



**Jersey Financial
Services Commission**

Guidance to Section I of risk based supervision data

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1 Introduction

1.1 Background

- 1.1.1 In 2018 the JFSC collected supervisory risk data for reporting entities for the first time. This exercise was repeated in 2019 and, as advised on 30 October 2019, the JFSC is collecting the same data in 2020.

1.2 Scope

- 1.2.1 Section I of the risk based supervision data collection is designed to collect data from the majority of:
- (a) legal persons established under Jersey law;
 - (b) legal persons established outside Jersey who operate here through branchesⁱ; and
 - (c) natural persons or partnerships (that are not legal persons), that are carrying on financial services businessⁱⁱ.
- 1.2.2 Data should be provided by a Reporting Entity. A Reporting Entityⁱⁱⁱ is either:
- (a) a regulated person (as described below - 1.2.4); or
 - (b) a person carrying on a Specified Schedule 2 Business that is registered (excluding a deemed registration) under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 (**Supervisory Bodies Law**) (these persons have a JFSC registration number which starts "SCH").
For the avoidance of doubt this includes, but is not limited to:
 - (i) Lawyers
 - (ii) Accountants
 - (iii) Estate agents
 - (iv) Casinos
 - (v) Lenders
 - (vi) Other persons registered with the JFSC as they invest, administer or manage funds or money on behalf of third parties
- 1.2.3 With respect to 1.2.2(b)(ii), the AML/CFT Handbook for the Accountancy Sector clarifies at section 1.5.1 (paragraph 52) that "accountancy services" includes any service provided under a contract for services (i.e. not a contract of employment) which pertains to the recording, review, analysis, calculation or reporting of financial information. This includes those reporting entities that only undertake bookkeeping.
- 1.2.4 The following regulated persons are required to complete the questionnaire:
- Financial Services (Jersey) Law 1998 (**Financial Services Law**)
- (a) A person who is registered to carry on **trust company business (TCB)**, except a participating member of any TCB affiliation.
 - (b) A person who is registered to carry on TCB which is a managed entity under Class N of the Schedule to the Financial Services (Financial Service Business) (Jersey) Order 2009 (**Financial Service Business Order**) (a **managed trust company**).

- (c) A person who is registered to carry on **fund services business** or **AIF services business**, except:
 - (i) a participating member of any TCB affiliation; and
 - (ii) a person who is managed by a person carrying on fund services business under Class ZK of the Financial Service Business Order (**FSB Managed Entity**).
- (d) A person who is registered to carry on **investment business**, except a participating member of any TCB affiliation.
- (e) A person who is registered to carry on **money service business (MSB)**, except a participating member of any TCB affiliation.

Banking Business (Jersey) Law 1991 (Banking Business Law)

- (f) A person who is registered to carry on **deposit-taking business**.

Collective Investment Funds (Jersey) Law 1988 (Funds Law)

- (g) A person who holds a permit as a functionary to a Recognized Fund, except a participating member of any TCB affiliation.

1.2.5 Any person holding a registration which meets one of the criteria below is not a Reporting Entity for the purpose of section I of the risk based supervision data collection:

- (a) Any person who is only registered under the Financial Services Law to carry on general insurance mediation business.
- (b) Any person issued with a permit under the Insurance Business (Jersey) Law 1996.
- (c) Any person registered to carry on TCB that is a participating member of an affiliation, as the data submitted by the affiliation leader should cover its participating members.
- (d) The following persons are not required to complete Section I but their data needs to be included in the global information on SARs (Section B) and Sanctions (Section C) as this data is collected on a Consolidated Basis:
 - (i) An FSB Managed Entity 1.2.4(c)(ii)^{iv}.
 - (ii) Public funds - any scheme or arrangement defined as a collective investment fund in Article 3 of the Funds Law and unregulated funds^v.
 - (iii) Private funds - any scheme or arrangement falling within the definition of collective investment fund in Article 3 of the Funds Law, except that the offer of units in the scheme or arrangement is not an offer to the public within the meaning of that Article^{vi}.

1.2.6 Persons who have notified the JFSC that they are carrying on financial services business and are relying on a registration exemption are not Reporting Entities and are not required to provide data as part of the Phase 1 Risk Based Supervision Data collection exercise.

Note: the JFSC will gather data from these persons through bilateral discussions

- (a) Any person carrying on MSB with an annual turnover from their MSB business which is less than £300,000 per year.
- (b) Any person carrying on TCB who is a recognized **experienced personal adviser**, when continuing to provide a relevant personal service that the adviser was providing immediately before the commencement of the

Financial Services (Trust Company Business (Exemptions No. 2)) (Jersey) Order 2000.

- (c) Any person carrying on the business of being a **virtual currency exchange (VCE)** with an annual turnover from their VCE business of less than £150,000 per year.
- 1.2.7 Where a Reporting Entity (and any participating members, in the case of a Reporting Entity that is a trust company business which is an affiliation leader) is a legal person established under Jersey law, data should be provided on any business carried on through a branch^{vii} or representative office of that legal person that is outside Jersey. Unless specified to the contrary in this questionnaire, data is not required about any subsidiary^{viii} of the Reporting Entity.
- 1.2.8 Where a Reporting Entity is a legal person established outside Jersey, data should be provided only on business carried on in, or from within, Jersey. For example, if the Reporting Entity has a physical branch in Jersey, data should only be provided about the business and customers of that branch, and if there is no physical branch information should be provided about Jersey-based customers.

1.3 Data reporting period

- 1.3.1 Generally, data should be provided for the period 1/1/2019 to 31/12/2019.
- 1.3.2 There are a few data items where the data should be provided as at the end of the reporting period (31/12/2019 or closest business day).

1.4 Data Submission

- 1.4.1 Whilst the JFSC will be collecting the same data as it did in 2019, Reporting Entities are still recommended to consider the data request as soon as possible. It may take some time to gather the requested data.
- 1.4.2 Each Reporting Entity will be submitting a completed Excel workbook through the JFSC Portal, and each Reporting Entity has a designated individual who is the JFSC Portal contact.
- 1.4.3 Notwithstanding that the JFSC Portal contact has responsibility for submitting the data, the board, or equivalent, of the Reporting Entity should have oversight of the content of the submission made on their behalf.
- 1.4.4 Failure to respond to an applicable question will not be acceptable.
- 1.4.5 As this is the third time this data will be collected the JFSC expects Reporting Entities to be in a better position to report their 2019 data and that fewer responses will need to be derived by extrapolation or estimates supported by specific criteria. However, the JFSC continues to acknowledge that it takes time to implement system changes. Therefore, where a Reporting Entity needs to extrapolate or estimate its data, as system changes are still being implemented, or where it is felt necessary to provide additional data to enable the JFSC to understand the response, please provide this information to your supervision manager/supervision team.
- 1.4.6 With the exception of spreadsheets *D-Country List* and *E-Comments*, all parts of each question should be answered. Consequently, please insert a "0" where relevant rather than leaving a box blank.

1.5 Integrity checking your submission

- 1.5.1 Before submitting your data the JFSC suggests that the integrity checks highlighted in the document: Guide to integrity checking your Section I risk based supervision data, are completed.

2 Section A – Organisational data/footprint

2.1 Introduction

2.1.1 This section collects data about:

- (a) the activities of the Reporting Entity;
- (b) the extent to which the Reporting Entity carries on its business, and is supervised from, outside the Island;
- (c) number of employees of the Reporting Entity;
- (d) the Reporting Entity's total income;
- (e) the total number of customers, beneficial owners and controllers; and
- (f) PEPs.

2.1.2 Unless otherwise stated, a Reporting Entity should report its data as at 31 December 2019. If, since 31 December 2019 it has:

- (a) merged with another business; or
- (b) acquired, or disposed of, a book of business,

which has a material impact on its data then the Reporting Entity should contact its supervision manager or where no individual supervision manager has been allocated, the respective sector supervision team at the JFSC, to discuss how best to complete Section A.

2.2 Questions A1 to A20 - General

2.2.1 Questions A1 to A20 should be answered only in respect of the Reporting Entity.

2.2.2 Where the Reporting Entity is a TCB, unless otherwise stated, this includes any participating member of a TCB affiliation where it is the affiliation leader. An affiliation may include members that have additional licences e.g. carrying on fund services business. **The effect of this is to require a TCB that is an affiliation leader to present data requested for itself and every participating member as if it is a single reporting entity (except as indicated otherwise).**

2.3 Question A1

Full name of Reporting Entity

2.3.1 Provide the full name of the Reporting Entity as at the date of completion of this Questionnaire.

2.3.2 This is the name on the JFSC registration certificate and may be either your own name (sole trader) or the name of a company via which you provide services.

