Welcome and introduction
Jill Britton, Director of Supervision
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Keynote
Lord Eatwell, Chairman

The Conditions of Effective Regulation
Martin Moloney, Director General Designate

Meet the Commissioners
Annamaria Koerling, Commissioner

Our Change Programme and JFSC 2019 Priorities
Mike Jones, Director of Policy
Sli.do #JFSC19
Keynote
Lord Eatwell, Chairman
What 2019 holds...
The major impact of unforeseen events, surprises good and bad
Vital to all businesses and people in Jersey
A very uncertain world

Britain’s departure from the EU

US trade policy

Technological monopoly

Climate change
Working together, financial services in Jersey can face the challenge that a new relationship between the UK and the EU will bring
Jurisdiction of choice for financial services, rather than a jurisdiction of necessity.
Securing equivalence with EU directives could be more difficult and face significant delays.
We will continue to work closely with Government to support activity in Jersey.
FATF and MONEYVAL

National Risk Assessment (NRA)
Establishing a new specialist AML/CFT unit
Increased visits and resources guided by risk-based analysis
Closely involved in framing policy for regulations of pensions and consumer lending
Jersey we need your engagement

The commitment of Industry will be vital
Regulation is an activity in which all must participate.
Our reputation is our foundation
The Conditions of Effective Regulation
Martin Moloney, Director General Designate
Meet the Commissioners
Annamaria Koerling, Commissioner

Sli.do #JFSC19
Our Change Programme and JFSC 2019 Priorities

Mike Jones, Director of Policy
Introduction

› How the JFSC has changed, is changing and will continue to change

› 2019 priorities overview
What did the Change Programme set out to achieve?

<table>
<thead>
<tr>
<th>Five key aims</th>
<th>A better future</th>
</tr>
</thead>
<tbody>
<tr>
<td>› Better information management</td>
<td>› A better place to work</td>
</tr>
<tr>
<td>› Improved risk awareness and management</td>
<td>› More engaged with stakeholders</td>
</tr>
<tr>
<td>› Enhanced authorisation and supervision</td>
<td>› An easier organisation to do business with</td>
</tr>
<tr>
<td>› Enhanced people strategy</td>
<td>› Highly effective risk management and supervisory performance</td>
</tr>
<tr>
<td>› E-Enablement strategy</td>
<td>› One database, one team, one JFSC</td>
</tr>
</tbody>
</table>
Implemented the new structure required to become an entity-based regulator.

One JFSC Supervision Registry Developments ICT Infrastructure

Digital Channels Platform & Back Office

Core process mapping, architecture design, data migration strategy
Technology solution and underlying security and infrastructure design
Fee process designed
Supervisory Review
Upgrade core back office technologies
Enhanced the technical infrastructure

Created efficiency replacing multiple legacy systems providing a single record of information
Introduced digital channels for stakeholder interaction
Implemented the new structure required to become an entity-based regulator

Supervision TOM and risk based capability model
Consulted on Supervision data collection
Launched Risk Event Form
Defined Case Management business requirements
Delivered Fee registration and collection process
Functionality for new funds product
Central Beneficial Ownership Register

2015
2016
2017
2018

2015
2016
2017
2018

Foundation (Design) Emerging (Implementation Phase 1) Established (Implementation Phase 2)
Key benefits for us

› Access information from a central system, removal of legacy systems
› Information submitted electronically, stored centrally = reduced time spent re-keying
› Work flow allows internal and external stakeholders to know application status
› Operational efficiencies – processing times reduced
› Fee collection process simpler and more efficient
› Less Paper – future proofed systems and interactions
Key benefits for us

