



Jersey Financial
Services Commission

Guide to Section II of risk based supervision data: Deposit-takers

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Table of Contents

1	General guidance	4
1.1	Overview	4
1.2	Scope	4
1.3	Excel workbook	5
1.4	Customers	5
1.5	Data reporting period	5
1.6	Data Submission	6
1.7	Integrity checking your submission	6
2	Section H – Deposit-taking compliance data	8
2.1	Overview	8
2.2	Deposit-taking risk rating	8
2.3	Declined, terminated and withdrawn deposit-taking business	9
2.4	Referred business – deposit-taking	10
2.5	Correspondent banking	12
2.6	Deposit-taking transaction monitoring	12
2.7	General Comments	13
3	Section HA – Lending compliance data	14
3.1	Overview	14
3.2	Lending risk rating	14
3.3	Declined, terminated and withdrawn lending business	15
3.4	Referred business - lending	16
3.5	General Comments	18
4	Section J – Deposit-taking customer data	19
4.1	Customer data overview	19
4.2	Deposit-taking customer data	19
4.3	Deposit-taking enhanced CDD measures	20
4.4	Other deposit-taking customer characteristics	26
5	Section JA – Lending customer data	28
5.1	Customer data overview	28
5.2	Lending customer data	28
5.3	Lending enhanced CDD measures	29
5.4	Other lending customer characteristics	34

6	Section K – Beneficial ownership (deposit-taking)	36
6.1	General	36
6.2	Deposit-taking customers – individuals and beneficial owners or controllers of deposit-taking customers that are not individuals	36
6.3	Customer acting on behalf of a third party	38
6.4	Meeting beneficial owners/controllers of customers	39
7	Section KA – Beneficial ownership (lending)	40
7.1	General	40
7.2	Lending customers – individuals and beneficial owners or controllers of lending customers that are not individuals	40
7.3	Customer acting on behalf of a third party	42
7.4	Meeting beneficial owners/controllers of customers	43
8	Section L – Use and application of concessions granted by the Money Laundering Order (deposit taking)	44
8.1	General	44
8.2	Deposit-taking customer identification and verification	45
8.3	Reliance on obliged persons (Article 16 of the MLO) and persons in the same financial group (Article 16A of the MLO)	46
8.4	Exemption from applying third party identification requirements (Articles 17B-D of the MLO)	47
8.5	Further exemptions from applying identification requirements (Article 18 of the MLO)	49
9	Section LA – Use and application of concessions granted by the Money Laundering Order (lending)	50
9.1	General	50
9.2	Lending customer identification and verification	51
9.3	Reliance on obliged persons (Article 16 of the MLO) and persons in the same financial group (Articles 16A of the MLO)	52
9.4	Exemption from applying third party identification requirements (Articles 17B-D of the MLO)	53
9.5	Further exemptions from applying identification requirements (Article 18 of the MLO)	55

1 General guidance

1.1 Overview

- 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 2019¹, the JFSC is collecting the same data in 2020, including wire transfer data from deposit-takers.
- 1.1.2 This guidance document relates to Section II of the 2020 risk based supervision data collection which requires the provision of activity based data from Reporting Entities registered to carry on deposit-taking business and this document provides guidance to deposit-takers in respect of the data collection process.
- 1.1.3 It should be noted that the JFSC is collecting data from deposit-takers in respect of both their **deposit-taking** and **lending** activities. This is on the basis that lending is an integral part of the definition of deposit-taking and is itself a Schedule 2 activity.
- 1.1.4 Sections 2 to 9 of this document contain the data requests and provide additional information in respect of each element.
- 1.1.5 As the JFSC is collecting data separately about deposit-taking activity and lending activity, and this document covers each spreadsheet, there is a degree of repetition in the guidance. **However, deposit-takers are urged to read all elements of the guidance as the data requests for deposit-taking activity and lending activity are not identical.**
- 1.1.6 As some customers may be both deposit-taking and lending customers there may be a degree of “double counting” but it is important that deposit-takers provide their data split between deposit-taking and lending as this highlights any significant differences in customer profiles. For example, a deposit-taker may record the majority of its deposit-taking customers as individuals (Jersey and non-Jersey) and Jersey companies but its lending customers may be mainly Non-Jersey companies.

1.2 Scope

- 1.2.1 Deposit-taking business is a financial services business activity as set out in Schedule 2 to the Proceeds of Crime (Jersey) Law 1999 (**Schedule 2**), specifically paragraph 1 of Part A of Schedule 2. Deposit-taking business is defined in Article 3 of the Banking Business (Jersey) Law 1991 (**BB(J)L**) as follows:
 - (1) *In this Law, unless the context otherwise requires, a person carries on a deposit-taking business if –*
 - (a) *in the course of that business the person lends the whole or any part of a deposit received by that person to any other person; or*
 - (b) *the person uses the whole or any part of any deposit received by him or her in the course of that business, or the whole or any part of any interest derived from a deposit received by him or her in the course of that business, to finance to a material extent any other activity of the business.*
- 1.2.2 If a person is registered to carry on deposit-taking business but does not undertake any form of lending i.e. the person is registered by virtue of part (b) of the deposit-taking definition (see 1.2.1), then the lending spreadsheets are not applicable.

1.3 Excel workbook

- 1.3.1 The Excel workbook for a Reporting Entity carrying on deposit-taking business comprises 10 spreadsheets, as follows:

Compliance data

H – Deposit-taking compliance data

HA – Lending compliance data

Customer data

J – Deposit-taking customer data

JA – Lending customer data

Beneficial ownership data

K – Deposit-taking beneficial ownership

KA – Lending beneficial ownership

Use and application of Money Laundering Order concessions

L – Deposit-taking use and application of concessions granted by the MLOⁱⁱ

LA – Lending use and application of concessions granted by the MLO¹

Country-based information

M – Deposit-taking country list

MA – Lending country list

- 1.3.2 Spreadsheet M is an input sheet for the responses to questions H9, H12, K1, K2, L4, L5, and L9(c).
- 1.3.3 Spreadsheet MA is an input sheet for the responses to questions HA9, KA1, KA2, LA4, LA5 and LA9(c).

1.4 Customers

- 1.4.1 A deposit-taking business is required to complete the spreadsheets in respect of their customers.
- 1.4.2 For the purpose of completing the spreadsheets customers must be identified as:
- (a) Deposit-taking customers - a person from whom the deposit-taker has received a deposit, and
 - (b) Lending customers – a person to whom a loan has been made.

1.5 Data reporting period

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

1.6 Data Submission

- 1.6.1 Whilst the JFSC will be collecting the same data as it did in 2019, deposit-taking businesses are still recommended to consider the data request as soon as possible. It may take some time to gather the data requested and the deadline for submission is **17:00 on 31 March 2020**.

- 1.6.2 Each deposit-taking business will be submitting a completed Excel Workbook for Section II through the JFSC Portal, and each deposit-taking business has a designated individual who is the JFSC Portal contact, which, in the vast majority of cases, is the compliance officer.
- 1.6.3 Notwithstanding that the JFSC Portal contact has responsibility for submitting the data, the board, or equivalent in a branch scenario (Principal Manager), of the deposit-taking business should have oversight of the content of the submission made on their behalf.
- 1.6.4 Having completed the data return twice, the JFSC expects deposit-takers to be in a better position to report their 2019 data and that only on an exceptional basis will responses be derived by extrapolation or estimates supported by specific criteria.
- 1.6.5 The JFSC continues to acknowledge that system changes take time to implement. Where a deposit-taking business needs to extrapolate or estimate its data as system changes are still being implemented, the comments section at the bottom of the relevant spreadsheet should highlight which data elements have been extrapolated/estimated and when the relevant system changes will take effect.
- 1.6.6 Where the deposit-taking business feels it necessary to provide additional data to enable the JFSC to understand the response, this information should also be included in the comments section at the bottom of each relevant spreadsheet.
- 1.6.7 A deposit-taking business should complete all parts of each question on the relevant spreadsheets, with the exception of spreadsheets *M-DC Country list* and *MA-DC Lending Country list* where it is not necessary to insert a "0" against each country.

1.7 Integrity checking your submission

- 1.7.1 Before submitting your data the JFSC suggests that the integrity checks highlighted in paragraphs 1.7.2 to 1.7.3(g) should be completed.
- 1.7.2 Deposit-taking
 - (a) Sum of H1(a) to (d) should equal the sum of J1(a)(i) to (viii).
 - (b) H1(a) should equal sum of J5(a)(i) to (viii).
 - (c) The numbers in J4(a) should not exceed J1(a), in any given column (no check on values).
 - (d) The numbers in J5 to J13 cannot be individually greater than J4, in any column (no check on values).
 - (e) The numbers in J13 should not exceed J11 or J12, in any given column (no check on values).
 - (f) The numbers in J13 should not exceed J6, in any given column (no check on values).
 - (g) L12(a) should equal the sum of L12(b) to (f)
- 1.7.3 Lending by deposit-takers
 - (a) Sum of HA1(a) to (d) should equal the sum of JA1(a)(i) to (viii).
 - (b) HA1(a) should equal sum of JA5(a)(i) to (viii).
 - (c) The number (JA4(a)) and value (JA4(b)) responses should not exceed those provided in JA1(a) and JA1(b) respectively, in any given column.

- (d) The number and value responses in JA5 to JA13 cannot be individually greater than those provided in JA4(a) and JA4(b) respectively, in any column.
- (e) The number and value responses in JA13 should not exceed JA11 or JA12, in any given column.
- (f) The number and value responses in JA13 should not exceed JA6, in any given column.
- (g) LA12(a) should equal the sum of LA12(b) to (f)

2 Section H – Deposit-taking compliance data

2.1 Overview

- 2.1.1 This section collects data on:
- (a) deposit-taking customer risk ratings;
 - (b) deposit-taking business which has been declined, terminated or withdrawn due to customer due diligence or other financial crime concerns;
 - (c) referred business (the extent to which deposit-taking customers are obtained on the basis of referrals from other businesses);
 - (d) correspondent banking; and
 - (e) deposit-taking transaction monitoring.
- 2.1.2 Please note this section should be completed for deposit-taking customers. Any customer whose accounts are overdrawn (permanently or temporarily) should be included in this section.

2.2 Deposit-taking risk rating

H1 Number of deposit-taking customers in each category of risk (as defined by the deposit-taker) as at the end of the data reporting period

- (a) Higher
- (b) Standard
- (c) Lower
- (d) Very low

H2 Do the deposit-taker's risk ratings include factors other than money laundering and the financing of terrorism?
(Yes ; No) If Yes, please provide details at H16(a)

- 2.2.1 Question **H1(a) to (c)** requests data about the number of deposit-taking customers that have been assessed as presenting (a) higher, (b) standard, or (c) lower ML/TF risk (on the basis of factors set out in Section 3.3.4 of the AML/CFT Handbook).
- 2.2.2 Question **H1(d)** also requests data about the number of deposit-taking customers that have been assessed as presenting a very low ML/TF risk (Section 7.17 of the AML/CFT Handbook).
- 2.2.3 Section 7.17 of the AML/CFT Handbook notes that where funds involved in a relationship:
- (a) have been received from a bank that is a regulated person or carries on equivalent business to deposit taking; and
 - (b) have come from an account in the sole or joint name of the customer who is an individual (or are individuals),
- then the receipt of funds from such an account may be considered to be reasonably capable of verifying that the person to be identified is who the person is said to be where the product or service requested by the customer is considered to present a very low money laundering or financing of terrorism risk.
- 2.2.4 The product or service must meet certain conditions in order to benefit from this concession (as set out at paragraph 136 of Section 7.17 of the AML/CFT Handbook).