2.4 Question A2

Regulated Business carried on by the Reporting Entity (Mark with an X all that apply)

(a) Deposit-taking;	(b) Trust Company Business;
(c) Investment Business;	(d) Fund Services Business;
(e) AIF Services Business;	(f) Money Service Business

- 2.4.1 Indicate using an “X” all regulated business that the Reporting Entity (including any participating members in the case of a Reporting Entity that is a TCB affiliation leader) is licensed by the JFSC to carry on.
- 2.4.2 Where the Reporting Entity is an individual only one regulated business should be selected i.e. natural persons registered to carry on TCB.

2.5 Question A3

Specified Schedule 2 Business carried on by the Reporting Entity:

(Yes ; No, dropdown menu)

1 Lawyers;
2 Accountants;
3 Estate agency services;
4 High value dealers;
5 Casinos (including internet casinos);
6(a) acceptance of deposits and other repayable funds from the public;
6(b) lending, including consumer credit, mortgage credit, factoring (with or without recourse), financing of commercial transactions (including forfeiting);
6(c) financial leasing;
6(e) issuing and administering means of payment (such as credit and debit cards, cheques, travellers' cheques, money orders and bankers' drafts, and electronic money);
6(f) guarantees and commitments
6(g) trading for the account of third parties in: (i) money market instruments (cheques, bills, certificates of deposit, derivatives etc), (ii) foreign exchange, (iii) futures and options (financial and commodity), (iv) exchange, interest rate and index instruments, (v) transferable securities
6(h) participation in securities issues (and the provision of services related to such issues) except in the course of business excluded by the operation of paragraph 4(ca), (cb) or (h) of Part A of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999
6(i) advice to undertakings on capital structure, industrial strategy and related questions and advice as well as services relating to mergers and the purchase of undertakings
6(j) money broking
6(k) portfolio management and advice
6(l) safekeeping and administration of securities
6(m) safe custody services
6(n) otherwise investing, administering or managing funds or money on behalf of third parties

- 2.5.1 Reporting Entities that are only registered with the JFSC to carry on Specified Schedule 2 Business should complete this question (JFSC registration number which starts “SCH”) as well as regulated businesses that are additionally carrying on Specified Schedule 2 Business.
- 2.5.2 Where the Reporting Entity is an individual only one Specified Schedule 2 Business should be selected.

- 2.5.3 Where a Reporting Entity carries on regulated business and provides one or more services that are listed in paragraph 7(1) of Schedule 2 to the Proceeds of Crime (Jersey) Law 1999 (**Proceeds of Crime Law**) to third parties, this should be reported in response to 6(a) to 6(n).
- 2.5.4 The Reporting Entity should complete the first column ((i) Reporting Entity), indicating which activities it undertakes by selecting “Yes” from the dropdown menu, otherwise select “No” or leave blank.
- 2.5.5 Where the Reporting Entity is a TCB affiliation leader, please complete the second column ((ii) Participating members) with respect to the Specified Schedule 2 Business activities of its participating members. For each activity enter the number of participating members providing such services or leave blank, as applicable.
- 2.5.6 The terms that have been used in A3 are taken from paragraph 7(1) of Part B of Schedule 2 to the Proceeds of Crime Law and are not defined in legislation; neither has the JFSC issued guidance with respect to these activities. **Nevertheless, many Reporting Entities are already required to notify the JFSC where they carry on such activities and data reported should be consistent with such notifications.**
- 2.5.7 Please note: paragraph 7(1) of Part B of Schedule 2 to the Proceeds of Crime Law captures the business of providing services to third parties, where the business is not otherwise included in the Schedule.
- (a) So, for example, a bank that takes only deposits, as defined in the Banking Business Law, and not also other repayable funds is not required to provide any data under A3(a).
 - (b) Similarly, a person carrying on classes B, C and D (investment business) under the Financial Services Law is not required to provide data under line A3(k) (portfolio management and advice).
 - (c) In contrast a person collecting debts on behalf of third parties is considered to be caught by the activity set out at 6(n) and should respond “Yes” to that activity and complete Section I.

2.6 Question A4

If conducting Trust Company Business, number of participating members (if any)

- 2.6.1 This question should **only** be answered by a Reporting Entity that is a TCB affiliation leader.
- 2.6.2 Please insert the number of participating members in the affiliation.
- 2.6.3 All Reporting Entities carrying on trust company business should complete this question, if the Reporting Entity is not an affiliation leader please report “0”.

2.7 Question A5

If conducting Trust Company Business, number of private trust companies administered by the Reporting Entity (if any)

- 2.7.1 This question should **only** be answered by a Reporting Entity that is a TCB, providing services to private trust companies (**PTCs**)^{ix}.
- 2.7.2 Please insert the number of PTCs that are administered by the TCB or any participating member of a TCB affiliation where it is the affiliation leader.
- 2.7.3 All Reporting Entities carrying on trust company business should complete this question, if no PTCs are administered please report “0”.

2.8 Question A6

If conducting Fund Services Business, number of managed entities (if any)

- 2.8.1 Where the Reporting Entity is a fund services business or a TCB affiliation leader with any participating members that hold a fund services business licence class ZK (manager of a managed entity (**MoME**, as defined in the Glossary)), provide the number of **FSB Managed Entities** (as defined in the Glossary) that are managed by the Reporting Entity.

2.9 Question A7

If conducting Fund Services Business, number of unregulated funds to which services are provided (if any)

- 2.9.1 This question should **only** be answered where either the Reporting Entity is:
- (a) registered as a fund services business; or
 - (b) a TCB affiliation leader with any participating members which are registered as a fund services business,
- and either (a) or (b) provides services to an unregulated fund (as per the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008).
- 2.9.2 Please insert the number of unregulated funds serviced.
- 2.9.3 All Reporting Entities falling within 2.9.1 should complete this question, if no unregulated funds are serviced please report "0".
- 2.9.4 Please note: unregulated funds in this context are Jersey funds that have filed an Unregulated Funds Notice with the Companies Registry. This question is not asking about any other types of funds such as non domiciled funds that are not regulated in their home jurisdiction.

2.10 Question A8

If conducting Fund Services Business, Trust Company Business or Investment Business, number of supported fund operators that provide services to:

(i) Unregulated Funds

(ii) Private Funds (JPF, CoBO Only, PPF and VPF)

- 2.10.1 This question should **only** be answered by Reporting Entities that meet one of the following criteria, registered as:
- (a) a fund services business,
 - (b) an investment business, or
 - (c) a TCB,
- and the Reporting Entity (or one of its participating members in the case of a TCB that is an affiliation leader) provides services to a **Supported Fund Operator** (as defined in the Glossary) that in turn provides services to:
- (i) an unregulated fund as per the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008, or
 - (ii) a **Private Fund** (as defined in the Glossary).
- 2.10.2 Please report the number of Supported Fund Operators that provide services to:

- (a) A8(i) Unregulated Funds
- (b) A8(ii) Private Funds (JPF, CoBO Only, PPF and VPF)

2.10.3 Please note:

- (a) Supported Fund Operators are not registered under (i) the Financial Services Law or (ii) the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 (**Supervisory Bodies Law**) because they are serviced by the Reporting Entity (including a participating member in the case of a Reporting Entity that is a TCB affiliation leader) who holds a registration for fund services business, investment business or trust company business (as applicable).
- (b) Examples of Supported Fund Operator are a general partner or trustee, relying on the:
 - (i) Professional Investor Regulated Scheme Exemption^x; or
 - (ii) SPV general partner/trustee exemption in relation to an unregulated fund^{xi}.

2.11 Question A9

If conducting Fund Services Business, Trust Company Business or Investment Business, number of private funds in relation to which services are provided (i) directly to a private fund or (ii) to a service provider of a private fund:

(i) Jersey Private Funds (JPF)	(ii) CoBO only Funds
(iii) Number of CoBO Only funds that are likely to terminate by 31/12/20	(iv) Private Placement Funds (PPF)
(v) Number of PPFs that are likely to terminate by 31/12/20	(vi) Very Private Funds (VPF)
(vii) Number of VPFs that are likely to terminate by 31/12/20	

- 2.11.1 This question should **only** be answered by Reporting Entities that meet one of the following criteria, registered as:
- (a) a fund services business;
 - (b) an investment business^{xii}; or
 - (c) a TCB,
- and the Reporting Entity (or one of its participating members in the case of a TCB that is an affiliation leader) provides services directly (or indirectly by providing a service to a Supported Fund Operator of a private fund) to one or more of the types of private funds listed in A9(i) to (vii).
- 2.11.2 In a case where the same Private Fund is serviced directly by a Reporting Entity and indirectly through one or more Supported Fund Operators, that Private Fund should be reported once only. For example, an administrator provides services to a general partner relying on the Professional Investor Regulated Scheme Exemption which in turn provides services to a very private fund limited partnership.
- 2.11.3 The breakdown required is by type of Private Fund (A9(i), A9(ii), A9(iv) and A9(vi)) and, within that, number of **Legacy Private Funds** (as defined in the Glossary) that are likely to be wound up on or before 31 December 2020 (A9(iii), A9(v) and A9(vii)).

