island's critically important fund administration sector. The aim of this service from Thorndon is to provide NEDs with advice and support and it will hopefully encourage more people to consider taking on the responsibilities that being a non-executive director entails."



**Jonathan Bates (left) of Thorndon with Paul Smith, Chair of GIFA.**

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