



Jersey Financial  
Services Commission

# Registry Processing Statement

**Issued: 3 November 2014**

**Revised: July 2018**

# Contents

- 1 Introduction.....3**
- 2 Application .....3**
- 3 Purpose .....3**
- 4 Legal Principles .....3**
- 5 What is covered? .....4**
- 6 Processing applications featuring higher risk factors and activities posing potential reputational risks.....5**
- 7 Activities posing potential reputational risks .....5**
- Holding companies with reference to Table 1 - Activities .....6**
- Table 2 Activities .....6**
- Appendix A .....8**

## 1 Introduction

- 1.1 The purpose of this Policy is to set out the approach applied by the Registry when assessing applications referenced in section 2.1 which feature higher risk indicators or elements requiring further consideration. Such indicators or elements may be identified through information disclosed by the applicant within the relevant application form, or through the Registry's own assessment which includes the use of appropriate external data sources. These data sources include publicly available information and regulatory insight.
- 1.2 This Statement should be read in conjunction with the Jersey Financial Services Commission's (JFSC) Sound Business Policy (SBP).

## 2 Application

- 2.1 This Statement applies to applications for consent under the following provisions of the [Control of Borrowing \(Jersey\) Order 1958 \(COBO\)](#).
- 2.1.1 This Statement applies to applications for consent under the following provisions of the Control of Borrowing (Jersey) Order 1958 (COBO).
- 2.1.2 Article 1 (external body corporate raising money in Jersey by issue of shares);
- 2.1.3 Article 2 (admission to membership of a Jersey body corporate);
- 2.1.4 Article 3 (external body corporate having shares registered in Jersey);
- 2.1.5 Article 4 (issue of securities other than shares);
- 2.1.6 Article 4A (issue of securities other than LLC interests);
- 2.1.7 Article 5 (continuance of an external body corporate in Jersey);
- 2.1.8 Article 5A (continuance of external limited liability company in Jersey);
- 2.1.9 Article 7 (Issue of government securities) (until 12 April 2026);
- 2.1.10 Article 8 (circulation of prospectuses);
- 2.1.11 Article 9 (raising money for the purpose of a unit trust or issuing units under a unit trust scheme);
- 2.1.12 Article 10 and 11 (creation of partnership interests); and
- 2.1.13 Article 11A (creation of LLC interests) and the circulation of an offer document.
- 2.2 The Statement also applies to applications made to the Registry for approval for the transfer of a Reserved Company.

## 3 Legal principles

- 3.1 While processing applications, the Registry will have regard to the:
- 3.1.1 Requirements set out in Article 2(3) of the [Control of Borrowing \(Jersey\) Law 1947](#), to have regard to the need to protect the integrity of Jersey in commercial and financial matters and the best economic interests of Jersey; and
- 3.1.2 The JFSC's guiding principles set out in Article 7 of [the Financial Services Commission \(Jersey\) Law 1998 \(guiding principles\)](#) to:

- 3.1.2.1 reduce risk to the public of financial loss due to dishonesty, incompetence, malpractice, or the financial unsoundness of financial service providers;
- 3.1.2.2 protect and enhance the reputation and integrity of Jersey in commercial and financial matters;
- 3.1.2.3 safeguard the best economic interests of Jersey; and
- 3.1.2.4 counter financial crime both in Jersey and elsewhere.

## 4 What is covered?

### High risk factors

- 4.1 The Registry has adopted measures to apply a risk-based approach to its determination of applications and in doing so, due regard will be given to:
  - 4.1.1 The Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism (**AML/CFT/CPF Handbook**), in particular, Part 1, Section 3 – Customer due diligence requirements and Appendices D1 and D2;
  - 4.1.2 Anti-Money Laundering and Counter terrorism legislation as defined in Article 3 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008
  - 4.1.3 the Corruption (Jersey) Law 2006;
  - 4.1.4 [Sanctions](#) and
  - 4.1.5 Guidance issued by the JFSC on Money Laundering, Terrorist Financing, Proliferation Financing and Proliferation Financing of Weapons of mass destruction:
  - 4.1.6 [Money Laundering](#)
  - 4.1.7 [Terrorist Financing](#)
  - 4.1.8 [Proliferation and Proliferation Financing of weapons of mass destruction](#)
  - 4.1.9 Jersey’s National Risk Assessments
  - 4.1.10 Jersey’s National Strategy for Combatting Financial Crime and Jersey’s Statement on Financial Services and Financial Crime: Activities, Risk Appetite and Mitigation.
- 4.2 In determining applications submitted through a published application form, the Registry will assess any higher risk factors disclosed. While the form enables applicants to indicate whether such risks are present, the Registry retains the discretion to consider additional matters beyond those declared, where necessary, to ensure a robust assessment and to safeguard the island’s reputation and integrity in commercial and financial matters.
- 4.3 One area of risk the Registry will consider is the potential risks posed by the ultimate beneficial owners, controllers, founders or partners. Those risks may include (but are not limited to):
  - 4.3.1.1 Solvency;
  - 4.3.1.2 Politically Exposed Persons (**PEP**)<sup>i</sup>;
  - 4.3.1.3 Residency in a country or territory that presents a higher risk of money laundering or terrorist and proliferation financing;
  - 4.3.1.4 Being the subject of Jersey sanctions legislation; and