- 2.11.4 This data will continue to assist the JFSC in determining the extent to which data should be collected at a later date on Private Funds.

2.12 Question A10

If conducting accountancy services, is the Reporting Entity a member of a professional body?
(Yes ; No, dropdown menu)

- 2.12.1 Where the Reporting Entity is carrying on **accountancy services** (question A3(2)(i) will have been answered “yes”), indicate using the “yes/no” dropdown whether it is a member of one or more professional bodies.
- 2.12.2 The following bodies are likely to be most relevant:
- (a) Association of Accounting Technicians;
 - (b) Association of Chartered Certified Accountants;
 - (c) Association of International Accountants;
 - (d) Association of Taxation Technicians;
 - (e) Chartered Institute of Management Accountants;
 - (f) Chartered Institute of Taxation;
 - (g) Insolvency Practitioners Association;
 - (h) Institute of Certified Bookkeepers;
 - (i) Institute of Chartered Accountants in England and Wales;
 - (j) Institute of Chartered Accountants in Ireland;
 - (k) Institute of Chartered Accountants of Scotland;
 - (l) Institute of Financial Accountants; and
 - (m) International Association of Bookkeepers.

2.13 Question A11(a)

Where the Reporting Entity is established outside Jersey, is it subject to supervision by an overseas regulator?
(Yes ; No, dropdown menu)

- 2.13.1 This question should be answered only by a Reporting Entity that is established outside Jersey.
- 2.13.2 Please select “yes” from the dropdown menu where the whole of that Reporting Entity is subject to direct supervision by an overseas regulator.
- 2.13.3 For example, this could be where the Reporting Entity is a Jersey Branch of an entity that is established outside Jersey e.g. a UK incorporated bank with a Jersey Branch and a head office in London that is subject to regulation by the FCA and PRA.
- 2.13.4 Where a Reporting Entity is established under Jersey law and conducts activities outside Jersey that are regulated by an overseas regulator, see guidance on Question A16 (2.20).

2.14 Question A11(b)

If the answer to A11(a) is yes, in which country is the overseas regulator?
(dropdown list of countries)

- 2.14.1 If the answer to A9(a) is “no” this question can be ignored.
- 2.14.2 If the answer to A11(a) is “Yes”, please select from the dropdown list the country of the overseas regulator.
- 2.14.3 Please note the dropdown list is in alphabetical order.

2.15 Question A12(a)

Is the Reporting Entity part of a group of companies and subject to consolidated supervision by an overseas regulator?
(Yes ; No, dropdown menu)

- 2.15.1 Where the Reporting Entity is part of a group of companies and subject to consolidated supervision by a lead regulator outside Jersey, please select “yes” from the dropdown menu.
- 2.15.2 A Reporting Entity that is part of a group of companies that is established outside Jersey is subject to consolidated supervision outside Jersey where:
 - (a) its parent is supervised by a foreign supervisor (lead regulator); and
 - (b) the lead regulator supervises the parent and other entities in the group as a single unit.
- 2.15.3 The lead regulator will receive information on the worldwide operations of the group to assess the group’s overall compliance with regulatory requirements (including AML/CFT) that apply to the parent.

2.16 Question A12(b)

If the answer to A12(a) is yes, in which country is the overseas regulator?

- 2.16.1 If the answer to A12(a) is “no” this question can be ignored.
- 2.16.2 If the answer to A12(a) is “Yes”, please select from the dropdown the country of the lead regulator.
- 2.16.3 Please note the dropdown list is in alphabetical order.

2.17 Question A13

Is any parent entity of the Reporting Entity one of the following:
(Mark with an X all that apply)

(i) Bank	(ii) Non-bank financial services
(iii) Private equity/fund	(iv) Law firm
(v) Accountancy firm	

- 2.17.1 Indicate using an “X” in the relevant box(es) any parent entity that sits above the Reporting Entity in a group structure (immediately or otherwise).
- 2.17.2 Note: the response to this question needs to reflect all parent entities above the Reporting Entity therefore more than one box may need to be marked.

2.18 Question A14

Number of subsidiaries of the Reporting Entity operating in each country (responses provided on the spreadsheet *D-Country list*)

- 2.18.1 Only answer this question where the Reporting Entity (including a participating member in the case of a Reporting Entity that is a TCB affiliation leader) is incorporated in Jersey.
- 2.18.2 For the avoidance of doubt, data should not be provided about:
 - (a) Subsidiaries of a Reporting Entity that are participating members; or
 - (b) Legal persons that are owned by a Reporting Entity on a fiduciary basis, e.g. held by a trustee acting on behalf of an underlying trust; or
 - (c) An asset holding vehicle held by the Reporting Entity on behalf of a fund that is a legal arrangement.
- 2.18.3 On the sheet "*D-Country list*" (**not** in the sheet "*A-Organisational data*"), provide the number of subsidiaries of the Reporting Entity (including any subsidiaries of any participating members in the case of a Reporting Entity that is a TCB affiliation leader).

2.19 Question A15

Number of subsidiaries of the Reporting Entity that are regulated/supervised for AML/CFT purposes (responses provided on the spreadsheet *D-Country list*)

- 2.19.1 Regulated/supervised for AML/CFT purposes means:
 - (a) subject to AML/CFT requirements; and
 - (b) supervised for compliance with those requirements by the JFSC or an overseas regulatory authority discharging a similar function in respect of AML/CFT.
- 2.19.2 The response to A14 should be used as a base for answering this question.
- 2.19.3 On the sheet "*D-Country list*" (**not** in the sheet "*A-Organisational data*"), provide the number of subsidiaries (those reported in A14) that are **Regulated and Supervised for AML/CFT purposes** (as defined in the Glossary).

2.20 Question A16

Number of branches or representative offices of the Reporting Entity that are regulated/supervised for AML/CFT purposes (responses provided on the spreadsheet *D-Country list*)

- 2.20.1 Only answer this question where the Reporting Entity (including a participating member in the case of a Reporting Entity that is a TCB affiliation leader) is established under Jersey law.
- 2.20.2 Provide the number of branches and/or representative offices that are Regulated and Supervised for AML/CFT purposes by the overseas regulatory authority. Also report here any case where a Reporting Entity (including a participating member in the case of a Reporting Entity that is a TCB affiliation leader) undertakes activities outside Jersey where the activity requires it to be Regulated and Supervised for AML/CFT purposes by an overseas regulatory authority, even if it does not have a branch or representative office in that country.

- 2.20.3 On the sheet “*D-Country list*” (**not** in the sheet “*A-Organisational data*”), provide the number of branches/offices in each country. Where an activity in a country requires regulation/supervision, no matter the number of different activities report “1” for that country.

2.21 Question A17(a)

Total income for the year ended on the reporting date or the Reporting Entity's most recent financial year end

- 2.21.1 Report the total income for the Reporting Entity – see 2.21.6.
- 2.21.2 In 2019 the JFSC collected total income in GBP thousands however in 2019 we will be collecting data as an absolute value, rather than rounded in GBP thousands.
- 2.21.3 **Please do not leave this cell blank nor respond with “0” unless the Reporting Entity did not trade in 2019.**
- 2.21.4 Responses should be provided in **sterling**. Where income is recorded by a Reporting Entity in a currency other than sterling, then those amounts should be converted into sterling using the exchange rate applied by the Reporting Entity at the period end or during the reporting period for which data is requested.
- 2.21.5 Where the Reporting Entity is a TCB affiliation leader please provide the total income for the affiliation.
- 2.21.6 Total income should be reported according to whichever of the following applies:
- (a) A Reporting Entity that is registered under the Banking Business Law should report the total income disclosed in the section “profit and loss”, line A.0, in the prudential return submitted for its financial year end in 2019 (December in most cases);
 - (b) A Reporting Entity that is a legal person established in Jersey (except one that is registered under the Banking Business Law) should report the total income recorded in its financial statements^{xiii} for its financial year end in 2019 (in the case that it has permission to provide consolidated financial statements to the JFSC, this should be on a consolidated basis, see also 2.21.5).
 - (c) A Reporting Entity that is a legal person established overseas (except one that is registered under the Banking Business Law) should report the total income generated in Jersey only for its financial year end in 2019 based on its financial statements^{xiv} if these include a geographical breakdown or, otherwise, according to management information; and
 - (d) A Reporting Entity that is not a legal person (natural person or partnership) or does not produce financial statements should report total income for 2019 - according to management information.
- 2.21.7 With respect to 2.21.6(b) and 2.21.6(c), where available at the time of completing this questionnaire, audited income should be provided. However, if audited income will not be available before your submission deadline please submit total income for 2019 according to your management information.