- 2.2.5 Where use is made of a more precise risk scoring scale, it will be necessary to determine which categories in that scale approximate to higherⁱⁱⁱ, standard or lower risk. For example, if a deposit-taking business measures risk on a score of 1 to 10, it may consider anything between 1 and 3 to present a lower risk, 4 to 7 to present a standard risk, and 8 to 10 to present a higher risk.
- 2.2.6 If a deposit-taking business includes other factors e.g. credit risk, in its risk rating of customers and the ML/TF risk element cannot be reported separately, please report the combined risk rating.
- 2.2.7 If a combined rating is reported please select “yes” when responding to **H2** and provide details at **H16(a)** (free text box) of the other factors included.
- 2.2.8 Please do not leave fields blank, insert a “0” in H1(a), H1(b), H1(c) H1(d) if no deposit-taking customers are rated as higher, standard, lower or very low respectively.
- 2.2.9 Please note the sum of H1(a) to (d) should equal the sum of J1a(i) to (viii).

H3 If the deposit-taker risk rates any beneficial owners/controllers of deposit-taking customers, or other persons who must be identified under Article 3 of the MLO, the number in each category of risk (as defined by the deposit-taker) as at the end of the data reporting period

**H4 With respect to H3, do the deposit-taker’s risk ratings include factors other than money laundering and the financing of terrorism?
(Yes ; No ; N/A) If Yes, please provide details at H16(b)**

- 2.2.10 It is not a requirement of the MLO or AML/CFT Handbook for a deposit-taking business to risk rate the beneficial owners and controllers of their customers, including any person purporting to act on behalf of the customer. However, the JFSC would like to understand the extent to which this happens in practice.
- 2.2.11 If a deposit-taking business does risk rate any beneficial owners and controllers of their deposit-taking customers, question **H3** and **H4** should be answered. The guidance in 2.2.5 to 2.2.7 should be followed where appropriate.
- 2.2.12 It is understood that a deposit-taker may risk rate some but not all beneficial owners and controllers of their deposit-taking customers, in this case please respond with respect to those that are risk rated.
- 2.2.13 If a deposit-taking business does not risk rate any beneficial owners and controllers of their deposit-taking customers, please insert a “0” in all cells **H3(a)-(c)** and select “N/A” from the drop down menu at H4.

2.3 Declined, terminated and withdrawn deposit-taking business

H5 Number of applications from prospective deposit-taking customers to either (i) establish a business relationship, or (ii) carry out a one-off transaction, declined due to CDD issues or other financial crime concerns, during the data reporting period

H6 Number of business relationships terminated, due to CDD issues or other financial crime concerns, during the data reporting period

- 2.3.1 In line with Section 2.4.1 of the AML/CFT Handbook (paragraph 32), questions H5 and H6 request data about:
- (a) the number of prospective business relationships or one-off transactions that have been **declined (H5)**; and

- (b) business relationships that have been **terminated** due to CDD issues or other financial crime concerns (**H6**).

This will include cases where:

- › it has not been possible to complete identification measures (before or during a business relationship) under the Money Laundering Order, including establishing the source of funds;
- › the ML/TF risk has been assessed as being too high (and so outside the deposit-taker's risk appetite); and
- › there is suspicion of ML/TF.

2.3.2 This question applies also to cases where:

- (a) an application to form a business relationship or carry out a one-off transaction is handled by a third party, e.g. a lawyer or lender, and where there is no direct contact with the prospective deposit-taking customer; and
- (b) an application to form a business relationship or carry out a one-off transaction has not yet been formally submitted, e.g. where CDD is applied at the time that business is being solicited (where this data is recorded).

2.3.1 Please do not leave fields blank, insert a "0" in H5 and H6 if no prospective deposit-taking customers have been declined or customers terminated.

H7 **Number of applications from prospective deposit-taking customers who have withdrawn due to CDD issues, during the data reporting period (where this data is collected)**

2.3.2 Question **H7** collects data on deposit-taking customer applications withdrawn solely or partly on the basis of CDD requested.

2.3.3 It is recognised that this data may not be recorded by a deposit-taker. If this is the case please respond with "0". Do not leave the field blank.

2.3.4 This question also applies to cases where an application to form a business relationship or carry out a one-off transaction is handled by a third party, e.g. a lawyer or lender, and where there is no direct contact with the prospective deposit-taking customer.

2.4 Referred business – deposit-taking

2.4.1 Questions H8, H9 and H10 request data about those persons who referred deposit-taking customers to a deposit-taker on a regular basis during the data reporting period.

2.4.2 Where business is referred to a deposit-taker but neither a one-off transaction nor customer relationship result this is not considered referred business for the purpose of responding to H8, H9 and H10.

2.4.3 Persons who refer deposit-taking customers to a deposit-taker may be third parties such as lawyers, accountants and trust company businesses.

2.4.4 Additionally, if a deposit-taker is part of a group, any referrals from group companies or other branches of the same company should be included here. For example, if a Jersey deposit-taker is part of a group/company that has a UK company/branch then referrals from the UK operation should be reported subject to 2.4.5.

2.4.5 The following should not be reported as persons who refer deposit-taking customers:

- (a) a third party or group entity that acts as an obliged person (Article 16 of the Money Laundering Order) or a person in the same financial group where reliance has been placed (Article 16A of the Money Laundering Order) (data on these persons is collected through spreadsheets L (Use of MLO concessions)); or
- (b) a customer acting on behalf of one or more third parties (data on these persons is collected through spreadsheet K (3rd party and beneficial ownership)); or
- (c) a person who refers deposit-taking customers on a basis that cannot be considered regular. The meaning of regular will vary by deposit-taker and will depend on a number of factors such as the size of their current deposit-taking customer base and the amount of referred deposit-taking business.

2.4.6 Note: A person may be classified as having referred deposit-taking business even if a deposit-taker does not pay that person a fee for the referrals.

H8 Number of persons who referred deposit-taking customers to the deposit-taker during the data reporting period, which carry on the following activities

2.4.7 Question **H8** requires analysis of the number of persons (entities) between those that are:

- (a) Lawyers;
- (b) Accountants;
- (c) TCBs; and
- (d) Other, which includes any referrals from another group company that is not a trust company business.

2.4.8 Where a deposit-taker business responds that the majority of the persons that are referring deposit-taking customers fall in "Other" (H8(d)) please provide further details at H16 (general comments on section H). This may include referrals from existing deposit-taking and lending customers.

2.4.9 If a deposit-taker considers that it does not have any persons that refer deposit-taking customers then please insert "0" into each of H8(a), H8(b), H8(c) and H8(d).

H9 Number of persons who referred deposit-taking customers to the deposit-taker during the data reporting period, analysed by country

2.4.10 Question **H9** requires the number of persons who referred deposit-taking customers to be analysed by country, using spreadsheet *M-DC Country List*.

2.4.11 Please note:

- (a) the countries are listed on spreadsheet M alphabetically; and
- (b) only positive responses are required i.e. there is no need to insert "0" against every country.

H10 Number of relationships with persons who referred deposit-taking customers to the deposit-taker during the data reporting period that were terminated due to CDD issues, or other financial crime concerns

2.4.12 Question **H10** requires a deposit-taker to record the number of times, during the data reporting period, that a relationship between them and a person who referred deposit-taking customers has been terminated, by either party, because of a CDD issue or other financial crime concern.

For example, in a case where the person referring deposit-taking customers considers that CDD measures applied by the deposit-taker are impractical or excessive.

2.4.13 If no terminations have occurred, please insert a “0” in response to H10.

2.5 Correspondent banking

H11 Does the deposit-taker provide correspondent banking services as at the end of the data reporting period?
(Yes ; No)

H12 If the answer to H11 is yes, please mark with an “X” the countries where respondent banks are located

2.5.1 Question **H11** asks deposit-takers to advise whether they provide correspondent banking services.

2.5.2 As defined in Section 7.11 of the AML/CFT Handbook, correspondent banking is a term given to the provision of services by one bank (the **correspondent**) to another bank (the **respondent**) for the benefit of the customers of the respondent. As a result, the correspondent bank indirectly makes its services available to the customers of the respondent business; in doing so, the correspondent potentially exposes itself to additional risk.

2.5.3 Question **H12** requests a deposit-taker to provide (using spreadsheet *M-DC Country list*) each country where a respondent bank is located. Only positive responses are required i.e. there is no need to insert “0” against every country.

2.6 Deposit-taking transaction monitoring

H13 What is the timing of the ongoing monitoring of transactions during a business relationship?
(Real-time ; Post-event ; Both)

H14 Are monitoring procedures automatic or manual?
(Automated ; Manual ; Both)

H15 What rules are applied to the transaction monitoring procedures?
(Generic ; Tailored ; Both)

2.6.1 Questions **H13**, **H14** and **H15** ask about transaction monitoring procedures.

2.6.2 In line with paragraph 16 of Section 6.2.1 of the AML/CFT Handbook, where a relevant person’s customer base is homogeneous, and where the products and services provided to customers result in uniform patterns of transactions or activity, it will be more straightforward to establish parameters to identify usual transactions and unusual activity. However, where each customer is unique, and where the product or service provided is bespoke, a relevant person will need to tailor monitoring systems to the nature of its business and facilitate the application of additional judgement and experience to the recognition of unusual transactions and activity.

2.6.3 Please answer each question.

2.7 General Comments

H16 Please provide any explanations or context comments below

- 2.7.1 A freetext box is provided at **H16(c)** to provide general comments, explanations or context comments in relation to the other responses in section H-Deposit-taking compliance data.
- 2.7.2 If a deposit-taker selects “yes” when responding to **H2** details of the other factors included in the combined risk rating should be provided at H16(a) here.
- 2.7.3 Where a deposit-taker business responds that the majority of the persons that are referring deposit-taking customers fall in “Other” (H8(d)) please provide at H16(c) further details in respect of those persons reported as “Other”. This may include referrals from existing deposit-taking and lending customers.

3 Section HA – Lending compliance data

3.1 Overview

- 3.1.1 This section collects data on:
- (a) lending customer risk ratings;
 - (b) lending business which has been declined, terminated or withdrawn due to customer due diligence or other financial crime concerns;
 - (c) referred business (the extent to which lending customers are obtained on the basis of referrals from other businesses); and
 - (d) lending transaction monitoring.
- 3.1.2 Please note this section should be completed for customers that have been granted a loan (secured or unsecured). Any customer whose accounts are overdrawn (permanently or temporarily) should be included in the deposit-taking section.

3.2 Lending risk rating

HA1 Number of lending customers in each category of risk (as defined by the deposit-taker) as at the end of the data reporting period

- (a) Higher
- (b) Standard
- (c) Lower
- (d) Very low

HA2 Do the deposit-taker's risk ratings include factors other than money laundering and the financing of terrorism?

(Yes ; No) If Yes, please provide details at HA11(a)

- 3.2.1 Question **HA1(a) to (c)** requests data about the number of lending customers that have been assessed as presenting (a) higher, (b) standard, or (c) lower ML/TF risk (on the basis of factors set out in Section 3.3.4 of the AML/CFT Handbook).
- 3.2.2 Question **HA1(d)** also requests data about the number of lending customers that have been assessed as presenting a very low ML/TF risk (Section 7.17 of the AML/CFT Handbook).
- 3.2.3 Section 7.17 of the AML/CFT Handbook notes that where funds involved in a relationship:
- (a) have been received from a bank that is a regulated person or carries on equivalent business to deposit taking; and
 - (b) have come from an account in the sole or joint name of the customer who is an individual (or are individuals),
- then the receipt of funds from such an account may be considered to be reasonably capable of verifying that the person to be identified is who the person is said to be where the product or service requested by the customer is considered to present a very low money laundering or financing of terrorism risk.
- 3.2.4 The product or service must meet certain conditions in order to benefit from this concession (as set out at paragraph 136 of Section 7.17 of the AML/CFT Handbook).
- 3.2.5 Where use is made of a more precise risk scoring scale, it will be necessary to determine which categories in that scale approximate to higher^{iv}, standard or lower risk. For example, if a deposit-taking business measures risk on a score of 1 to 10, it

may consider anything between 1 and 3 to present a lower risk, 4 to 7 to present a standard risk, and 8 to 10 to present a higher risk.