- 4.3.1.5 Provide details, in a free text box “other relevant details” of any other higher risk factors, identified while completing due diligence, which pose a potential reputation risk to Jersey.
- 4.4 The published application forms require the disclosure of higher risk factors, associated with ultimate beneficial owners, controllers, founders, or partners and activities posing potential reputational risk. Applicants are required by way of submitting the published application forms to:
- 4.4.1 confirm, that in completing due diligence, due regard has been given to items 5.3.1.1 to 5.3.1.4 above; and
  - 4.4.2 provide details to 5.3.1.5 above.
  - 4.4.3 provide details of Regulated, authorised or supervised entities and their holding vehicles.
  - 4.4.4 provide details of Initial Coin Offering and Token issuers.
- 4.5 Together with Government of Jersey the JFSC has published a Sound Business Policy. This provides applicants with a means of stating what, if any, intended activities pose potential reputational risks.
- For further information see Section 6.
- 4.6 When an application is made to incorporate a company in Jersey, the Registry requires the disclosure of all beneficial owners holding 25% or more of the ownership or control of the entity. However, where higher risk factors are identified, such as those outlined in this Registry Processing Statement, the Registry may, on a risk-sensitive basis, require information on individuals holding a lower percentage interest to ensure appropriate transparency and due-diligence standards are met. The TCSP must also clearly explain in the application the specific higher risk factors identified, the beneficial ownership threshold applied, and how this adjusted threshold effectively mitigates the risks, if applicable.

## 5 Processing applications featuring higher risk factors and activities posing potential reputational risks

### Generally

- 5.1 Where applications fall within the scope of the Sound Business Policy, the Registry **will not guarantee a fast-track service**. Applicants are encouraged to contact the Registry in advance of submitting an application, to promote a clear understanding of the additional information required and the likely processing service level.
- 5.2 The Registry will assess each application, **on a case-by-case basis**, following the standard assessment and evaluation procedures including the use of external data sources. The outcome of this assessment will guide the Registry’s engagement with applicants, including any requests for additional information or clarification.
- 5.3 Where the Registry identifies such factors and determines that an application is materially inaccurate, inadequate, or incomplete, it may consider one or more actions as appropriate;
- 5.3.1 informing the applicant that the processing clock has stopped;
  - 5.3.2 returning the application for it to be properly executed;

- 5.3.3 referral to the JFSC Supervisor for an assessment against the regulatory requirements; and/or
  - 5.3.4 in circumstances where there have been repeated incidences of deficient applications received from the same service provider, the Registry will consider whether a suspension of the fast-track service level should apply.
- 5.4 It is noted that, in some circumstances, applicants may during this process withdraw an application. In such situations and in the absence of exceptional circumstances the application fee will not be refunded.
- 5.5 The Registry will, following its initial assessment and evaluation, contact applicants setting out, **on a case-by-case basis**, the action it will take to fully understand the risk factors associated with the application and potential mitigation by the applicant.

## 6 Activities posing potential reputational risks

### Jersey holding companies of non-Jersey regulated groups

- 6.1 The Registry will require a clear understanding of the nature of the investments to be held by the proposed Jersey holding company. This may be satisfied through the submission of a proposed structure chart outlining the entities to be held, their jurisdictions of incorporation, their activities, and, where relevant, the name of the applicable regulatory authority
- 6.2 Furthermore, the Registry will require confirmation, from the applicant, as to whether the activity of the Jersey holding company and/or its underlying subsidiaries would fall within the scope of the Regulatory Laws.
- 6.3 The Registry will, having due regard to the information provided, follow its process for holding companies' applications which feature Registered, Authorised or Supervised activity as described in Appendix A.