2.22 Question A17(b)

Estimate of income from regulated/Specified Schedule 2 business activity for the same period as reported at A17(a)

- 2.22.1 Provide the estimated amount of the income reported for A17(a) that relates to regulated business^{xv} and/or Specified Schedule 2 Business, i.e. any activity that is regulated under the Money Laundering (Jersey) Order 2008 (**MLO**).
- 2.22.2 The response to A17(b) cannot be greater than the response to A17(a).

2.23 Question A18

Number of employees (full time equivalent)

Average working week spent in Jersey

(i) 50% or more

(ii) Less than 50%

- 2.23.1 The objective of this question is to gain an understanding of the number of employees physically present in Jersey and working within the financial services industry.
- 2.23.2 Where a Reporting Entity is a natural person or sole trader without staff, please answer this question as “1”.
- 2.23.3 Report the total number of employees (full time equivalent) of the Reporting Entity (including a participating members in the case of a Reporting Entity that is a TCB affiliation leader) split by those who spend:
 - (a) half or more of their average working week in Jersey; and
 - (b) less than half in Jersey.
- 2.23.4 In order to report data under these lines, it is necessary to consider:
 - (a) who is an employee (2.23.5 to 2.23.7);
 - (b) the number of employees to be reported (2.23.8); and
 - (c) how to calculate a “full time equivalent” for the number to be reported (2.23.9 to 2.23.11).

Who is an employee?

- 2.23.5 The term “employee” is to be understood as an individual who:
 - (a) works under a contract of employment or any other contract of service with the Reporting Entity, including a director;
 - (b) practices alone or with others as a Reporting Entity under the terms of a partnership agreement; or
 - (c) is otherwise engaged within the business of a Reporting Entity,
 in all cases where the individual undertakes to do or perform, directly or indirectly, any work or service, whether or not engaged directly by the Reporting Entity or through another entity forming part of the group of entities of which the Reporting Entity is a part, and the Reporting Entity is not by virtue of the contract a client or customer^{xvi}.
- 2.23.6 The term “employee” also covers an individual who is self-employed for tax or social security purposes but who in all other respects meets the definition of employee.

2.23.7 The term “employee” does not include:

- (a) a consultant (or individuals working for that consultant) providing services to a Reporting Entity; or
- (b) individuals employed by a service provider under an outsourcing arrangement whereby the service provider performs an activity that would otherwise be undertaken by the Reporting Entity,

in both cases where the Reporting Entity is a client or customer of the consultant or service provider.

Number of employees

2.23.8 The following approach should be taken for determining the number of employees to report at the end of the reporting period:

- (a) In the case of a Reporting Entity that is a legal person established under Jersey law, all employees should be reported, including those employed through non-Jersey branches and representative offices of that person, irrespective of whether they are engaged in:
 - (i) the Jersey business of the Reporting Entity; or
 - (ii) activity that is Regulated and Supervised for AML/CFT Purposes.
- (b) In the case of a Reporting Entity that is a branch of a legal person established outside Jersey or partnership that is not a legal person, all employees engaged directly in the Jersey business of the Reporting Entity (whether in Jersey or elsewhere) should be reported irrespective of whether they are engaged in an activity that is regulated/supervised for AML/CFT purposes.
- (c) In the case of a Reporting Entity that is a sole trader without staff, then one employee should be reported.

Calculating “full time equivalent”

2.23.9 In the case of employees engaged through another entity forming part of the group of entities of which the Reporting Entity is part, it may be necessary to estimate the number of employees to report at the end of the reporting period.

2.23.10 The following approach should be taken to calculate “full time equivalent”:

- (a) Any individual engaged for 10 hours or less per week (on Jersey business or otherwise) at the reporting date should be taken into account on a 25% headcount basis.
- (b) Any individual engaged for more than 10 but less than or equal to 25 hours per week (on Jersey business or otherwise) at the reporting date should be taken into account on a 50% headcount basis.
- (c) Any individual engaged for more than 25 hours per week is considered to be a “full time” employee.

Where this calculation results in a fraction please round to the nearest whole number (0.5 to be rounded up).

2.23.11 As an alternative to the above, a Reporting Entity that is carrying on a Specified Schedule 2 Business may report for A18 the most recent number disclosed to the JFSC for the purpose of collecting fees under Article 21 of the Supervisory Bodies Law (which collects data over a one year period)^{xvii}.

Worked example

2.23.12 A Reporting Entity with 4 individuals:

- (a) two individuals work full time in Jersey (2.23.10(c));
- (b) one individual works on Jersey business for 8 hours per week but is based in the UK (2.23.10(a));
- (c) one individual works on Jersey business for 18 hours per week but is based in the UK, (2.23.10(b)).

2.23.13 This would be reported as:

- (a) A18(i) = 2
The two individuals that work full time in Jersey
- (b) A18(ii) – 1
The sum of the two individuals that work on Jersey business from the UK is 75% which is rounded to “1” for reporting purposes

2.24 Question A19

Number of employees (full time equivalent) working in compliance and risk

Average working week spent in Jersey

(i) 50% or more

(ii) Less than 50%

- 2.24.1 Report the number of full time equivalent employees (as per A18, except that any person meeting the criteria set out in 2.23.10(a) – 25% - should be rounded to “1”) working in “compliance” and “risk” – as defined by the Reporting Entity.
- 2.24.2 This should be understood to refer to the “second line of defence”^{xviii} - individuals with functions that oversee, or who specialise in, compliance or the management of risk, including a Reporting Entity’s money laundering reporting officer (**MLRO**).
- 2.24.3 For the avoidance of doubt, A19 is not designed to collect data on those who may support compliance and risk staff in meeting their responsibilities, such as those working in information technology and project management.
- 2.24.4 Please note the response to this question cannot be less than “1”. A natural person/sole trader should count themselves as the compliance resource.

2.25 Question A20

Number of unfilled vacancies in compliance and risk

- 2.25.1 Report the number of unfilled vacancies in compliance and risk, as defined by the Reporting Entity for A19.

2.26 Questions A21 to A23: General

- 2.26.1 Data in the second part of section A is requested on an **Aggregated Basis** (as defined in the Glossary).

2.27 Question A21

Total number of customers as at the reporting date or during the year ended on the reporting date

- 2.27.1 **Please do not leave this cell blank nor respond with “0” unless the Reporting Entity did not trade in 2019.**

- 2.27.2 A customer is a person with whom:
- (a) a business relationship^{xix} is formed; or
 - (b) a one-off transaction^{xx} carried out,
- both under the MLO.
- 2.27.3 A customer can only be an individual, an individual forming part of a group of individuals (such as for a joint account or customary law partnership) or legal person, and not a legal arrangement such as a trust or limited partnership, where the customer will be the trustee of a particular trust or general partner of a particular partnership respectively. The person that is the customer will be a matter of fact: it will be the person with whom there is a contractual relationship.
- 2.27.4 Except as modified by 2.27.5 (specific guidance that is relevant to money service business and provision of estate agency services) data should be provided in this questionnaire about the customers of a Reporting Entity whose identity has been found out and verified in accordance with the MLO^{xxi}. See also 2.29 and 2.30 regarding how to calculate and count customers.
- 2.27.5 The following Reporting Entities should report customers as set out in (a) and (b) below:
- (a) Money Service Business: the sum of those persons:
 - (i) with whom a business relationship is formed; and
 - (ii) for whom identity is found out and verified and a transaction is carried out, whether or not the amount or value of the transaction exceeds €1,000; and
 - (b) Estate Agents: the sum of those persons:
 - (i) for whom an estate agent has acted in a property sale (freehold, flying freehold, leasehold or share transfer) and for which they have received/will receive a fee in accordance with a signed contract; or
 - (ii) from whom an estate agent receives a retainer to find a property.

If an estate agent also provides relocation, property management or letting agency services, any person who only utilises these services is not to be counted as a client.
- 2.27.6 For a Reporting Entity that provides services to funds, its customer could be:
- (a) the fund itself (Public Funds or Private Funds) (through the trustee or general partner in the case of funds that are legal arrangements^{xxii}) and not all of the investors in the fund;
 - (b) each FSB Managed Entity, where it is a manager of a managed entity under Class ZK of the Financial Services (Financial Service Business) (Jersey) Order 2009; and
 - (c) each entity that it supports, where it provides services to a Supported Fund Operator.