- 3.2.6 If a deposit-taking business includes other factors e.g. credit risk, in its risk rating of customers and the ML/TF risk element cannot be reported separately, please report the combined risk rating.
- 3.2.7 If a combined rating is reported please select “yes” when responding to **HA2** and provide details at **HA11(a)** (free text box) of the other factors included.
- 3.2.8 Please do not leave fields blank, insert a “0” in HA1(a), HA1(b), HA1(c) and HA1(d) if no lending customers are rated as higher, standard, lower or very low respectively.
- 3.2.9 Please note the sum of HA1(a) to (d) should equal the sum of JA1(a)(i) to (viii).

HA3 If the deposit-taker risk rates any beneficial owners/controllers of lending customers, or other persons who must be identified under Article 3 of the MLO, the number in each category of risk (as defined by the deposit-taker) as at the end of the data reporting period

HA4 Do the deposit-taker’s risk ratings include factors other than money laundering and the financing of terrorism?
(Yes ; No ; N/A) If Yes, please provide details at HA11(b)

- 3.2.10 It is not a requirement of the MLO or AML/CFT Handbook for a deposit-taking business to risk rate the beneficial owners and controllers of their lending customers. However, the JFSC would like to understand the extent to which this happens in practice.
- 3.2.11 If a deposit-taking business does risk rate any beneficial owners and controllers of their lending customers, question **HA3** and **HA4** should be answered. The guidance in 3.2.5 to 3.2.7 should be followed where appropriate.
- 3.2.12 It is understood that a deposit-taker may risk rate some but not all beneficial owners and controllers of their lending customers, in this case please respond with respect to those that are risk rated.
- 3.2.13 If a deposit-taking business does not risk rate any beneficial owners and controllers of their lending customers, please insert a “0” in all cells **HA3(a)-(c)** and select “N/A” from the drop down menu at HA4.

3.3 Declined, terminated and withdrawn lending business

HA5 Number of applications from prospective lending customers to either (i) establish a business relationship, or (ii) carry out a one-off transaction, declined due to CDD issues or other financial crime concerns, during the data reporting period

HA6 Number of business relationships terminated, due to CDD issues or other financial crime concerns, during the data reporting period

- 3.3.1 In line with Section 2.4.1 of the AML/CFT Handbook (paragraph 32), questions HA5 and HA6 request data about:
 - (a) the number of prospective business relationships or one-off transactions that have been **declined (HA5)**; and
 - (b) business relationships that have been **terminated** due to CDD issues or other financial crime concerns (**HA6**).
This will include cases where:
 - › it has not been possible to complete identification measures (before or during a business relationship) under the Money Laundering Order, including establishing the source of funds;

- › the ML/TF risk has been assessed as being too high (and so outside the deposit-taker's risk appetite); and
- › there is suspicion of ML/TF.

3.3.2 This question applies also to cases where:

- (a) an application to form a business relationship or carry out a one-off transaction is handled by a third party, e.g. a lawyer or lender, and where there is no direct contact with the prospective lending customer; and
- (b) an application to form a business relationship or carry out a one-off transaction has not yet been formally submitted, e.g. where CDD is applied at the time that business is being solicited (where this data is recorded).

3.3.3 Please do not leave fields blank, insert a "0" in HA5 and HA6 if no prospective lending customers have been declined or customers terminated.

HA7 Number of applications from prospective lending customers who have withdrawn due to CDD issues, during the data reporting period (where this data is collected)

3.3.4 Question **HA7** collects data on lending customer applications withdrawn solely or partly on the basis of CDD requested.

3.3.5 It is recognised that this data may not be recorded by a deposit-taker. If this is the case please respond with "0". Do not leave the field blank.

3.3.6 This question also applies to cases where an application to form a business relationship or carry out a one-off transaction is handled by a third party, e.g. a lawyer or lender, and where there is no direct contact with the prospective lending customer.

3.4 Referred business - lending

3.4.1 Questions HA8, HA9 and HA10 request data about those persons who referred lending customers to a deposit-taker on a regular basis during the data reporting period.

3.4.2 Where lending business is referred to a deposit-taker but neither a one-off transaction nor customer relationship result this is not considered referred business for the purpose of responding to HA8, HA9 and HA10.

3.4.3 Persons who refer lending customers to a deposit-taker may be third parties such as lawyers, accountants and trust company businesses.

3.4.4 Additionally, if a deposit-taker is part of a group, any referrals from group companies or other branches of the same company should be included here.
For example, if a Jersey deposit-taker is part of a group/company that has a UK company/branch then referrals from the UK operation should be reported subject to 3.4.5.

3.4.5 The following should not be reported as persons who refer customers:

- (a) a third party or group entity that acts as an obliged person (Article 16 of the Money Laundering Order) or a person in the same financial group where reliance has been placed (Article 16A of the Money Laundering Order) (data on these persons is collected through spreadsheets LA (Lending Use of MLO concessions)); or
- (b) a customer acting on behalf of one or more third parties (data on these persons is collected through spreadsheet KA (3rd party and beneficial ownership)); or
- (c) a person who refers lending customers on a basis that cannot be considered regular. The meaning of regular will vary by deposit-taker and will depend on a

number of factors such as the size of their current customer base and the amount of referred business.

- (d) Note: A person may be classified as having referred lending business even if a deposit-taker does not pay that person a fee for the referrals.

HA8 Number of persons who referred lending customers to the deposit-taker during the data reporting period, which carry on the following activities

3.4.6 Question **HA8** requires analysis of the number of persons between those that are:

- (a) Lawyers;
- (b) Accountants;
- (c) TCBs; and
- (d) Other, which includes any referrals from another group company that is not a trust company business.

3.4.7 Where a deposit-taker responds that the majority of the persons that are referring lending customers fall in "Other" (HA8(d)) please provide further details at HA11(c) (General comments on section HA). This may include referrals from existing deposit-taking or lending customers.

3.4.8 If a deposit-taker considers that it does not have any persons that refer lending customers then please insert "0" into each of HA8(a), HA8(b), HA8(c) and HA8(d).

HA9 Number of persons who referred lending customers to the deposit-taker during the data reporting period, analysed by country

3.4.9 Question **HA9** requires the number of persons (entities) who referred lending customers to be analysed by country, using spreadsheet *MA-DC Lending Country List*.

3.4.10 Please note:

- (a) the countries are listed on spreadsheet MA alphabetically; and
- (b) only positive responses are required i.e. there is no need to insert "0" against every country.

HA10 Number of relationships with persons who referred lending customers to the deposit-taker during the data reporting period that were terminated due to CDD issues, or other financial crime concerns

3.4.11 Question **HA10** requires a deposit-taker to record the number of times, during the data reporting period, that a relationship between them and a person who referred lending customers has been terminated, by either party, because of a CDD issue or other financial crime concern.

For example, in a case where the person referring lending customers considers that CDD measures applied by the deposit-taker are impractical or excessive.

3.4.12 If no terminations have occurred, please insert a "0" in response to HA10.

3.5 General Comments

HA11 Please provide any explanations or context comments below

3.5.1 A freetext box is provided at **HA11(c)** to provide general comments, explanations or context comments in relation to the other responses in section HA-Lending compliance data.

3.5.2 If a deposit-taker selects "yes" when responding to **HA2** details of the other factors included in the combined risk rating should be provided at HA11(a).

- 3.5.3 Where a deposit-taker responds that the majority of the persons that are referring lending customers fall in “Other” (HA8(d)) please provide at HA11(c) further details in respect of those persons reported as “Other”. This may include referrals from existing deposit-taking or lending customers.

4 Section J – Deposit-taking customer data

4.1 Customer data overview

- 4.1.1 This section collects data about deposit-taking customers that exhibit higher ML/TF risk characteristics.
- 4.1.2 Section J collects data by type of deposit-taking customer in order to establish whether any particular customer type exhibits higher risk factors than others. Responses need to be provided in the following customer types:
 - (a) Individuals that are Jersey resident;
 - (b) Individuals that are not Jersey residents;
 - (c) Trusts with a Jersey trustee;
 - (d) Trusts with a non-Jersey trustee;
 - (e) Jersey companies;
 - (f) Non-Jersey companies;
 - (g) Other – Jersey; and
 - (h) Other – non-Jersey.
- 4.1.3 “Other” includes a deposit-taking customer that is any of the following:
 - (a) Foundations
 - (b) Limited Partnerships
 - (c) Limited Liability Partnerships
 - (d) Separate Limited Partnerships
 - (e) Incorporated Limited Partnerships
- 4.1.4 Please note this section should be completed for deposit-taking customers. Any customer whose accounts are overdrawn (permanently or temporarily) should be included in this section.
- 4.1.5 This section requires both the number of deposit-taking customers and the value of their deposits to be provided. With the exception of J1, the value of deposits should be provided on a net basis. Where the net position is a debit balance please insert the value as a negative number.

4.2 Deposit-taking customer data

- J1(a) Number of deposit-taking customers that are:**
 - (i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey
- J1(b) Value of the above in GBP: Credit balances (deposits and repayable funds)**
- J1(c) Value of the above in GBP: Debit balances (overdrafts)**
 - 4.2.1 Question **J1(a)** requests the total number of deposit-taking customers as at 31 December 2019 analysed by customer type as listed in 4.1.2 and further explained in 4.1.3.

- 4.2.2 Please note that the response to question J1 provides the base for responding to all other questions in this section.
- 4.2.3 Where a deposit-taker has no deposit-taking customers of a particular type please insert "0".
- 4.2.4 Questions **J1(b)** and **J1(c)** request the value related to the deposit-taking customers, i.e. the total of all outstanding credit and debit balances as at the end of the data reporting period.
- 4.2.5 Where a balance is denominated in a currency other than GBP (e.g. Euros) please convert the balance value to GBP using the 2019 year-end exchange rate.
- 4.2.6 If the deposit-taker has answered "0" to any of J1(a)(i) to (viii), all cells in the relevant column should also be "0".
- 4.2.7 Please note the sum of H1(a) to (d) should equal the sum of J1(a)(i) to (viii).

J2(a) Number that are members of the same financial group as the deposit-taker:

**J2(b) Value of above in GBP (net)
FOR
(v) Jersey companies; and (vi) non-Jersey companies**

J3(a) Number that are a deposit-taker (other banks):

**J3(b) Value of above in GBP (net)
FOR
(v) Jersey companies; and (vi) non-Jersey companies**

- 4.2.8 Using the data provided in response to J1(a), questions **J2** and **J3** require an analysis of deposit-taking customers (number and value) that are (i) members of the same financial group and (ii) deposit-takers (other banks) respectively.
- 4.2.9 For the purpose of answering this question the definition in Article 16A(2) of the Money Laundering Order should be applied:
 - (2) a person is a member of the same financial group as another person if there is, in relation to the group, a parent company or other legal person that exercises control over every member of that group for the purposes of applying group supervision under –*
 - (a) the core principles for effective banking supervision published by the Basel Committee on Banking Supervision (ISBN 92-9131-164-4);*
 - (b) the Objectives and Principles of Securities Regulation issued by the International Organisation of Securities Commissions; or*
 - (c) the Insurance Supervisory Principles issued by the International Association of Insurance Supervisors.*
- 4.2.10 If a deposit-taker has no deposit-taking customers which fall in these categories then insert "0" in each green box.

4.3 Deposit-taking enhanced CDD measures

- 4.3.1 Information regarding enhanced CDD measures can be found in Section 7 of the AML/CFT Handbook.

- 4.3.2 In addition to a deposit-taker deciding that a deposit-taking customer presents a higher risk of money laundering or financing terrorism, there are some circumstances where enhanced CDD measures are required by Articles 15 and 15A - B of the Money Laundering Order, such as where the deposit-taking customer:
- (a) is, or some other prescribed person is, a politically exposed person (**PEP**) (Section 7.6)
 - (b) has a “relevant connection” to an “enhanced risk state” (Section 7.5)
 - (c) is a company with nominee shareholders or issues bearer shares (Section 7.10)
 - (d) is a personal asset holding vehicle (Section 7.9)
 - (e) is, or some other person is, not physically present for identification purpose (Section 7.4)
 - (f) is provided with private banking services (Section 7.8)
 - (g) is non-resident (not a Jersey resident) (Section 7.7) or
 - (h) provides correspondent banking or a similar relationship (Section 7.11)

J4(a) Number where enhanced CDD measures have been applied:

**J4(b) Value of above in GBP (net)
FOR**

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

4.3.3 Using the response to question J1 as the base for responding, question **J4** requires data about the total number, and value, of deposit-taking customers to which enhanced customer due diligence (**CDD**) measures have been applied as at 31 December 2019.