### SBP Activities

- 6.4 The Registry will, following its initial assessment and evaluation, contact applicants setting out, on a case-by-case basis, the action it will take to fully understand the risk factors associated with the application and potential mitigation by the applicant.
- 6.5 All applications made to the Registry are to be made in the manner and form set out by the Registry.
- 6.6 Where a person (A) provides trust company business (as defined in Article 2(3) of the Financial Services (Jersey) Law 1998) to another person (B) that is both i) subject to the Sound Business Policy, and ii) carrying on activity within the SBP, person A must ensure that it has the appropriate level of knowledge, skills and experience to properly fulfil its trust company business activities, taking into account the activities carried on by person B. Compliance with this will be considered as part of the supervisory approach to the trust company business sector.

## 7 Structure charts

- 7.1 A well-prepared structure chart should clearly set out the full ownership and control framework of a corporate group, showing every entity within the group, such as holding

companies, subsidiaries, and intermediate entities. Alongside their legal names the jurisdiction of registration and ownership percentages should be included.

- 7.2 The structure chart must provide a transparent and traceable chain of ownership from each entity all the way through to the reported beneficial owners, ensuring that the pathway of control is unambiguous and easy to follow. The chart should also highlight any indirect ownership routes, cross holdings, or controlling interests, so that anyone reviewing it can fully understand how the group is organised and who ultimately owns or controls it.

## Appendix A

### 1 Requirements for a holding company application which features a Table 1 activity in the underlying entity.

- 1.1 The Registry will determine the level of off-island regulatory engagement required. Depending on the nature of the event or transaction and the applicable regulatory regime, the Registry may request one of the following to enable direct communication with the relevant regulatory authority, both at the outset and on an ongoing basis, in connection with the proposed structure.
- 1.2 Submitters will be advised if off-island regulatory engagement is necessary following the Registry's assessment of the application.
- 1.3 Off-island regulatory engagement will not be required where the relevant regulatory authority is in an equivalent jurisdiction and where the regulated group or entity is not subject to any regulatory action, investigation or adverse media.

| Structure  | Approach  |
|--|---|
| Regulatory regimes requiring post event notification of changes to the ownership of a regulated entity.    | Upon application for the incorporation or registration of the Jersey entity, the regulated entity(ies) where requested are to provide the Registry with a Letter of Authority and Confirmation to permit contact with their Regulator(s) and support ongoing communication.                                       |
| Bid Entity situations involving a Jersey company and a proposed acquisition of a regulated entity(ies)     | Upon application for incorporation of the Jersey Bid entity, the Jersey legal advisors where requested are to provide the Registry with an undertaking that a Letter of Authority and Confirmation will be provided on completion of the acquisition.   |
| Change of ownership of a regulated entity(ies)   | Upon application for incorporation of the Jersey holding entity a letter of Authority and Confirmation is to be provided by the regulated entity(ies) where requested.  |
| New Financial Service business applicant with an application for incorporation of a Jersey Holding Entity. | Upon application for incorporation or registration of the Jersey holding entity, the Jersey legal advisors where requested are to provide the Registry with an undertaking that a Letter of Authority and Confirmation will be provided upon issue of regulatory licenses to the new Financial Services Business. |

- 1.4 The content of a letter of Authority and Confirmation will need to be appropriate for the proposed entity organisation structure and include contact details of the Regulator dealing with the proposed transaction.
- 1.5 The timing of the Registry's first communication with the named regulatory body will be determined on a case-by-case basis.
- 1.6 Having received the Letter of Authority and Confirmation and contact name(s), the Registry will seek a reference from the relevant regulatory body on the following lines:

- 1.6.1 Request confirmation that the regulatory body is aware of the proposed transaction and that it has no objection to the re-structured ownership as described in the letter and/or the appended Group structure chart.
  - 1.6.2 Request notification of any material breaches in relation to the regulatory issues or conduct of business matters by the proposed Group together with issues that may have been identified by the regulatory body and, if applicable, been drawn to its attention by other regulatory bodies responsible for supervising the proposed Group.
  - 1.6.3 The regulatory body will undertake to notify the Registry, as soon as it is possible, if it becomes aware of a material change which affects, or is likely to affect, the regulatory standing of the proposed Group.
  - 1.6.4 In writing to the regulator, the Registry will confirm, where relevant, that it will not perform any regulatory function in relation to the business carried out by the proposed Group.
- 1.7 Having completed its enquiries and where material risks are identified, the Registry may issue a conditioned COBO Consent to address and manage those risks.

---

<sup>i</sup> Politically Exposed Person shall have the meaning assigned to it in Article 15(5)(b) of the Money Laundering (Jersey) Order 2008.

<sup>ii</sup> Regulatory Laws is the collective term for the following legislation: the Collective Investment Funds (Jersey) Law 1988; the Banking Business (Jersey) Law 1991; the Insurance Business (Jersey) Law 1996; and the Financial Services (Jersey) Law 1998.