2.28 Question A21: Reporting period

- 2.28.1 Reporting Entities must (save for the exception in 2.28.2 below) report the number of customers as at 31 December 2019.

- 2.28.2 In the case of Reporting entities carrying on Money Service Business, lawyers and estate agents, report the total number of customers during the year 2019.

2.29 Question A21: Calculation of “customers” to report

- 2.29.1 The number of customers should be calculated as the sum of the following:

- (a) **Number of customers:** Where the customer (as set out in 2.27) is acting on its own behalf (i.e. not acting on behalf of a third party or forming part of a customer relationship (see below)) report the total number of such unique customers;

AND

- (b) **Number of customer relationships:** This covers scenarios where there is one customer but the customer may be acting in a different capacity or on behalf of another and it is that relationship that needs to be captured. Examples, which are elaborated on in 2.30, are:
- (i) **Legal arrangements:** Where (1) the Reporting Entity is the governing body of a legal arrangement or (2) the customer (an individual or a legal person) is the governing body of one or more legal arrangements: report the total number of such unique legal arrangements;
 - (ii) **Nominee arrangements:** where the customer enters into contracts acting on behalf of one or more third parties as a nominee: report the total number of unique third parties that have been identified in accordance with the MLO.

- 2.29.2 For the avoidance of doubt:

- (a) do not include in the calculation of the number of customers any beneficial owners or controllers that have been identified in connection with the above which will be reported elsewhere;
- (b) Reporting Entities providing services to legal arrangements that are trusts or limited partnerships should not count the limited partners, beneficiaries, any protectors or settlor as a customer unless they are customers separately to the legal arrangement;
- (c) when operating a joint account each individual should be reported as a separate customer; and
- (d) when operating an account for a customary law partnership all partners should be reported as separate customers.

2.30 Question A21: Examples of how to count customer relationships

- 2.30.1 In the case of a legal arrangement, e.g. a limited partnership contracting via its general partner or a unit trust contracting via its trustee, there is generally only 1 customer for this purpose, being the general partner or the trustee.
- 2.30.2 However, there are examples where more than one customer and/or customer relationship needs to be counted. For example:
- (a) Where a Reporting Entity does not provide services to the trustee for itself but only to the trustee on behalf of 3 unit trusts this will count as 3 customers.

- (b) Where a Reporting Entity provides services to a trustee for itself and also provides services to 3 unit trusts represented by the same trustee then this will count as 4 customers (the trustee for itself and the trustee on behalf of each of the 3 unit trusts).
- 2.30.3 The same principle applies to a general partner acting on behalf of a limited partnership.
For example:
 - (a) Where a Reporting Entity, such as an accountant, provides services to a general partner acting on behalf of 4 limited partnerships but doesn't provide services to the general partner for itself, it should be considered to have 4 customers and not 1.
 - (b) However, if in the above example the Reporting Entity provides services to the general partner for itself and each of the 4 limited partnerships represented by the general partner, it should be considered to have 5 customers not 1.
- 2.30.4 Where a Reporting Entity that is a bank has a relationship with a trustee acting on behalf of a trust, the customer should not be considered to be the TCB (unless the TCB is provided with services for itself) but rather the trustee acting on behalf of a particular trust, e.g. ABC trustee acting on behalf of the XYZ settlement. For example, if a Reporting Entity that is a bank takes deposits from 300 trusts where the TCB is the trustee, it should be considered to have 300 customers (the 300 trusts but not the TCB unless the TCB is provided with services for itself) and not 301 (300 trusts plus 1 trustee).
- 2.30.5 If a Reporting Entity that is a bank takes deposits from a TCB on behalf of 200 companies that are administered by that TCB, in the name of the TCB and not each of the 200 companies the number of customers depends upon the basis upon which the account is held:
 - (a) Where the Reporting Entity has found out and verified the identity of the 200 companies (i.e. the TCB has designated accounts) then it will be expected to report 200 (the 200 companies but not the TCB unless the TCB is provided with services for itself).
 - (b) Where the TCB holds a pooled account and the Reporting Entity is not required to identify those persons whose money is held in the pooled account, this should be counted as 1 customer.

2.31 Question A21: Avoiding duplication

- 2.31.1 In cases where a Reporting Entity has a business relationship where a number of accounts are operated for the same customer e.g. a current account, a deposit account and a mortgage account, just one customer should be reported (rather than the number of accounts operated).
- 2.31.2 In a case where the same customer (here a fund) is served:
 - (a) directly by a Reporting Entity that carries on fund services business or trust company business; and
 - (b) by a private trust company^{xxiii} (PTC), FSB Managed Entity or Supported Fund Operator that is serviced by the Reporting Entity
 that fund customer should be reported once only.

2.32 Question A22: General beneficial owner and controllers

Total number of unique beneficial owners and controllers of customers

- 2.32.1 **Please do not leave this cell blank nor respond with “0” unless the response to A21 was also “0”.**
- 2.32.2 With respect to the customers reported in A21, provide data on:
- (a) the total number of unique beneficial owners and controllers whose identity has been found out and verified in accordance with the MLO (taking account of exemptions in Article 18 of the MLO); **and**
 - (b) the total number of unique individuals connected to third parties for which the customer acts whose identity has been found out and verified in accordance with the MLO (taking account of exemptions in Articles 17B-D of the MLO).
- 2.32.3 The term “unique” is used in order to minimise the level of double counting. For example, in a case where the same individual is:
- (a) the beneficial owner and controller of two companies that have a business relationship with a Reporting Entity; **and**
 - (b) is a beneficiary of a trust that has a business relationship (through the trustee) with a Reporting Entity,
- that individual should be reported as one unique beneficial owner and controller (and not three times).
- 2.32.4 Where a Reporting Entity provides services to funds, the beneficial owners and controllers could be:
- (a) the beneficial owners and controllers of the fund itself (Public Funds or Private Funds) where the fund is a legal person or through the trustee or general partner in the case of funds that are legal arrangements and not all of the investors in the fund;
 - (b) the beneficial owners and controllers of each FSB Managed Entity, where the Reporting Entity is a MoME: **and**
 - (c) the beneficial owners and controllers of each entity that it supports, where it provides services to a Supported Fund Operator.

2.33 Question A22: Unique beneficial owners and controllers of the customers identified in A21

- 2.33.1 In a case where the customer is an individual or group of individuals, then each individual should be reported as the beneficial owner and controller of that customer.
- 2.33.2 In a case where the customer is a legal person, Article 2 of the MLO is relevant. This defines “beneficial owner and controller” as the individuals who ultimately own or control a customer that is a legal person. In line with guidance provided in the AML/CFT Handbook, the following will be considered to be the beneficial owner and controller of a legal person:
- (a) **Tier 1** - each individual with a material controlling ownership interest in the capital of the legal person (through direct or indirect holdings of interests or voting rights) or who exerts control through other ownership means; **and**

- (b) **Tier 2** - to the extent that there is doubt as to whether the individuals exercising control through ownership are beneficial owners (under tier 1), or where no individual exerts control through ownership, any other individual exercising control of the legal person through other means; or
- (c) **Tier 3** - where no individual is otherwise identified (under tiers 1 and 2), individuals who exercise control of the legal person through positions held (who have, and exercise, strategic decision-taking powers or have, and exercise, executive control through senior management positions).

2.33.3 Where ownership of a customer that is a fund (legal person) is distributed widely, it may be that none of the investors control the fund through ownership means. In such a case, these “passive” investors are not beneficial owners and controllers under tier 1. See Section 14.3.4 of the AML/CFT Handbook as guidance.

2.34 Question A22: Unique individuals connected to third parties for which the customer acts

- 2.34.1 Data should be provided on unique individuals connected to third parties for which the customer acts as follows:
- (a) In a case where a third party is a legal person, on the individuals who are beneficial owner and controller of that legal person (Article 3(2)(b)(ii) of the MLO).
 - (b) In a case where a third party is a trust (other than a fund), on:
 - (i) the settlor;
 - (ii) the protector;
 - (iii) beneficiaries with a vested right;
 - (iv) other beneficiaries and persons who are the object of a power that have been identified as presenting a higher risk; and
 - (v) any other person who exercises ultimate effective control over the trust (Article 3(7) of the MLO).
 - (c) In a case where a third party is a limited partnership (other than a fund in circumstances described in 2.34.2), on the limited partners (Article 3(7) of the MLO).
 - (d) In a case where a third party is a fund, on individuals exercising control of the fund through ownership means, other means or through the position that they hold.
- 2.34.2 Where ownership of a trust or limited partnership that is a third party is distributed widely, it may be that none of the investors control the legal arrangement through ownership means. In such a case, these “passive” investors are not beneficial owners and controllers under tier 1. See Section 14.3.4 of the AML/CFT Handbook as guidance.