4.3.4 If a deposit-taker has no deposit-taking customers which have been subject to enhanced CDD measures then insert “0” in each green box.

J5(a) Number that present higher risk of ML/TF:

**J5(b) Value of above in GBP (net)
FOR**

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

4.3.5 Where a deposit-taker has determined that a deposit-taking customer presents a higher risk of money laundering or financing terrorism, enhanced CDD measures must be applied, therefore the response to question **J5** cannot be greater than the response to question J4.

4.3.6 There are circumstances where enhanced CDD measures must be applied but the deposit-taker may not consider the customer presents a higher risk, therefore the response to J5 may be lower than the response to J4. For example, a Jersey resident benefiting from services that are considered private banking.

4.3.7 If a deposit-taker has no deposit-taking customers which present a higher risk please do not leave a cell blank, please insert “0” in each green box.

4.3.8 The total of row J5(a) should be the same as the answer to question H1(a).

J6(a) Number that are, or who are connected with, a PEP:

J6(b) Value of above in GBP (net)

FOR

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

- 4.3.9 Using the response to question J4 as the base for responding, question **J6** requires the number, and value, of deposit-taking customers to which enhanced CDD measures have been applied due to a PEP connection.
- 4.3.10 On 12 June 2019 the definition of Money Laundering Order was amended (see Article 15A(3) of the Money Laundering Order and Section 7.6.1 of the AML/CFT Handbook). From this date enhanced CDD measures became mandatory for the following:
- (a) a domestic politically exposed person only where a high-risk business relationships or high-risk one-off transaction is involved (**domestic PEP**);
 - (b) a foreign politically exposed person (**foreign PEP**);
 - (c) a prominent person;
 - (d) individuals falling within (a), (b) or (c) that are:
 - › beneficial owners or controllers of a deposit-taking customer;
 - › a third party for whom the deposit-taking customer acts AND the third parties beneficial owners or controllers;
 - › purporting to act on behalf of the deposit-taking customer.
- 4.3.11 When considering whether a deposit-taking customer is connected with a domestic PEP or foreign PEP it must be remembered that the definition includes close associates and immediate family members of any individual. Close associate and immediate family member are both defined in Article 15A(3) of the Money Laundering Order.
- 4.3.12 The information to be considered when deciding if a deposit-taking customer is a close associate of a domestic PEP or foreign PEP is limited to information in the possession of the deposit-taker or information that is publicly known (Article 15A (4) of the Money Laundering Order).
- 4.3.13 If a deposit-taker has no deposit-taking customers who are a PEP, or who are connected with a PEP, please do not leave a cell blank, please insert "0" in each green box.

J7(a) Number that have a relevant connection^v to an enhanced risk state:

J7(b) Value of above in GBP (net)

FOR

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

- 4.3.14 Using the response to question J4 as the base for responding, question **J7** requires the number, and value, of deposit-taking customers to which enhanced CDD measures have been applied because the customer has a connection to an enhanced risk state.

4.3.15 Appendix D1 of the AML/CFT Handbook provides a list of the countries and territories that are considered an enhanced risk state^{vi}. As at 20 December 2019 the following were listed:

- (a) Iran and
- (b) The Democratic People's Republic of Korea (North Korea)

4.3.16 Section 7.5 of the AML/CFT Handbook provides further guidance, including an example of what may constitute a relevant connection.

4.3.17 For example: a deposit-taking customer's source of funds is, or derives from:

- (a) assets held in either Iran or North Korea by the customer or any person on behalf of a customer; or
- (b) income arising in Iran or North Korea.

In either scenario the deposit-taker should take reasonable measures to find out the source of wealth of the customer.

4.3.18 If a deposit-taker has no deposit-taking customers with a relevant connection to an enhanced risk state, please do not leave a cell blank, please insert "0" in each green box.

J8(a) Number that have one or more nominee shareholders that are not provided by the deposit-taker (or a member of their group):

**J8(b) Value of above in GBP (net)
FOR
(v) Jersey Companies; and (vi) Non-Jersey Companies**

J9(a) Number of non-Jersey companies that have issued bearer shares or warrants:

**J9(b) Value of above in GBP (net)
FOR
(vi) Non-Jersey Companies**

4.3.19 Using the response to question J4 as the base for responding, questions J8 and J9 require information on:

- (a) the number, and value, of deposit-taking customers that are companies (Jersey or non-Jersey) and which have one or more nominee shareholders (**J8**); and
- (b) the number, and value, of deposit-taking customers that are non-Jersey companies and which have issued bearer shares or warrants (**J9**).

4.3.20 Section 7.10 of the AML/CFT Handbook explains that, where one or more of the following circumstances apply, the company should not be considered to have issued bearer shares:

- (a) the bearer shares are issued by a company in a country or territory that has fully enacted appropriate legislation to require bearer shares to be registered in a public registry and the bearer shares are so registered; or
- (b) the bearer shares are traded on an approved stock exchange; or
- (c) all issued bearer shares are held in the custody of the deposit-taking customer or trusted external party along with an undertaking from that trusted external party or customer to inform the deposit-taker of any transfer or change in ownership.

- 4.3.21 If no deposit-taking customers are companies (Jersey or non-Jersey) that have one or more nominee shareholders, please do not leave either cell blank, please insert "0" in each green box.
- 4.3.22 If no deposit-taking customers are non-Jersey companies that have issued bearer shares or warrants, please do not leave the cell blank, please insert "0" in each green box.

J10(a) Number that are personal asset holding vehicles:

J10(b) Value of above in GBP (net)

FOR

(iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey Companies; (vi) Non-Jersey Companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

- 4.3.23 Using the response to question J4 as the base for responding, question **J10** requests data regarding personal asset holding vehicles which are described at paragraph 64 of Section 7.9 of the AML/CFT Handbook as being a legal person or legal arrangement established by individuals for the specific purpose of holding assets for investment.
- 4.3.24 The personal asset holding vehicle:
 - (a) may be the deposit-taking customer of the deposit-taker (for example a company which holds property as an investment) OR
 - (b) may be the third party for whom a deposit-taking customer is acting. For example, the deposit-taking customer may be a trustee acting for a trust which is a personal asset holding vehicle.
- 4.3.25 If no deposit-taking customers are either personal asset holding vehicles or act on behalf of a personal asset holding vehicle, please do not leave the cells blank, please insert "0" in each green box.

J11(a) Number of individuals who have not been met:

J11(b) Value of above in GBP (net)

FOR

(i) Individuals – Jersey resident; and (ii) Individuals - non-Jersey resident

J12(a) Number where one or more beneficial owners/controllers of deposit-taking customers, or other persons who must be identified under Article 3 of the Money Laundering Order, were not physically present for identification purposes

J12(b) Value of above in GBP (net)

FOR

(iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey Companies; (vi) Non-Jersey Companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

J13(a) In relation to J11(a) and J12(a), number who are, or who are connected to, a PEP

J13(b) Value of above in GBP (net)

FOR

(i) Individuals – Jersey resident; and (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey Companies; (vi) Non-Jersey Companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

- 4.3.26 Using the response to question J4 as the base for responding, questions **J11** to **J13** request data about whether a deposit-taking customer, and the beneficial owners and controllers of deposit-taking customers, have been physically present for identification purposes.
- 4.3.27 An individual may be considered to have been physically present for the purpose of questions J11 and J12 where they have been met and seen:
- (a) by the deposit-taker (physically or through video conferencing facilities);
 - (b) by a suitable certifier in line with Section 4.3.3 of the AML/CFT Handbook; or
 - (c) by a company in the same group as the deposit-taker where that company is regulated and supervised for AML/CFT purposes (the meeting can be physical or through video conferencing facilities).
- 4.3.28 The period of time that has elapsed since an individual was last met is not important, nor whether an individual was met at the time of “on-boarding” the deposit-taking customer.
- 4.3.29 In a case where a deposit-taking customer is taken on through the transfer of a book of business (in line with Section 3.5 of the AML/CFT Handbook), then the deposit-taker may consider that the customer has been met if that other business provides evidence that the deposit-taking customer had been physically present for identification purposes.
- 4.3.1 Where either the deposit-taking customer or the beneficial owner/controller of the deposit-taking customer has not been physically present **and** they are a PEP then question **J13** needs to record the number of such persons.
- 4.3.2 If, having taken account of paragraph 4.3.27, a deposit-taker considers that all customers and beneficial owners/controllers were physically present for identification purposes please do not leave the cells blank, please insert “0” in each green box.

J14(a) Number with deposits and other repayable funds higher than GBP 5 million

J14(b) Value of above in GBP

FOR

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (v) Other – non-Jersey

- 4.3.3 Using the response to question J4 as the base for responding, question **J14** collects data (number and value) on deposit-taking customers with total balances of more than GBP 5 million.
- 4.3.4 When answering this question, all of a customer’s credit balanced deposit accounts should be considered together and accounts in overdraft ignored. For example, if a deposit-taking customer has two deposits, one of GBP 2 million and one of GBP 3.5 million and overdrafts totalling GBP 750,000, then the customer should be reported here.
- 4.3.5 GBP 5 million is being used in this data gathering exercise as a marker for identifying high net worth clients. Section 7.8 of the AML/CFT Handbook (paragraph 59) identifies that in particular circumstances the provision of banking services to high net worth clients may present a higher risk of money laundering or financing of terrorism.

4.4 Other deposit-taking customer characteristics

J15(a) Number that are regulated/supervised for AML/CFT purposes

J15(b) Value of above in GBP (net)

FOR

(i) Individuals – Jersey resident; (ii) Individuals – non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (v) Other – non-Jersey

- 4.4.1 Using the response to question J1 as the base for responding, question **J15** collects data on the number and value of deposit-taking customers that are Regulated and Supervised for AML/CFT purposes.
- 4.4.2 “Regulated and Supervised for AML/CFT purposes” specifically 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.
- 4.4.3 For example:
- (a) If the customer of a deposit-taker is an investment business then they should be reported here. However, if the customer is a subsidiary company of the investment business which is not conducting a regulated and supervised activity, this should not be reported.
 - (b) If the customer of a deposit-taker is a sole trader, who is Regulated and Supervised for AML/CFT purposes by the JFSC, then they should be reported here.
 - (c) If the customer of a deposit-taker is a company acting as a trustee and is Regulated and Supervised for AML/CFT purposes, then they should be reported here.
- 4.4.4 If a deposit-taker does not have any deposit-taking customers which are Regulated and Supervised for AML/CFT purposes please do not leave the cells blank, please insert “0” in each green box.

J16(a) Number that are NPOs

J16(b) Value of above in GBP (net)

FOR

(iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

- 4.4.5 Using the response to question J1 as the base for responding, question **J16** requests data about the number and value of deposit-taking customers that are a non-profit organization (**NPO**). In Jersey an NPO is defined in Article 1 of the Non-Profit Organizations (Jersey) Law 2008 as being an organisation that:
- (a) Is established solely or primarily for charitable, religious, cultural, educational, social, or fraternal purposes with the intention of benefiting the public or a section of the public; **and**
 - (b) raises or disburses funds in pursuance of those purposes.
- 4.4.6 Please note: in Jersey an NPO and a charity are not the same. The definition of a charity is set out in the Charities (Jersey) Law 2014 and not all NPOs are charities.

- 4.4.7 If no deposit-taking customers are an NPO please do not leave the cells blank, please insert a "0" in the green boxes.

