

What does it mean if a business is regulated by the JFSC?

The Jersey Financial Services Commission (the **JFSC**) is the Island's financial services regulator. It is responsible for regulating and supervising businesses involved in banking, funds, investment, insurance, money service and trust company business – these are “regulated” activities.

However, not all financial services activity is regulated in Jersey. Some types of activity are not regulated (e.g. advising purely on loans or mortgages) and some types of activity which are generally regulated may have exceptions (e.g. investment activity is generally regulated but, investments in stamps, fine wines, antiques and other so-called “collectible” items are not regulated) although investing in such asset types still attracts risk.

Which businesses are regulated by the JFSC?

A business wishing to undertake regulated activity in Jersey first needs to be authorised by the JFSC. The JFSC will only authorise a business if it is satisfied that it meets certain fit and proper criteria and will operate within the high standards that the JFSC expects. A business that has been authorised to carry out regulated activity is a regulated business. Following authorisation, the JFSC will continue to supervise the regulated business to ensure that these standards are maintained and it may take action against regulated businesses that fail to meet the standards required of them.

If you deal with a regulated business this means that important checks have been carried out by the JFSC to try and ensure that it is legitimate and will operate its business properly. These checks cannot guarantee that everything will run smoothly. However, if you later have problems with the business, you can make a written complaint to the regulated entity in question. If you are not satisfied with their response, you can then raise your complaint with the Channel Islands Financial Ombudsman.

Are “registered” companies regulated by the JFSC?

All companies formed in Jersey must be “registered” with the Companies Registry. The Companies Registry maintains this register of Jersey companies in the same building as the JFSC, but companies listed in the register are not automatically regulated by the JFSC. Companies are only regulated by the JFSC if they are carrying out regulated activities, as explained above. The Companies Registry carries out checks on the proposed owner(s) and activity of companies seeking registration. Registered companies are required to comply with certain legal requirements and failure to do so does, in some cases, attract a penalty. However, the JFSC is not required to apply the fit and proper criteria applicable for regulated entities. As well as companies, the Companies Registry also carries out its checks upon some other types of businesses, (e.g. limited partnerships).