2.35 Question A23(a) and A23(b): PEPs

A23(a) Number of unique PEPs by country, who are customers or beneficial owners and controllers of customers, where property of the PEP is handled in the business relationship or one-off transaction

A23(b) Number of unique PEPs by country, who are customers or beneficial owners and controllers of customers, where no property of the PEP is handled in the business relationship or one-off transaction

- 2.35.1 With respect to customers reported in A21 and unique beneficial owners and controllers reported in A22, data is collected on the number of unique individuals who are considered by the Reporting Entity to be Politically Exposed Persons (PEPs). See Article 15A of the Money Laundering Order for further information regarding PEPs – includes information regarding domestic PEPs and foreign PEPs.
- 2.35.2 The term “unique” is used in order to minimise the level of double counting. For example, in a case where the same PEP:
- (a) has a direct business relationship with a Reporting Entity;
 - (b) is the beneficial owner and controller of a company that has a business relationship with a Reporting Entity; and
 - (c) is a beneficiary of a trust that has a business relationship (through the trustee) with a Reporting Entity,
- that PEP should be reported once (and not three times)
- 2.35.3 For the purpose of responding, data should be provided about:
- (a) customers that are PEPs (i.e. natural persons);
 - (b) beneficial owners and controllers of legal persons who are PEPs;
 - (c) third parties on whose behalf the customer acts who are PEPs – in line with the guidance provided at 2.34; and
 - (d) persons authorised to act on behalf of the customer who are PEPs.
- 2.35.4 For the avoidance of doubt, data is not requested on:
- (a) the number of customers with a PEP relationship; or
 - (b) the number of PEP relationships with customers.
- For example, PEP A is on the board of 10 customers of a Reporting Entity, and PEPs B, C and D are on the same board of one of those customers. A23(a) should report 4 PEPs and not 10 customers with PEP relationships or 13 PEP relationships with customers.
- 2.35.5 All PEPs should be reported. This includes those individuals who are PEPs because they are immediate family or a close associate of an individual that is either a domestic PEP or foreign. For example, where a foreign PEP settles a trust for the benefit of their spouse and three children, 5 PEPs should be disclosed.
- 2.35.6 PEPs (including immediate family members and close associates) should be reported under the country (or countries) that has resulted in their PEP status (rather than country (or countries) of residence). So, for example, in a case where an individual is a PEP through being entrusted with a prominent public function in country A and the close family member of that person resides in country B, both PEPs should be reported under country A.
- 2.35.7 Where an individual is a PEP through two different connections which are in two different countries, it will be necessary for each PEP exposure to be reported twice or more. For example, in a case where an individual holds a prominent public function in country A and country B then one PEP should be reported against both countries.

2.35.8 Reporting Entities must provide a breakdown of PEPs between:

- (a) A23(a) for cases where a Reporting Entity handles any property of the PEP, e.g. through a personal asset holding vehicle; and
- (b) A23(b) for cases where property is not handled, e.g. the PEP sits on the board of a customer purely in an advisory capacity.

3 Section B – Compliance data, including key risk indicators

3.1 Introduction

- 3.1.1 Data is requested about:
- (a) the handling of suspicious activity reports (**SARs**);
 - (b) level of engagement with financial intelligence and law enforcement agencies (SARs, requests for information and production orders);
 - (c) disciplinary action taken against employees; and
 - (d) the use that is made of screening systems.
- 3.1.2 Data in section B is requested on a **Consolidated Basis** (as defined in the Glossary).
- 3.1.3 Care should be taken to avoid duplication of data reported on a **Consolidated Basis**. For example, in a case where a SAR is made about the same customer by:
- (a) the Reporting Entity that carries on fund services business or trust company business; and
 - (b) a PTC, manager of a managed entity, Supported Fund Operator or fund reported on a Consolidated Basis,
- that SAR should be reported once only under B2.
- 3.1.4 A Reporting Entity should report its data for the period 1/1/2019 – 31/12/2019. If, during that period, or subsequently, it has:
- (a) merged with another business; or
 - (b) acquired, or disposed of, a book of business,
- which has a material impact on its data then the Reporting Entity should contact its supervision manager or where no individual supervision manager has been allocated, the respective sector supervision team at the JFSC, to discuss how best to complete Section B.
- 3.1.5 The rationale for requesting information on a **Consolidated Basis** which includes data in relation to all funds that the Reporting Entity, its affiliates, supported fund operators and managed entities act for, is because this information is not being asked for in any other spreadsheets.

3.2 Question B1

Number of SARs handled (internally) by the MLRO/Deputy MLRO

- 3.2.1 Report data on the number of SARs made internally in relation to the **Consolidation Members** (as defined in the Glossary) to any MLRO within the **Consolidation** (as defined in the Glossary).

3.3 Question B2

Number of SARs submitted to the JFCU and/or overseas FIU

- 3.3.1 Provide data about the number of SARs submitted in relation to all the Consolidation Members to the JFCU or overseas financial intelligence unit (**FIU**). Where an initial SAR is then followed by a “continuation” SAR (which provides more

detail about the same suspicion) then just one SAR should be reported. Where the same suspicion is reported to more than one FIU, e.g. to the Joint Financial Crimes Unit of the States of Jersey Police (**JFCU**) and Guernsey FIU, then just one SAR should be reported here.

3.4 Questions B3 and B4

B3 Average number of working days taken by MLRO/Deputy MLRO to process an internal SAR

B4 Longest number of working days taken by MLRO/Deputy MLRO to process an internal SAR

- 3.4.1 Question B3 and B4 only require an answer if the response to B1 is greater than "0".
- 3.4.2 For the reporting period, provide:
 - (a) B3: the average^{xxiv} number of working days taken to process an internal SAR; and
 - (b) B4: the longest number of working days taken to process an internal SAR
- 3.4.3 The period of time to be reported for processing is the period between:
 - (a) the date that an internal SAR is made to the MLRO; and
 - (b) date that:
 - (i) a SAR is made to the JFCU, or overseas financial intelligence unit, or
 - (ii) decision taken not to make a SAR.

3.5 Questions B5, B6 and B7

B5 Number of 'no consent' responses received from the JFCU and/or overseas FIU

B6 Number of 'no consent' responses received from the JFCU and/or overseas FIU

B7 Number of requests for information served by the JFCU and/or overseas FIU

- 3.5.1 Questions B5 to B7 collect data about engagement with financial intelligence and law enforcement agencies and provide an indication of the risk profile of the customer base.
- 3.5.2 For the reporting period, provide:
 - (a) B5: data about the number of "no consent" responses from the JFCU (or overseas FIU). Data should be provided here about the number of customer accounts covered by a "no-consent" rather than the number of customers.
 - (b) B6: data should be provided on specific requests made by the JFCU or overseas FIU:
 - (i) under a statutory provision, such as under the Proceeds of Crime (Financial Intelligence) (Jersey) Regulations 2015 and Article 21 of the MLO or equivalent overseas legislation; and
 - (ii) on an informal basis.
 - (c) B7: data about the total number of production orders^{xxv} served. This will include production orders served under the Proceeds of Crime Law, Terrorism (Jersey) Law 2002 (**Terrorism Law**) and Investigation of Fraud (Jersey) Law 1991 or equivalent overseas legislation.

3.6 Question B8

B8 Number of disciplinary actions taken against employee in 2019

- 3.6.1 Report the number of disciplinary actions taken against employees for serious misconduct (as defined by the Reporting Entity/Consolidation Member) - in order to understand the extent to which employees who fail to act with integrity are sanctioned. Whilst the definition of “serious misconduct” will vary from entity to entity, it must cover failing to report knowledge, suspicion or reasonable grounds for knowledge or suspicion of ML/TF without reasonable excuse, or as soon as it is practicable (in line with section 9.4 of the AML/CFT Handbook). It is likely that “serious misconduct” will include:
- (a) external factors, such as conviction for a serious criminal offence or expulsion from a professional body; and
 - (b) internal factors, such as failing to complete prescribed ML/TF training.
- 3.6.2 This question is not designed to collect data about less serious misconduct, such as disciplinary action taken for lack of punctuality or failure to meet dress standards.
- 3.6.3 The term “disciplinary action” is to be understood as a range of formal disciplinary measures or sanctions designed to change the behaviour of an employee, and starts with providing a written warning and ends with dismissal. For the avoidance of doubt, this line is not designed to collect any personal data about the subject of such actions.