5 Section JA – Lending customer data

5.1 Customer data overview

- 5.1.1 This section collects data about lending customers which exhibit higher ML/TF risk characteristics.
- 5.1.2 Section JA collects data by type of customer in order to establish whether any particular customer type exhibits higher risk factors than others. Responses need to be provided in the following customer types:
 - (a) Individuals that are Jersey resident;
 - (b) Individuals that are not Jersey residents;
 - (c) Trusts with a Jersey trustee;
 - (d) Trusts with a non-Jersey trustee;
 - (e) Jersey companies;
 - (f) Non-Jersey companies;
 - (g) Other – Jersey; and
 - (h) Other – non-Jersey.
- 5.1.3 “Other” includes a customer that is any of the following:
 - (a) Foundations
 - (b) Limited Partnerships
 - (c) Limited Liability Partnerships
 - (d) Separate Limited Partnerships
 - (e) Incorporated Limited Partnerships
- 5.1.4 Please note this section should be completed for lending customers. Any customer whose accounts are overdrawn (permanently or temporarily) should be included in this deposit-taking customer section (spreadsheet J).
- 5.1.5 This section requires both the number of lending customers and the value of their loans to be provided.

5.2 Lending customer data

JA1(a) Number of lending customers that are:

JA1(b) Value of above in GBP FOR

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

- 5.2.1 Question **JA1(a)** requests the total number of lending customers as at 31 December 2019 analysed by customer type as listed in 5.1.2 and further explained in 5.1.3.
- 5.2.2 Please note that the response to question JA1 provides the base for responding to all other questions in this section.
- 5.2.3 Where a deposit-taker has no lending customers of a particular type please insert “0”.

- 5.2.4 Question **JA1(b)** requests the value related to the lending customers, i.e. the total of all outstanding loan balances as at the end of the data reporting period.
- 5.2.5 Where a balance is denominated in a currency other than GBP (e.g. Euros) please convert the transaction value to GBP using the 2019 year-end exchange rate.
- 5.2.6 Where a deposit-taker has no customers of a particular type please insert "0".
- 5.2.7 If the deposit-taker has answered "0" to any of JA1(a)(i) to (viii), all cells in the relevant column should also be "0".
- 5.2.8 Please note the sum of HA1(a) to (d) should equal the sum of JA1(a)(i) to (viii).

JA2(a) Number that are members of the same financial group as the deposit-taker:

JA2(b) Value of above in GBP

FOR

(v) Jersey companies; and (vi) non-Jersey companies

JA3(a) Number that are a deposit-taker (other banks):

JA3(b) Value in GBP

FOR

(v) Jersey companies; and (vi) non-Jersey companies

- 5.2.9 Using the data provided in response to JA1(a), questions **JA2** and **JA3** require an analysis of lending customers (number and value) that are (i) members of the same financial group and (ii) deposit-takers (other banks) respectively.
- 5.2.10 For the purpose of answering this question the definition in Article 16A(2) of the Money laundering Order should be applied:
 - (2) a person is a member of the same financial group as another person if there is, in relation to the group, a parent company or other legal person that exercises control over every member of that group for the purposes of applying group supervision under –*
 - (a) the core principles for effective banking supervision published by the Basel Committee on Banking Supervision (ISBN 92-9131-164-4);*
 - (b) the Objectives and Principles of Securities Regulation issued by the International Organisation of Securities Commissions; or*
 - (c) the Insurance Supervisory Principles issued by the International Association of Insurance Supervisors.*
- 5.2.11 If a deposit-taker has no lending customers which fall in these categories then insert "0" in each green box.

5.3 Lending enhanced CDD measures

- 5.3.1 Information regarding enhanced CDD measures can be found in Section 7 of the AML/CFT Handbook.
- 5.3.2 In addition to a deposit-taker deciding that a lending customer presents a higher risk of money laundering or financing terrorism, there are some circumstances where enhanced CDD measures are required by Articles 15 and 15A-B of the Money Laundering Order, where the lending customer:
 - (a) is, or some other prescribed person is a politically exposed person (PEP) (Section 7.6)
 - (b) has a "relevant connection" to an "enhanced risk state" (Section 7.5)

- (c) is a company with nominee shareholders or issues bearer shares (Section 7.10)
- (d) is a personal asset holding vehicle (Section 7.9)
- (e) is, or some other person is, not physically present for identification purpose (Section 7.4)
- (f) is provided with private banking services (Section 7.8) or
- (g) is non-resident (not a Jersey resident) (Section 7.7)

JA4(a) Number where enhanced CDD measures have been applied:

**JA4(b) Value of above in GBP
FOR**

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

5.3.3 Using the response to question JA1 as the base for responding, question **JA4** requires data about the number, and value, of lending customers to which enhanced customer due diligence (**CDD**) measures have been applied as at 31 December 2019.

5.3.4 If no lending customers have been subject to enhanced CDD measures then insert “0” in each green box.

JA5(a) Number that present higher risk of ML/TF:

JA5(b) Value in GBP

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

5.3.5 Where a deposit-taker has determined that a lending customer presents a higher risk of money laundering or financing terrorism, enhanced CDD measures must be applied, therefore the response to question JA5 cannot be greater than the response to question JA4.

5.3.6 There are circumstances where enhanced CDD measures must be applied but the deposit-taker may not consider the lending customer presents a higher risk, therefore the response to JA5 may be lower than the response to JA4. For example, a Jersey resident benefiting from services that are considered private banking.

5.3.7 If no lending customers present a higher risk please do not leave a cell blank, please insert “0” in each green box.

5.3.8 The total of row JA5(a) should be the same as the answer to question HA1(a).

JA6(a) Number that are, or who are connected with, a PEP:

**JA6(b) Value in GBP
FOR**

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

5.3.9 Using the response to question JA4 as the base for responding, question **JA6** requires the number, and value, of lending customers to which enhanced CDD measures have been applied due to a PEP connection.

- 5.3.10 On 12 June 2019 the Money Laundering Order was amended (see Article 15A(3) of the Money Laundering Order and Section 7.6.1 of the AML/CFT Handbook). From this date enhanced CDD measures became mandatory for the following:
- (a) a domestic politically exposed person only where a high-risk business relationships or high-risk one-off transactions is involved (**domestic PEP**);
 - (b) a foreign politically exposed person (**foreign PEP**);
 - (c) a prominent person;
 - (d) individuals falling within (a), (b) or (c) that are:
 - › beneficial owners or controllers of a lending customer;
 - › a third party for whom the lending customer acts AND the third parties beneficial owners or controllers;
 - › purporting to act on behalf of the lending customer.
- 5.3.11 When considering whether a lending customer is connected with a domestic PEP or foreign PEP it must be remembered that the definition includes close associates and immediate family members of any individual. Close associate and immediate family member are both defined in Article 15A(3) of the Money Laundering Order.
- 5.3.12 The information to be considered when deciding if a lending customer is a close associate of a domestic PEP or foreign PEP is limited to information in the possession of the deposit-taker or information that is publicly known (Article 15A (4) of the Money Laundering Order).
- 5.3.13 If no lending customers are a PEP, or are connected with a PEP, please do not leave a cell blank, please insert "0" in each green box.

JA7(a) Number that have a relevant connection^{vii} to an enhanced risk state:

**JA7(b) Value in GBP
FOR**

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

- 5.3.14 Using the response to question JA4 as the base for responding, question **JA7** requires the number, and value of lending customers to which enhanced CDD measures have been applied because the customer has a connection to an enhanced risk state.
- 5.3.15 Appendix D1 of the AML/CFT Handbook provides a list of the countries and territories that are considered an enhanced risk state^{viii}. As at 31 December 2019 the following were listed:
- (a) Iran and
 - (b) The Democratic People's Republic of Korea (North Korea)
- 5.3.16 Section 7.5 of the AML/CFT Handbook provides further guidance, including an example of what may constitute a relevant connection.
- 5.3.17 For example: a lending customer's source of funds is, or derives from:
- (a) assets held in either Iran or North Korea by the customer or any person on behalf of a customer; or
 - (b) income arising in Iran or North Korea.

In either scenario the deposit-taker should take reasonable measures to find out the source of wealth of the customer.

- 5.3.18 If no lending customers have a relevant connection to an enhanced risk state, please do not leave a cell blank, please insert “0” in each green box.

JA8(a) Number that have one or more nominee shareholders that are not provided by the deposit-taker (or a member of their group):

**JA8(b) Value in GBP
FOR
(v) Jersey Companies; and (vi) Non-Jersey Companies**

JA9(a) Number of non-Jersey companies that have issued bearer shares or warrants:

**JA9(b) Value in GBP
FOR
(vi) Non-Jersey Companies**

- 5.3.19 Using the response to question JA4 as the base for responding, questions JA8 and JA9 require information on:
- (a) the number, and value of lending customers that are companies (Jersey or non-Jersey) and which have one or more nominee shareholders (**JA8**); and
 - (b) the number, and value, of lending customers that are non-Jersey companies and which have issued bearer shares or warrants (**JA9**).
- 5.3.20 Section 7.10 of the AML/CFT Handbook explains that, where one or more of the following circumstances apply, the company should not be considered to have issued bearer shares:
- (a) the bearer shares are issued by a company in a country or territory that has fully enacted appropriate legislation to require bearer shares to be registered in a public registry and the bearer shares are so registered; or
 - (b) the bearer shares are traded on an approved stock exchange; or
 - (c) all issued bearer shares are held in the custody of the customer or trusted external party along with an undertaking from that trusted external party or customer to inform the deposit-taker of any transfer or change in ownership.
- 5.3.21 If no lending customers are companies (Jersey or non-Jersey) that have one or more nominee shareholders, please do not leave either cell blank, please insert “0” in each green box.
- 5.3.22 If no lending customers are non-Jersey companies that have issued bearer shares or warrants, please do not leave the cell blank, please insert “0” in the green box.

JA10(a) Number that are personal asset holding vehicles:

**JA10(b) Value in GBP
FOR
(iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey Companies; (vi) Non-Jersey Companies; (vii) Other – Jersey; and (viii) Other – non-Jersey**

- 5.3.23 Using the response to question JA4 as the base for responding, question **JA10** requests data (number and value) regarding personal asset holding vehicles which are described at paragraph 64 of Section 7.9 of the AML/CFT Handbook as being a legal person or legal arrangement established by individuals for the specific purpose of holding assets for investment.

- 5.3.24 The personal asset holding vehicle:
- (a) may be the customer of the deposit-taker (for example a company which holds property as an investment) OR
 - (b) may be the third party for whom a customer is acting. For example, the customer may be a trustee acting for a trust which is a personal asset holding vehicle.
- 5.3.25 If a deposit-taker has no lending customers which are either personal asset holding vehicles or who act on behalf of a personal asset holding vehicle, please do not leave the cells blank, please insert "0" in the green boxes.

JA11(a) Number of individuals who have not been met:

JA11(b) Value in GBP

FOR

(i) Individuals – Jersey resident; and (ii) Individuals - non-Jersey resident

JA12(a) Number where one or more beneficial owners/controllers of lending customers, or other persons who must be identified under Article 3 of the Money Laundering Order, were not physically present for identification purposes

JA12(b) Value in GBP

FOR

(iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey Companies; (vi) Non-Jersey Companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

JA13(a) In relation to JA11(a) and JA12(a), number who are, or who are connected to, a PEP

JA13(b) Value in GBP

FOR

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey Companies; (vi) Non-Jersey Companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

- 5.3.26 Using the response to question JA4 as the base for responding, questions **JA11** to **JA13** request data about whether a lending customer, and the beneficial owners and controllers of lending customers, have been physically present for identification purposes.
- 5.3.27 An individual may be considered to have been physically present for the purpose of questions JA11 and JA12 where they have been met and seen:
- (a) by the deposit-taker (physically or through video conferencing facilities);
 - (b) by a suitable certifier in line with Section 4.3.3 of the AML/CFT Handbook; or
 - (c) by a company in the same group as the deposit-taker where that company is regulated and supervised for AML/CFT purposes (the meeting can be physical or through video conferencing facilities).
- 5.3.28 The period of time that has elapsed since an individual was last met is not important, nor whether an individual was met at the time of "on-boarding" the lending customer.
- 5.3.29 In a case where a lending customer is taken on through the transfer of a book of business (in line with Section 3.5 of the AML/CFT Handbook), then the deposit-taker may consider that the lending customer has been met if that other business

provides evidence that the lending customer had been physically present for identification purposes.

