



2018: Supervisory Thematic Programme – Q1 and Q2

In June 2016, we published a communication to industry '[Our approach to Risk Based Supervision](#)' which detailed how the use of thematic examinations will play an important role in our overall approach to supervision.

Thematic examinations allow us to better understand particular thematic risks that cut across a range of firms in a specific sector, or affect a sector as a whole.

Thematic risks will be addressed using a range of tools including questionnaires, on-site visits and issuing guidance.

The following thematic examinations have been identified and will be undertaken by the Jersey Financial Services Commission's (JFSC) Supervision Examination Unit (SEU) in the first half of 2018.

Q1 - Beneficial Ownership

- › Beneficial ownership will be the focus of the first thematic for 2018 to ensure that Jersey's position as a leading jurisdiction on transparency of information is upheld.
- › The SEU will therefore assess the extent to which Trust Company Businesses administering Jersey registered companies and partnerships have understood and verified the Ultimate Beneficial Owner(s) (UBO) and Controller(s) (using the Three Tier Test*) then ensuring they have provided this information to the Jersey Companies Registry on or by 30 June 2017 (C17S form for companies, or P17S form for partnerships).
- › In addition, the SEU will review if appropriate systems and controls are in place in relation to the on-going obligation to notify to the Jersey Companies Registry of any change in UBO and Controller(s), where they relate to an administered Jersey registered company or partnership.

Q2 - Client Assets

- › In line with our Guiding Principles which includes 'reducing the risk to the public of financial loss due to dishonesty, incompetence, malpractice or the financial unsoundness of financial service providers', the SEU will examine whether registered persons who can hold client assets have in place appropriate systems and controls to segregate, account for, use, manage or otherwise safeguard those assets in accordance with applicable Laws, Orders and Codes.

Whilst the above themed examinations will be led by the SEU, the list is not meant to be exhaustive and as necessary may be supplemented by other thematic examinations identified by the JFSC to address emerging issues that may arise during the period.

Notes

The Three Tier Test refers to the process by which a relevant person may demonstrate that it has identified each individual who is a beneficial owner or controller of its customer.

The Three Tier Test is often summarised as:

- 1) Control through ownership means;
- 2) Control through other means; or
- 3) Control through positions held.

See the [Handbook for regulated financial services business](#) for further detail.