3.7 Question B9

**What kind of screening system has been used during the reporting period?
(Mark with an X to indicate all that apply. At least one answer is required.)**

- 3.7.1 Indicate using an “X” which kinds of systems (if any) are used for screening transactions and customer due diligence information to identify, among others, PEPs and persons designated under sanctions legislation that has legal force in Jersey and elsewhere. Both automated (where there is no prior manual intervention) and manual systems may make use of databases provided by external data sources (see Section 3.3.4.2 of the AML/CFT Handbook).

3.8 Questions B10 and B11

**B10(a) Indicate which of the following trigger events would prompt screening to be undertaken
(Mark with an X to indicate all that apply)**

B10(b) In line with policies, for higher risk customers, at what point is screening carried out?

(i) Change to designated persons listed under sanctions regime	(ii) Change to customer information
(iii) New customer	(iv) Payments
(v) Receipt of adverse information about customer or business relationship	(vi) Receipt of funds from new source/payment to new third party
(vii) Where customer is in a group, acquisition of, or changes to, subsidiaries, associates and other investments of customers	(viii) Other – please specify below

B11 What is the frequency of screening of the whole database?

- 3.8.1 **Please note that where an answer is provided to B10(a)(i) to (viii) a response must be provided to the corresponding item in B10(b).**
- 3.8.2 B10 and B11 collect data on what prompts screening:
- (a) B10 focusses on screening that is triggered by an event; and
 - (b) B11 focusses on periodic screening (where there is no trigger event).
- 3.8.3 For B10(a), indicate using an “X” any relevant boxes that apply, to show the triggers for screening. In each specified case, reference to the term “customer” should be understood to include:
- (a) all of the persons subject to identification measures under Article 3(2) of the MLO; and
 - (b) other persons for which information has been collected under customer due diligence measures.
- 3.8.4 One of the triggers listed under B10(a) is the acquisition of, or changes to, subsidiaries, associates and other investments of customers. For example, this trigger will be relevant to TCBs that administer part, but not all, of a group structure where there is a change of beneficial ownership and control of a subsidiary, associate or other investment in a part of the structure that is not administered by the TCB.
- 3.8.5 For B10(b), indicate via the dropdown the timing of screening for higher risk customers following a trigger event - as set out in a Reporting Entity’s policies. In a case where a business relationship will not be established or one-off transaction carried out until customer information has been screened, then the Reporting Entity should respond that screening is conducted at the time of the trigger (i.e. at the time that a person becomes a customer).
- 3.8.6 For B11, select the answer that best describes the frequency of screening the whole database to identify, among others, PEPs and persons designated under sanctions legislation that has legal force in Jersey and elsewhere.

4 Section C – Financial sanctions

4.1 Introduction

- 4.1.1 This section collects data about the application of financial and other sanctions that have legal force in Jersey to any person that is designated thereunder (whether or not that person is a customer or connected thereto). Jersey Sanctions here should be understood as measures adopted against a country, regime, or person believed to be violating international law. Jersey applies sanctions measures adopted by the United Nations and the European Union. It also applies financial sanctions that are adopted by the United Kingdom.
- 4.1.2 Data in section C is requested on a **Consolidated Basis** (as defined in the Glossary).
- 4.1.3 Care should be taken to avoid duplication of data reported on a Consolidated Basis. For example, in a case where there is a positive match in respect of the same customer of:
- (a) the Reporting Entity that carries on fund services business or trust company business; and
 - (b) a PTC, manager of a managed entity, Supported Fund Operator or fund reported on a Consolidated Basis,
- that match should be reported once only.
- 4.1.4 A Reporting Entity should report its data for the period 1/1/2019 – 31/12/2019. If, during that period, or subsequently, it has:
- (a) merged with another business; or
 - (b) acquired, or disposed of, a book of business,
- which has a material impact on its data then the Reporting Entity should contact its supervision manager or where no individual supervision manager has been allocated, the respective sector supervision team at the JFSC, to discuss how best to compete Section C.
- 4.1.5 The rationale for requesting information on a **Consolidated Basis** which includes data in relation to all funds that the Reporting Entity, its affiliates, supported fund operators and managed entities act for, is because this information is not being asked for in any other spreadsheets.

4.2 Question C1

Number of positive matches that have been detected in 2019

- 4.2.1 Provide the number of “positive” matches detected. A “positive match” is a record^{xxvi} that screening correctly identifies as a match to a person designated under Jersey’s sanctions regime where there is:
- (a) An obligation to freeze funds or other assets;
 - (b) A ban on making funds or other assets or economic resources available;
 - (c) A ban on making services available, including financial or other related services;
 - (d) A restriction or prohibition of certain claims made by certain persons;

- (e) A restriction on the issuance of, and trade in, certain securities and money market instruments; or
- (f) A prohibition on the supply, sale or transfer of weapons and military equipment.

4.3 Question C2

Number of positive matches that have been reported

- 4.3.1 Provide the number of positive matches reported to the Minister for External Relations as required by the obligation to make such a report.

4.4 Questions C3 to C5

C3 The names(s) of the Jersey legal act in accordance with which a report was made

C4 Value of funds or other assets frozen under the Jersey sanctions regime (in thousands of GBP)

C5 the name(s) of the Jersey legal act in accordance with which funds or other assets were frozen

- 4.4.1 Question C3 should only be answered if the response to C2 is greater than "0": indicate using the dropdown any legislation under which a report has been made to the Minister for External Relations^{xxvii}.
- 4.4.2 Question C4: provide the value of funds or other assets frozen **in 2019** under sanctions that have legal force in Jersey. The amount reported should be the value of funds or other assets frozen, irrespective of whether those funds or other assets were subsequently unfrozen. Where the value of the funds or other assets frozen are recorded by a Reporting Entity in a currency other than sterling, then those values should be converted into sterling using the exchange rate applied by the Reporting Entity at 31 December 2019.
- 4.4.3 Question C5: indicate via the dropdown any legislation under which funds or other assets have been frozen.

5 Glossary of key terms

Aggregated Basis	<p>Means data to be provided by a Reporting Entity (and any participating members, in the case of a Reporting Entity that is a TCB which is an affiliation leader) in respect of:</p> <ol style="list-style-type: none"> the Reporting Entity (including any participating members); where a Reporting Entity is a TCB that administers a PTC, each PTC; where a Reporting Entity carries on fund services business, each entity that it manages under Class ZK of the Financial Services (Financial Service Business) (Jersey) Order 2009 (i.e. a managed entity) - where the service provided is a Material Service; and where a Reporting Entity provides services to a Supported Fund Operator, each Supported Fund Operator - where the service provided is a Material Service.
Banking Business Law	Means Banking Business (Jersey) Law 1991
CoBO only funds ^{xxviii}	<p>Means a type of private fund that was available for authorisation by the JFSC up to April 2017 and has the following characteristics:</p> <ol style="list-style-type: none"> Is offered to a restricted circle of up to 50 investors, with no more than 50 investors. Save for the fact it is offered to a restricted circle (as set out above) meets the Article 3 definition of a Collective Investment Fund as set out in the Collective Investment Funds (Jersey) Law 1998. Can be Jersey or non-Jersey Files statistics quarterly. <p>Note: CoBO only funds should not be confused with non-Jersey public funds (CIFs) that have been issued with a CoBO consent or very private funds that have 15 or fewer investors.</p>
Consolidation	Means all entities that the Reporting Entity provides data about when responding on a Consolidated Basis

Consolidated Basis	<p>Means data to be provided by a Reporting Entity (and any participating members, in the case of a Reporting Entity that is a TCB which is an affiliation leader) in respect of:</p> <ol style="list-style-type: none"> the Reporting Entity (including any participating members); where a Reporting Entity is a TCB that administers a PTC, each PTC; where a Reporting Entity carries on fund services business, each entity that it manages under Class ZK of the Financial Services (Financial Service Business) (Jersey) Order 2009 (i.e. a managed entity) - where the service provided is a Material Service; where a Reporting Entity (including any participating members) is a fund services business or a recognized fund functionary that provides Material Services in relation to a public fund (Jersey, non-Jersey and unregulated), each public fund; where a Reporting Entity provides services to a Supported Fund Operator, each Supported Fund Operator - where the service provided is a Material Service; each fund that is provided with a service by the managed entity, where the service provided by the Reporting Entity to the managed entity is a Material Service; and each fund that is provided with a service by the Supported Fund Operator, where the service provided by the Reporting Entity to the Supported Fund Operator is a Material Service.
Consolidation Member	Means an entity that the Reporting Entity provides data about when responding on a Consolidated Basis
Financial Services Law	Means Financial Services (Jersey) Law 1998
FIU	Means financial intelligence unit
FSB Managed Entity	Means a fund services business that is managed by a fund services business that holds the Licence Class ZK – Manager of a Managed Entity.
JFCU	Means the Joint Financial Crimes Unit of the States of Jersey Police and Jersey Customs and Immigration Service
JFSC	Means Jersey Financial Services Commission