- 5.3.30 Where either the lending customer or the beneficial owner/controller of the lending customer has not been physically present **and** they are a PEP then question **JA13** needs to record the number of such persons.
- 5.3.31 If, having taken account of paragraph 4.3.2, a deposit-taker considers that all lending customers and beneficial owners/controllers of lending customers were physically present for identification purposes please do not leave the cells blank, please insert "0" in each green box.

JA14(a) Number with loan balances higher than GBP 5 million

JA14(b) Value in GBP

FOR

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (v) Other – non-Jersey

- 5.3.32 Using the response to question JA4 as the base for responding, question **JA14** collects data on lending customers with loan balances of more than GBP 5 million.
- 5.3.33 When answering this question, all of a customer's loans should be considered together. For example, if a customer has two loans, one of GBP 2 million and one of GBP 3.5 million, then that customer should be reported here.
- 5.3.34 GBP 5 million is being used in this data gathering exercise as a marker for identifying high net worth clients. Section 7.8 of the AML/CFT Handbook (paragraph 59) identifies that in particular circumstances the provision of banking services to high net worth clients may present a higher risk of money laundering or financing of terrorism.

5.4 Other lending customer characteristics

JA15(a) Number that are regulated/supervised for AML/CFT purposes

JA15(b) Value in GBP

FOR

(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (v) Other – non-Jersey

- 5.4.1 Using the response to question JA1 as the base for responding, question **JA15** collects data on the number and value of lending customers that are Regulated and Supervised for AML/CFT purposes.
- 5.4.2 "Regulated and Supervised for AML/CFT purposes" specifically 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.
- 5.4.3 For example:
 - (a) If the lending customer of a deposit-taker is an investment business then they should be reported here. However, if the customer is a subsidiary company of the investment business which is not conducting a regulated and supervised activity, this should not be reported.

- (b) If the lending customer of a deposit-taker is a sole trader, who is Regulated and Supervised by the JFSC, then they should be reported here.
- (c) If the lending customer of a deposit-taker is a company acting as a trustee and is Regulated and Supervised for AML/CFT purposes, then they should be reported here.

5.4.4 If no lending customers are Regulated and Supervised for AML/CFT purposes please do not leave the cells blank, please insert "0" in each green box.

JA16(a) Number that are NPOs

JA16(b) Value of above in GBP FOR)

(iii) Trusts with Jersey trustee; (iv) Trusts with non-Jersey trustee; (v) Jersey companies; (vi) Non-Jersey companies; (vii) Other – Jersey; and (viii) Other – non-Jersey

- 5.4.5 Using the response to question JA1 as the base for responding, question **JA16** requests data (number and value) about the lending customers of a deposit-taker that are non-profit organizations (NPO). In Jersey an NPO is defined in Article 1 of the Non-Profit Organizations (Jersey) Law 2008 as being an organisation that:
- (a) is established solely or primarily for charitable, religious, cultural, educational, social, or fraternal purposes with the intention of benefiting the public or a section of the public; **and**
 - (b) raises or disburses funds in pursuance of those purposes.
- 5.4.6 Please note: in Jersey an NPO and a charity are not the same. The definition of a charity is set out in the Charities (Jersey) Law 2014 and not all NPOs are charities.
- 5.4.7 If no lending customers are NPOs please do not leave the cells blank, please insert a "0" in the green boxes.

6 Section K – Beneficial ownership (deposit-taking)

6.1 General

- 6.1.1 Where CDD exemptions from applying identification measures under Article 18 of the Money Laundering Order have been utilised and no data is held, a deposit-taker is not expected to gather information for the purpose of completing questions K1 and K2.
- 6.1.2 Similarly, where CDD exemptions from applying third party identification measures under the Articles 17B-D have been applied to third parties this section does not apply.
- 6.1.3 Data in respect of using CDD exemptions under Part 3A is to be reported on the spreadsheet *L-DC Use of MLO Concessions*.

6.2 Deposit-taking customers – individuals and beneficial owners or controllers of deposit-taking customers that are not individuals

K1 Number and principal country of residence of: (i) individuals who are deposit-taking customers; and (ii) individuals who are the beneficial owner or controller of a deposit-taking customer that is not an individual, as at the end of the reporting period

- 6.2.1 The principal country of residence of a deposit-taking customer who is an individual, or the beneficial owners and controllers of deposit-taking customers who are not individuals, is recognised as a key factor in determining the riskiness of a customer – Section 3 of the AML/CFT Handbook provides further guidance.
- 6.2.2 The term “beneficial ownership and control” is defined in Article 2 of the Money Laundering Order. It refers to the individuals who ultimately own or control a customer that is a legal person^{ix}. In line with guidance provided in the AML/CFT Handbook, the following will be considered to be the beneficial owner or controller of a company.
 - (a) Each individual with a material controlling ownership interest in the capital of the company (through direct or indirect holdings of interests (shares) or voting rights) or who exerts control through other ownership means.
 - (b) To the extent that there is doubt as to whether the individuals exercising control through ownership are beneficial owners, or where no individual exerts control through ownership, any other individual exercising control of the company through other means.
 - (c) Where no individual is otherwise identified, individuals who exercise control of the company through positions held (who have and exercise strategic decision-taking powers or have and exercise executive control through senior management positions - directors).
- 6.2.3 Question **K1** requests a deposit-taker provide by country (using spreadsheet *M-DC Country list*) the total number of deposit-taking customers that are individuals and the beneficial owners or controllers of deposit-taking customers that are not individuals. There is no need to report these figures separately.
- 6.2.4 Only positive responses are required i.e. there is no need to insert “0” against every country.

6.2.5 For example, using the data below, a response may look as follows:

Customer type	Number of customers	Principal country of residence
Individuals – Jersey resident	100	Jersey
Individuals - non-Jersey resident	20	Guernsey (4) Spain (4) UK (12)
Trusts with Jersey trustee <i>(one trust has co-trustees)</i>	11	Jersey (11) UK (1)
Trusts with non-Jersey trustee <i>(trust has co-trustees)</i>	1	Jersey (1) UK (1)
Jersey Companies	25	France (2) Germany (3) Guernsey (12) Jersey (18) Spain (9) UK (7)
Non-Jersey Companies	15	Poland (7) Spain (4) UK (25)
Other - Jersey	0	
Other – non-Jersey	1	Switzerland

Spreadsheet *M-DC Country list* would therefore have the following entries in the column for question K1:

ISO Code	Country	Number and principal country of residence of: (i) individuals who are deposit-taking customers; and (ii) individuals who are the beneficial owners or controllers of a deposit-taking customer that is not an individual
		K1
250	France	2
276	Germany	3
616	Poland	7

ISO Code	Country	Number and principal country of residence of: (i) individuals who are deposit-taking customers; and (ii) individuals who are the beneficial owners or controllers of a deposit-taking customer that is not an individual
724	Spain	13
756	Switzerland	1
826	UK	46
831	Guernsey	16
832	Jersey	130

6.3 Customer acting on behalf of a third party

K2 Number and principal country of residence of third parties on whose behalf a deposit-taking customer is acting

- 6.3.1 Question **K2** collects data on the principal country of residence of third parties on whose behalf a deposit-taking customer acts.
- 6.3.2 For example, a legal arrangement cannot form a business relationship or carry out a one-off transaction itself. It is the trustee(s) of the trust or general partner(s) of the limited partnership who will enter into a business relationship or carry out the one-off transaction with a deposit-taker on behalf of the legal arrangement and who will be considered to be the customer(s). In line with Article 3 of the Money Laundering Order, the trust or limited partnership will be considered to be the third party on whose behalf the trustee(s) or general partner(s) act(s).
- 6.3.3 In these cases the deposit-taker should have identified the persons for whom the customer (e.g. trustee or general partner) is acting in line with Article 3(2) of the Money Laundering Order and the guidance provided in Section 4 of the AML/CFT Handbook. For ease guidance has been provided below:
- (a) In a case where the third party is a legal person (e.g. a company), data should be provided on the individuals who are beneficial owner or controller of that legal person (Article 3(2)(b)(ii) of the Money Laundering Order).
 - (b) In a case where a third party is a trust (other than a collective deposit-taking fund), data should be provided on:
 - › the settlor^x;
 - › the protector;
 - › beneficiaries with a vested right;
 - › other beneficiaries and persons who are the object of a power that have been identified as presenting a higher risk; and
 - › any other person who exercises ultimate effective control over the trust (Article 3(7) of the Money Laundering Order).
 - (c) In a case where a third party is a limited partnership (other than a collective deposit-taking fund), data should be provided on the limited partners (Article 3(7) of the Money Laundering Order).

- (d) In a case where a third party is a collective deposit-taking fund, data should be provided on any beneficial owners and controllers, i.e. individuals exercising control of the collective deposit-taking fund through ownership means, other means or through the position that they hold (see Section 14.3.2 of the Regulated Financial Services Business AML/CFT Handbook (Funds and Fund Services Business)).

6.4 Meeting beneficial owners/controllers of customers

K3 Does the deposit-taker have a policy regarding how often it should meet beneficial owners/controllers of deposit-taking customers, or other persons who must be identified under Article 3 of the MLO?
(Yes ; No)

- 6.4.1 If the deposit-taker has a policy that requires it to meet beneficial owners/controllers of its deposit-taking customers on a periodic basis, please answer yes here.

7 Section KA – Beneficial ownership (lending)

7.1 General

- 7.1.1 Where CDD exemptions from applying identification measures under Article 18 of the Money Laundering Order have been utilised and no data is held, a deposit-taker is not expected to gather information for the purpose of completing questions KA1 and KA2.
- 7.1.2 Similarly, where CDD exemptions from applying third party identification measures under the Articles 17B-D have been applied to third parties this section does not apply.
- 7.1.3 Data in respect of using CDD exemptions under Part 3A is to be reported on the spreadsheet *LA-DC Lending Use of MLO Concessions*.

7.2 Lending customers – individuals and beneficial owners or controllers of lending customers that are not individuals

KA1 Number and principal country of residence of:

(i) individuals who are lending customers; and (ii) individuals who are the beneficial owner or controller of a lending customer that is not an individual, as at the end of the reporting period

- 7.2.1 The principal country of residence of a lending customer who is an individual, or the beneficial owners and controllers of lending customers who are not individuals, is recognised as a key factor in determining the riskiness of a customer – Section 3 of the AML/CFT Handbook provides further guidance.
- 7.2.2 The term “beneficial ownership and control” is defined in Article 2 of the Money Laundering Order. It refers to the individuals who ultimately own or control a customer that is a legal person^{xi}. In line with guidance provided in the AML/CFT Handbook, the following will be considered to be the beneficial owner or controller of a company.
 - (a) Each individual with a material controlling ownership interest in the capital of the company (through direct or indirect holdings of interests (shares) or voting rights) or who exerts control through other ownership means.
 - (b) To the extent that there is doubt as to whether the individuals exercising control through ownership are beneficial owners, or where no individual exerts control through ownership, any other individual exercising control of the company through other means.
 - (c) Where no individual is otherwise identified, individuals who exercise control of the company through positions held (who have and exercise strategic decision-taking powers or have and exercise executive control through senior management positions - directors).
- 7.2.3 Question **KA1** requests a deposit-taker provide by country (using spreadsheet *MA-DC Lending Country list*) the total number of lending customers that are individuals and the beneficial owners or controllers of lending customers that are not individuals. There is no need to report these figures separately.
- 7.2.4 Only positive responses are required i.e. there is no need to insert “0” against every country.