› Enhanced Management Information reporting
› Improved oversight of Industry
› Reduced information and data security risk
› Improved credit control and late penalty processes
› Authorisations now partially automated
› Up to date and accurate information
› Resources allocated according to risk
› Enhanced people strategy supporting a high performance culture
# Key benefits delivered per annum - 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual invoices raised and published via Portal</td>
<td>1,996</td>
</tr>
<tr>
<td>New products (JPF and NDS/UT)</td>
<td>253</td>
</tr>
<tr>
<td>Invoices related to above</td>
<td>393</td>
</tr>
<tr>
<td>Users on myJFSC portal</td>
<td>1,286</td>
</tr>
<tr>
<td>474 new users in 2018</td>
<td></td>
</tr>
<tr>
<td>£13.5m Invoiced Annual Fees</td>
<td></td>
</tr>
<tr>
<td>Automation of:</td>
<td></td>
</tr>
<tr>
<td>› Labour intensive fee runs</td>
<td></td>
</tr>
<tr>
<td>› Generation and filing of authorisation documents</td>
<td></td>
</tr>
<tr>
<td>Annual Fee audit positive</td>
<td></td>
</tr>
<tr>
<td>Late Penalty</td>
<td>650 invoices raised for £230k</td>
</tr>
</tbody>
</table>
Key statistics for NRA and Data Collection online portal submissions

- 2018 NRA and Supervisory Risk Data Collection exercises significantly impacted JFSC resources
- Manageable thanks to Change Programme benefits (CRM, Portal, Data Storage and Enhanced Management Information)

3,377 Respondents

We have received and processed

1,810 NRA spreadsheets

23,255 Questions

Total Data points
i.e. JFSC now know more bits of information after the exercise

2,699,796

NRA will collect information again in Q1 2019
Key benefits for you

› One login and password
› Provide, check, maintain, update information electronically
› Make payments online
› View application/filing status and relevant JFSC contact
› Capacity gained, limiting staff number increases
› Authorisations now partially automated
› Risk-based supervision
› Timely communication and feedback on supervision and examination themes
› Collaborative approach to systems development focusing on excellent user experience
› Cyber security upgrade
› Operational efficiencies
› Fee collection process simpler and more efficient
› Less paper - future proofed systems and interactions
› Reduced information and data security risk
Challenges remain in 2019

- Allowing time for adoption
- Change is the new normal
- Organisational uncertainty
- Cultural change
- Key dependency on systems development
- Managing BAU

- Ensuring ICT resources equipped to deal with development, change and de-commissioning of legacy systems
- Limited resourcing and competing priorities = robustly evaluate impact of additional workload requests
What next in 2019?

Q1
- Development of new risk model
- Implementation of new HR system
- Development of online Financial Statements through Portal
- Development of replacement PQ system
- Next submission of Supervision and NRA Data through the portal
- Deliver functionality for submission of Basel III through the portal

Q2
- Implementation of remaining online Authorisation, Maintenance, Cessation and Notification functionality through the Portal

Q3
- Target for delivery of Enforcement Case Management
- Development of online Financial Statements through Portal
- Statistical returns and de-commissioning of the legacy solutions
- Implementation of a new website

Q4
- Development of an enhanced registry system platform

Dynamic (Implementation Phase 3)
What’s not in our Business Plan

› Business as usual
› Supervision, Enforcement, Registry
› International engagement
› Brexit
› Contingency
› Further Policy dossiers
FATF recommendations

› Number one priority
› NRA, Legislation
› Effectiveness of AML/CFT regime
› Enhance the supervisory approach to AML
New Registry Law
Central Register of Directors
System and processes to replace Annual Return
LLCs – system and processes
Extended scope of activities

› Consumer lending
› Pensions
Data and digital channels

Develop platforms

Generate insights

Process securely

Deliver website
Latest News
JFSC launches 2019 Business Plan

Read more
International standards

- Basel III
- Investment Business regime
- Jersey Resolution Authority
Enhancements to Registry

- Security
- Platform
- APIs
- Accuracy and integrity
Facilitator
Mike Jones, Director of Policy

Panel member
Lord Eatwell, Chairman

Panel member
Julian Lamb, Director of Registry

Panel member
Jill Britton, Director of Supervision

Panel member
Senator Ian Gorst, External Relations Minister
Closing remarks and thank you
Business Plan 2019