Legacy Private Funds	Means those Private Funds that are <ul style="list-style-type: none"> a. CoBO only Funds (pre-April 2017); b. Private Placement Funds (pre-April 2017); and c. Very Private Funds (pre-April 2017)
Material Service	Means: <ul style="list-style-type: none"> a. Acting as manager, administrator, investment advisor, investment manager, trustee, general partner, custodian or depository; b. Provision of a compliance function; and/or c. Filing of statistics for a fund.
MLO	Means Money Laundering (Jersey) Order 2008
MLRO	Means a money laundering reporting officer
MoME	Means a manager of a managed entity- a Fund Services Business that holds Licence Class ZK
PEP	Means a politically exposed person
Private Funds	Means any scheme or arrangement falling within the definition of collective investment fund in Article 3 of the Collective Investment Funds (Jersey) Law 1988, except that the offer of units in the scheme or arrangement is not an offer to the public within the meaning of that Article. Types of Private Fund being <ul style="list-style-type: none"> a. Jersey Private Funds as defined in the Jersey Private Fund Guide issued by the JFSC (post April 2017); b. CoBO only Funds (pre-April 2017); c. Private Placement Funds (pre-April 2017); and d. Very Private Funds (pre-April 2017).

Private Placement Fund xxix	Means a fund authorised by the JFSC pursuant to the Private Placement Fund Guide issued by the JFSC (pre April 2017) which has the following characteristics: <ul style="list-style-type: none"> a. Is offered to a restricted circle of up to 50 investors, with no more than 50 investors. b. Save for the fact it is offered to a restricted circle (as set out above) meets the Article 3 definition of a Collective Investment Fund as set out in the Collective Investment Funds (Jersey) Law 1998. c. Files statistics quarterly.
PTC	Means a private trust company
Proceeds of Crime Law	Means Proceeds of Crime (Jersey) Law 1999
Public Funds	Means any scheme or arrangement defined as a collective investment fund in Article 3 of the Collective Investment Funds (Jersey) Law 1988 and includes an unregulated fund.
Regulated and supervised for AML/CFT purposes	Means: <ul style="list-style-type: none"> a. subject to AML/CFT requirements; and b. supervised for compliance with those requirements by the JFSC or an overseas regulatory authority discharging a similar function in respect of AML/CFT.
SAR	Means a suspicious activity report
Supervisory Bodies Law	Means Proceeds of Crime (Supervisory Bodies) Law 1998
Supported Fund Operator	Means a person that is exempt from regulation under the Financial Services Law by virtue of an exemption, including: <ul style="list-style-type: none"> a. a special purpose investment business exemption^{xxx}; b. a professional investor regulated scheme (PIRS) exemption^{xxxi}, or c. being a general partner or trustee of an unregulated fund that has been established for a special purpose^{xxxii}.

TCB	Means a person registered by the JFSC to conduct Trust Company Business
Very Private Fund	<p>Means a type of private fund that was available for authorisation by the JFSC up to April 2017 and has the following characteristics:</p> <ul style="list-style-type: none"> a. is offered to a restricted circle of no more than 15 investors and has no more than 15 investors. b. Save for the fact it is offered to a restricted circle (as set out above) meets the Article 3 definition of a Collective Investment Fund as set out in the Collective Investment Funds (Jersey) Law 1998. c. Was issued with a specific funds CoBO consent. <p>Note: entities which are Joint Ventures or Co-invest vehicles may not have the above characteristics.</p>

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- i A branch is a location from which services are provided to customers.
 - ii See Schedule 2 of the Proceeds of Crime (Jersey) Law 1999 for a full definition of financial services business.
 - iii Note: a natural person that meets the criteria of (b) is a Reporting Entity and must complete the Section I questionnaire.
 - iv Data similar to that requested in section I is requested in respect of FSB managed entities as part of Section II (Excel workbook; Section II – MoME).
 - v Data similar to that requested in section I is requested in respect of public funds as part of Section II (Excel workbooks: (i) Section II – Funds - CIF and (ii) Section II – Funds – Unregulated Funds).
 - vi Data similar to that requested in section I is requested in respect of private funds as part of Section II (Excel workbooks: Section II – Jersey Private Funds)
 - vii The term “branch” in respect of a Reporting Entity means a branch that is under the control of that Reporting Entity.
 - viii As defined in Article 2 of the Companies (Jersey) Law 1991.
 - ix As defined in paragraphs 4 and 4A of Part 1 of the Schedule to the Financial Services (Trust Company Business (Exemptions)) (Jersey) Order 2000.
 - x Financial Services (Investment Business (Restricted Investment Business – Exemption)) (Jersey) Order 2001 and Financial Services (Trust Company Business (Exemptions No. 5)) (Jersey) Order 2001.
 - xi Paragraphs 3C, 18A and 21 of Schedule 2 to the Financial Services Law.
 - xii The designated service provider to a Jersey Private Fund can be an investment business where there are 15 or fewer offers.
 - xiii In the event that this is not for a twelve-month period, income reported should be pro-rated (for example, if the financial statements are for a 15 month period, multiply by 12/15).
 - xiv In the event that this is not for a twelve-month period, income reported should be pro-rated (for example, if the financial statements are for a 15 month period, multiply by 12/15).
 - xv Defined in Article 1 of the Supervisory Bodies Law.
 - xvi Taken from guidance published by the JFSC in Specified Schedule 2 Business Fee notices.
 - xvii See Fees Notices for Specified Schedule 2 Business: <https://www.jerseyfsc.org/industry/fees/>
 - xviii See: [IIA Position Paper: The Three Lines of Defense in Effective Risk Management and Control](#).
 - xix The term “business relationship” is defined in Article 1 of the MLO and is a business, professional or commercial relationship with a customer, which is expected, at the time when contact is established, to have an element of duration.
 - xx The term “one-off transaction” is defined in Article 4 of the MLO. A transaction is not a one-off transaction unless the amount or value of the transaction exceeds:
 - (i) the equivalent of €1,000 in respect of money service business, virtual currency exchange business, or operating a casino; or
 - (ii) the equivalent of €15,000 in all other cases.
 - xxi Any person to whom financial services business (as defined in Schedule 2 to the POCL) is provided in, or from within, Jersey (as determined by the Reporting Entity) and, in the case of a Jersey legal person, any person to whom financial services business is provided in Jersey or elsewhere.

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- xxii Section 14.3.2 of the AML/CFT Handbook explains that, in the case of a fund that is a legal arrangement, the customer will be the trustee of a unit trust or general partner of a limited partnership.
- xxiii As defined in Articles 4 and 4A of Part 1 of the Financial Services (Trust Company Business (Exemptions)) (Jersey) Order 2000.
- xxiv Wherever possible, the median period of time should be disclosed. The median is the middle of a sorted list of numbers. To find the median, place the numbers in value order and find the middle number. For example, it has taken the following number of days to process a SAR in 2017: 3, 5, 9, 21, 6, 8 and 2 days. Here, the median is 6 days. Note that it will not matter if some numbers are the same in the list.
- xxv A Production Order requires the production of specified material relating to a customer. A production order is obtained by law enforcement agencies in relation to a confiscation, money laundering or civil recovery investigation. Failure to comply with a production order can lead to criminal sanctions.
- xxvi Including a record about:
- (i) a customer;
 - (ii) beneficial owners and controllers of the customer;
 - (iii) third parties on whose behalf the customer acts; and
 - (iv) persons authorised to act on behalf of the customer.
- xxvii Names of laws in the dropdown box have been abbreviated but the country or regime is still clearly stated.
- xxviii As at 30 June 2018 there were 114 Jersey CoBO only funds and 94 Non-Jersey CoBO only funds with a major function
- xxix As at 30 June 2018 there were only 56 Private Placement Funds
- xxx Financial Services (Investment Business (Special Purpose Investment Business – Exemption)) (Jersey) Order 2001.
- xxxi Financial Services (Investment Business (Restricted Investment Business – Exemption)) (Jersey) Order 2001 and Financial Services (Trust Company Business (Exemptions No. 5)) (Jersey) Order 2001.
- xxxii Paragraphs 3C, 18A and 21 of Schedule 2 to the Financial Services Law.