7.2.5 For example, using the data below, a response may look as follows:

Customer type	Number of customers	Principal country of residence
Individuals – Jersey resident	10	Jersey
Individuals - non-Jersey resident	2	UK Guernsey
Trusts with Jersey trustee	1	Jersey
Trusts with non-Jersey trustee	0	
Jersey Companies (4 shareholders each with 25% share capital)	1	Jersey (2) UK Germany
Non-Jersey Companies	0	
Other - Jersey	0	
Other – non-Jersey	1	Switzerland

Spreadsheet *MA-DC Lending Country list* would therefore have the following entries in the column for question KA1:

ISO Code	Country	Number and principal country of residence of: (i) individuals who are lending customers; and (ii) individuals who are the beneficial owners or controllers of a lending customer that is not an individual
		KA1
276	Germany	1
831	Guernsey	1
832	Jersey	13
756	Switzerland	1
826	UK	2

7.3 Customer acting on behalf of a third party

KA2 Number and principal country of residence of third parties on whose behalf a lending customer is acting

7.3.1 Question **KA2** collects data on the principal country of residence of third parties on whose behalf a lending customer acts.

- 7.3.2 For example, a legal arrangement cannot form a business relationship or carry out a one-off transaction itself. It is the trustee(s) of the trust or general partner(s) of the limited partnership who will enter into a business relationship or carry out the one-off transaction with a deposit-taker on behalf of the legal arrangement and who will be considered to be the customer(s). In line with Article 3 of the Money Laundering Order, the trust or limited partnership will be considered to be the third party on whose behalf the trustee(s) or general partner(s) act(s).
- 7.3.3 In these cases the deposit-taker should have identified the persons for whom the customer is acting in line with Article 3(2) of the Money Laundering Order and the guidance provided in Section 4 of the AML/CFT Handbook. For ease guidance has been provided below:
- (a) In a case where the third party is a legal person (e.g. a company), data should be provided on the individuals who are beneficial owner or controller of that legal person (Article 3(2)(b)(ii) of the Money Laundering Order).
 - (b) In a case where a third party is a trust (other than a collective deposit-taking fund), data should be provided on:
 - › the settlor^{xii};
 - › the protector;
 - › beneficiaries with a vested right;
 - › other beneficiaries and persons who are the object of a power that have been identified as presenting a higher risk; and
 - › any other person who exercises ultimate effective control over the trust (Article 3(7) of the Money Laundering Order).
 - (c) In a case where a third party is a limited partnership (other than a collective deposit-taking fund), data should be provided on the limited partners (Article 3(7) of the Money Laundering Order).
 - (d) In a case where a third party is a collective deposit-taking fund, data should be provided on any beneficial owners and controllers, i.e. individuals exercising control of the collective deposit-taking fund through ownership means, other means or through the position that they hold (see Section 14.3.2 of the Regulated Financial Services Business AML/CFT Handbook (Funds and Fund Services Business)).

7.4 Meeting beneficial owners/controllers of customers

KA3 Does the deposit-taker have a policy regarding how often it should meet beneficial owners/controllers of its lending customers, or other persons who must be identified under Article 3 of the MLO?

- 7.4.1 If the deposit-taker has a policy that requires it to meet beneficial owners/controllers of its lending customers on a periodic basis, please answer yes here.

8 Section L – Use and application of concessions granted by the Money Laundering Order (deposit taking)

8.1 General

- 8.1.1 This section collects data about the application of concessions set out in the Money Laundering Order that can be used in the circumstances prescribed in **Articles 13** (customer identification and verification), **16** (reliance on obliged persons), **16A** (persons in the same financial group) and **Part 3A** (CDD exemptions).
- 8.1.2 On 12 June 2019, Articles 17 and 18 of the Money Laundering Order were replaced, however, the policy behind the Articles was substantially unchanged. Therefore, whilst the text in this guidance document reflects Articles 17, 17B, 17C, 17D and 18 as at 20 December 2019 questions should be answered for the whole of 2019.
- 8.1.3 The following table provides guidance on the period to be covered by each question:

Question	Data period	Date(s)
Customer identification and verification		
L1	At end of reporting period	31/12/2019 or closest business day
L2	During the reporting period	1/1/2019 – 31/12/2019
Reliance on obliged persons and persons in the same financial group (Articles 16 and 16A of the MLO)		
L3	During the reporting period	1/1/2019 – 31/12/2019
L4	At end of reporting period	31/12/2019 or closest business day
L5	At end of reporting period	31/12/2019 or closest business day
L6	At end of reporting period	31/12/2019 or closest business day
L7	During the reporting period	1/1/2019 – 31/12/2019
Exemptions from applying third party identification requirements (Articles 17B-D of the MLO)		
L8	At end of reporting period	31/12/2019 or closest business day
L9	At end of reporting period	31/12/2019 or closest business day
L10	During the reporting period	1/1/2019 – 31/12/2019

Question	Data period	Date(s)
L11	At end of reporting period	31/12/2019 or closest business day
Further exemptions from applying identification requirements (Article 18 of the MLO)		
L12	During the reporting period	1/1/2019 – 31/12/2019

8.2 Deposit-taking customer identification and verification

L1 Number of deposit-taking customers, as at the end of the data reporting period, where identity has not yet been verified as the relationship started before February 2008 and Article 13(2) of the MLO is being relied upon

- 8.2.1 Article 13(2) of the Money Laundering Order provides for the timing of identification measures for the existing customers of a deposit-taker at the time the Money Laundering Order came into force – 4 February 2008.
- 8.2.2 Article 13(2) sets out very particular circumstances which enabled a deposit-taker to delay verification of a customer's identity – Section 4.7.2 of the AML/CFT Handbook provides further guidance.
- 8.2.3 A deposit-taker should have finalised the position of its existing customers by 31 December 2014, unless a later date has been agreed by the JFSC (paragraphs 208 and 209 of Section 4.7.2 of the AML/CFT Handbook).
- 8.2.4 A deposit-taker should insert at **L1** the number of deposit-taking customers where reliance on Article 13(2) is still being placed.
- 8.2.5 It is expected that many deposit-takers will report "0" in respect of L1.

L2 Number of deposit-taking customers where delayed verification in line with Article 13(4) of the MLO was applied during the data reporting period

- 8.2.6 In accordance with Article 13(4) of the Money Laundering Order a deposit-taker is permitted to delay verifying the identity of customers where (finding out the identity of a customer must not be delayed):
 - (a) it is necessary not to interrupt the normal course of business;
 - (b) there is little risk of money laundering or financing of terrorism occurring as a result of obtaining evidence of identity after establishing the relationship; **and**
 - (c) evidence of identity is obtained as soon as reasonably practicable.
- 8.2.7 Question **L2** collects data about the number of deposit-taking customers where delayed verification in line with Article 13(4) of the Money Laundering Order has been applied.
- 8.2.8 If a deposit-taker has not delayed the verification of any deposit-taking customer's identity during the data reporting period, please report "0" in respect of L2.

8.3 Reliance on obliged persons (Article 16 of the MLO) and persons in the same financial group (Article 16A of the MLO)

8.3.1 In line with Article 16 of the Money Laundering Order, reliance may be placed on an obliged person only where the six conditions, explained in Section 5.1 of the AML/CFT Handbook, are met. In practice, this has the effect of:

- (a) limiting the number of obliged persons that can be relied upon; and
- (b) requiring the basis for placing reliance to be recorded in writing.

8.3.2 Article 16A(2) of the Money Laundering Order defines who is to be considered a member of the same financial group:

(2) a person is a member of the same financial group as another person if there is, in relation to the group, a parent company or other legal person that exercises control over every member of that group for the purposes of applying group supervision under –

- (a) the core principles for effective banking supervision published by the Basel Committee on Banking Supervision (ISBN 92-9131-164-4);*
- (b) the Objectives and Principles of Securities Regulation issued by the International Organisation of Securities Commissions; or*
- (c) the Insurance Supervisory Principles issued by the International Association of Insurance Supervisors.*

L3 Number of deposit-taking customers where reliance has been placed on obliged persons and persons in the same financial group, during the data reporting period

L4 Number of obliged persons on which reliance (Article 16 of the MLO) was placed, by country, as at the end of the data reporting period

L5 Number of persons in the same financial group on which reliance (Article 16A of the MLO) was placed, by country, as at the end of the data reporting period

L6 Number of obliged person(s) and persons in the same financial group carrying on financial services business or equivalent business, relied upon as at the end of the data reporting period

8.3.3 It is important to understand the extent to which a deposit-taker makes use of these concessions and the geographical spread of the obliged persons and persons in the same financial group on whom reliance is being placed, consequently:

- (a) Question **L3** requests the number of deposit-taking customers where reliance has been placed on obliged persons during the data reporting period (please insert “0” if no reliance has been placed);
- (b) Question **L4** requests the country of the obliged person on whom reliance is being placed (responses should be provided on spreadsheet *M-DC Country list*, only positive responses are required i.e. there is no need to insert “0” against every country);
- (c) Question **L5** requests the country of the person in the same financial group on whom reliance is being placed (responses should be provided on spreadsheet *M-DC Country list*, only positive responses are required i.e. there is no need to insert “0” against every country); and

- (d) Question **L6** requests the number of obliged persons and persons in the same financial group split by the type of business that is carried on, at the end of the reporting period (please insert "0" if no obliged persons are used).

8.3.4 With respect to L3 and L6 please do not leave any green boxes blank, insert "0" as necessary.

L7 **Number of obliged persons and persons in the same financial group relied upon, who failed to provide information and evidence on demand and without delay, during the data reporting period**

8.3.5 Where a deposit-taker relies on an obliged person or person in the same financial group, the Money Laundering Order (Article 16(5)^{xiii}) requires that a deposit-taker test, in such manner and at such intervals as they consider appropriate:

- (a) whether or not the obliged person has appropriate policies and procedures in place to apply the identification measures;
- (b) keeps the evidence of identity; and
- (c) will provide that evidence without delay if requested to do so.

8.3.6 In light of 8.3.5(c), question **L7** requires a deposit-taker to report the number of obliged persons and persons in the same financial group that failed to provide information and evidence on demand and without delay.

8.3.7 Please do not leave a cell blank, insert "0" if either;

- (a) no obliged persons, or persons in the same financial group, are used or
- (b) obliged persons, or persons in the same financial group, did provide information and evidence when requested.

8.4 **Exemption from applying third party identification requirements (Articles 17B-D of the MLO)**

8.4.1 In line with Articles 17B-D of the Money Laundering Order, a deposit-taker may be exempt from applying identification measures in relation to a third party when the deposit-taking customer is:

- (a) regulated and supervised by the JFSC for AML/CFT purposes;
- (b) a person who carries on equivalent business (refer to Section 1.7 of the AML/CFT Handbook); or
- (c) a person who is wholly-owned by a person listed above and meets certain conditions.

8.4.2 The application of exemptions from identification measures is also always subject to one or more conditions (depending on the particular case). In practice, these provisions have the effect of:

- (a) limiting the number of customers to which exemptions from identification measures can be applied; and
- (b) requiring the basis for applying exemptions from identification measures to be recorded in writing.

L8(a) Number of deposit-taking customers where the customer acts on behalf of third parties (eg pooled/omnibus/fiduciary accounts) as at the end of the data reporting period

L8(b) Total deposits and other repayable funds held in such accounts (in GBP)

8.4.3 The AML/CFT Handbook (Section 2.3.1) highlights that when carrying out a business risk assessment a deposit-taker should consider the characteristics of the products and services it offers, assessing the associated vulnerabilities posed by each product and service. For example:

- (a) Products that allow a customer to “pool” third party funds will tend to be more vulnerable - because of the anonymity provided by the co-mingling of assets or funds belonging to several third parties by the customer.
- (b) Products such as standard current accounts are more vulnerable because they allow payments to be made to and from external parties, including cash transactions.
- (c) Conversely, those products that do not permit external party transfers or where redemption is permitted only to an account from which the investment is funded will be less vulnerable.

8.4.4 Question **L8(a)** and **(b)** request data such that the number and value of deposit-taking customers acting on behalf of third parties can be determined.

L9(a) With respect to L8(a), number of deposit-taking customers where exemptions have been applied to third parties for whom those customers act as at the end of the data reporting period

L9(b) Total deposits and other repayable funds held in such accounts (in GBP)

L9(c) Number of deposit-taking customers, by country, where exemptions have been applied to third parties for whom those customers act as at the end of the data reporting period

8.4.5 In line with 8.4.1, exemptions may be applied in certain circumstances and question **L9** requests data on the number (L9(a)) and value (L9(b)) of deposit-taking customers where exemptions from identification measures have been applied at the end of the reporting period.

8.4.6 **L9(c)** requires an analysis of the number provided at L9(a) by the country in which the deposit-taking customer is regulated and supervised for AML/CFT purposes. Responses should be provided on spreadsheet *M-DC Country list*, only positive responses are required i.e. there is no need to insert “0” against every country.

L10 Number of deposit-taking customers who failed to provide information and evidence on demand and without delay during the data reporting period, where exemptions have been applied

8.4.7 Where a deposit-taker applies exemptions from third party identification measures, the Money Laundering Order (Article 17D(3)) requires a deposit-taker to establish, as often as it considers appropriate, whether the relevant deposit-taking customer -

- (a) has appropriate policies and procedures in place to apply the identification measures;
- (b) obtains information in relation to the third party;
- (c) keeps the information or evidence in relation to the third party; and;
- (d) provides that information or evidence without delay if requested to do so.

- 8.4.8 In light of 8.4.7(d), question **L10** requires a deposit-taker to report the number of deposit-taking customers that failed to provide information and evidence on demand and without delay.
- 8.4.9 Please do not leave the cell blank, insert “0” if:
- (a) no exemptions from applying third party identification measures are applied; or
 - (b) a deposit-taking customer did provide information and evidence when requested.

L11 **Number of deposit-taking customers, where Articles 17B-D have been applied, who are carrying on financial services business, equivalent business or owned by a person carrying on financial services business or equivalent business as at the end of the data reporting period:**

(a) deposit-taker; (b) investment business; (c) fund services business; (d) trust company business; (e) permit or certificate holder under the CIF Law; (f) unregulated fund or non-public fund; (g) permit holder under the Insurance Law; (h) lawyer

- 8.4.10 Question **L11** requests data on the type of business that is carried on by deposit-taking customers where exemptions from identification measures have been applied.
- 8.4.11 Please insert “0” in the green boxes if no exemptions from identification measures were applied to a type of deposit-taking relevant customer.

8.5 Further exemptions from applying identification requirements (Article 18 of the MLO)

L12 **(a) Number of deposit-taking customers to whom further CDD exemptions have been applied during the data reporting period**
Of the above, number of deposit-taking customers to whom the exemptions have been applied :

- (b) Article 18(2) – pension, superannuation, employee benefit, share option or similar scheme**
- (c) Article 18(1) – insurance policies**
- (d) Article 18(4) – public authorities, companies listed on an IOSCO-compliant market or regulated market**
- (e) Article 18(3) – regulated businesses or equivalent**
- (f) Article 18(5)– employees of regulated businesses or equivalent**

- 8.5.1 Article 18 of the Money Laundering Order sets out a number of very specific circumstances where a deposit-taker may be able to apply CDD exemptions. See Sections 7.13 - 7.16 of the AML/CFT Handbook for further guidance.
- 8.5.2 If a deposit-taker has applied CDD exemptions to any deposit-taking customers during the data reporting period the number of customers should be reported in response to **L12(a)**.
- 8.5.3 If CDD exemptions have been applied, **L12(b) to (f)** provide the five circumstances which are relevant for a deposit-taker.
- 8.5.4 If CDD exemptions have not been applied please do not leave the cells blank, insert a “0” in response to **L12 (a)-(f)**.

9 Section LA – Use and application of concessions granted by the Money Laundering Order (lending)

9.1 General

- 9.1.1 This section collects data about the application of concessions set out in the Money Laundering Order that can be used in the circumstances prescribed in **Articles 13** (customer identification and verification), **16** (reliance on obliged persons), **16A** (persons in the same financial group) and **Part 3A** (CDD exemptions).
- 9.1.2 On 12 June 2019, Articles 17 and 18 of the Money Laundering Order were replaced however, the policy behind the Articles was substantially unchanged. Therefore, whilst the text in this guidance document reflects Articles 17, 17B, 17C, 17D and 18 as at 20 December 2019, questions should be answered for the whole of 2019.
- 9.1.3 The following table provides guidance on the period to be covered by each question:

Question	Data period	Date(s)
Lending customer identification and verification		
LA1	At end of reporting period	31/12/2019 or closest business day
LA2	During the reporting period	1/1/2019 – 31/12/2019
Reliance on obliged persons and persons in the same financial group (Articles 16 and 16A of the MLO)		
LA3	During the reporting period	1/1/2019 – 31/12/2019
LA4	At end of reporting period	31/12/2019 or closest business day
LA5	At end of reporting period	31/12/2019 or closest business day
LA6	At end of reporting period	31/12/2019 or closest business day
LA7	During the reporting period	1/1/2019 – 31/12/2019
Exemptions from applying third party identification requirements (Articles 17B D of the MLO)		
LA8	At end of reporting period	31/12/2019 or closest business day
LA9	At end of reporting period	31/12/2019 or closest business day
LA10	During the reporting period	1/1/2019 – 31/12/2019

Question	Data period	Date(s)
LA11	At end of reporting period	31/12/2019 or closest business day
Further exemptions from applying identification requirements (Article 18 of the MLO)		
LA12	During the reporting period	1/1/2019 – 31/12/2019

9.2 Lending customer identification and verification

LA1 Number of lending customers, as at the end of the data reporting period, where identity has not yet been verified as the relationship started before February 2008 and Article 13(2) of the MLO is being relied upon

- 9.2.1 Article 13(2) of the Money Laundering Order provides for the timing of identification measures for the existing customers of a deposit-taker at the time the Money Laundering Order came into force – 4 February 2008.
- 9.2.2 Article 13(2) sets out very particular circumstances which enabled a deposit-taker to delay verification of a customer's identity – Section 4.7.2 of the AML/CFT Handbook provides further guidance.
- 9.2.3 A deposit-taker should have finalised the position of its existing customers by 31 December 2014, unless a later date has been agreed by the JFSC (paragraphs 208 and 209 of Section 4.7.2 of the AML/CFT Handbook).
- 9.2.4 A deposit-taker should insert at **LA1** the number of lending customers where reliance on Article 13(2) is still being placed.
- 9.2.5 It is expected that most deposit-takers will report "0" in respect of **LA1**.

LA2 Number of lending customers where delayed verification in line with Article 13(4) of the MLO was applied during the data reporting period

- 9.2.6 In accordance with Article 13(4) of the Money Laundering Order a deposit-taker is permitted to delay verifying the identity of customers where (finding out the identity of a customer must not be delayed):
 - (a) it is necessary not to interrupt the normal course of business;
 - (b) there is little risk of money laundering or financing of terrorism occurring as a result of obtaining evidence of identity after establishing the relationship; and
 - (c) evidence of identity is obtained as soon as reasonably practicable.
- 9.2.7 Question **LA2** collects data about the number of lending customers where delayed verification in line with Article 13(4) of the Money Laundering Order has been applied.
- 9.2.8 If a deposit-taker has not delayed the verification of any lending customer's identity during the data reporting period, please respond with "0".

9.3 Reliance on obliged persons (Article 16 of the MLO) and persons in the same financial group (Articles 16A of the MLO)

9.3.1 In line with Article 16 of the Money Laundering Order, reliance may be placed on an obliged person only where the six conditions, explained in Section 5.1 of the AML/CFT Handbook, are met. In practice, this has the effect of:

- (a) limiting the number of obliged persons that can be relied upon; and
- (b) requiring the basis for placing reliance to be recorded in writing.

9.3.2 Article 16A(2) of the Money Laundering Order defines who is to be considered a member of the same financial group:

(2) a person is a member of the same financial group as another person if there is, in relation to the group, a parent company or other legal person that exercises control over every member of that group for the purposes of applying group supervision under –

- (a) the core principles for effective banking supervision published by the Basel Committee on Banking Supervision (ISBN 92-9131-164-4);*
- (b) the Objectives and Principles of Securities Regulation issued by the International Organisation of Securities Commissions; or*
- (c) the Insurance Supervisory Principles issued by the International Association of Insurance Supervisors.*

LA3 Number of lending customers where reliance has been placed on obliged persons and persons in the same financial group, during the data reporting period

LA4 Number of obliged persons on which reliance (Article 16 of the MLO) (was placed, by country, as at the end of the data reporting period

LA5 Number of persons in the same financial group on which reliance (Article 16A of the MLO) was placed, by country, as at the end of the data reporting period

LA6 Number of obliged person(s) and persons in the same financial group carrying on financial services business or equivalent business, relied upon as at the end of the data reporting period

9.3.3 It is important to understand the extent to which a deposit-taker makes use of these concessions and geographical spread of the obliged persons and persons in the same financial group on whom reliance is being placed, consequently:

- (a) Question **LA3** requests the number of lending customers where reliance has been placed on obliged persons during the data reporting period (please insert “0” if no reliance has been placed);
- (b) Question **LA4** requests the country of the obliged person on whom reliance is being placed (responses should be provided on spreadsheet *MA-DC Lending Country list*, only positive responses are required i.e. there is no need to insert “0” against every country);
- (c) Question **LA5** requests the country of the person in the same financial group on whom reliance is being placed (responses should be provided on spreadsheet *MA-DC Lending Country list*, only positive responses are required i.e. there is no need to insert “0” against every country); and

- (d) Question **LA6** requests the number of obliged persons and persons in the same financial group split by the type of business that is carried on, at the end of the reporting period (please insert "0" if no obliged persons are used).

9.3.4 With respect to LA3 and LA6 please do not leave any green boxes blank, insert "0" as necessary.

LA7 Number of obliged persons and persons in the same financial group relied upon, who failed to provide information and evidence on demand and without delay, during the data reporting period

9.3.5 Where a deposit-taker relies on an obliged person or person in the same financial group, the Money Laundering Order (Article 16(5)^{xiv}) requires that a deposit-taker test, in such manner and at such intervals as they consider appropriate:

- (a) whether or not the obliged person has appropriate policies and procedures in place to apply the identification measures;
- (b) keeps the evidence of identity; and
- (c) will provide that evidence without delay if requested to do so.

9.3.6 In light of 9.3.5(c), question **LA7** requires a deposit-taker to report the number of obliged persons and persons in the same financial group that failed to provide information and evidence on demand and without delay.

9.3.7 Please do not leave a cell blank, insert "0" if either,

- (a) no obliged persons, or persons in the same financial group, are used or
- (b) obliged persons, or persons in the same financial group, did provide information and evidence when requested.

9.4 Exemption from applying third party identification requirements (Articles 17B-D of the MLO)

9.4.1 In line with Articles 17B-D of the Money Laundering Order, a deposit-taker may be exempt from applying identification measures requirements in relation to a third party when its lending customer is:

- (a) regulated and supervised by the JFSC for AML/CFT purposes;
- (b) a person who carries on equivalent business (refer to Section 1.7 of the AML/CFT Handbook); or
- (c) a person who is wholly-owned by a person listed above and meets certain conditions.

9.4.2 The application of exemptions from identification measures is also always subject to one or more conditions (depending on the particular case). In practice, these provisions have the effect of:

- (a) limiting the number of lending customers to which exemptions can be applied; and
- (b) requiring the basis for applying exemptions to be recorded in writing.

LA8(a) Number of lending customers where the customer acts on behalf of third parties as at the end of the data reporting period

LA8(b) Total value (in GBP)

- 9.4.3 The AML/CFT Handbook (Section 2.3.1) highlights that when carrying out a business risk assessment a deposit-taker should consider the characteristics of the products and services it offers, assessing the associated vulnerabilities posed by each product and service. For example:
- (a) Products that allow a customer to “pool” third party funds will tend to be more vulnerable - because of the anonymity provided by the co-mingling of assets or funds belonging to several third parties by the customer.
 - (b) Products such as standard current accounts are more vulnerable because they allow payments to be made to and from external parties, including cash transactions.
 - (c) Conversely, those products that do not permit external party transfers or where redemption is permitted only to an account from which the investment is funded will be less vulnerable.
- 9.4.4 Question **LA8(a)** and **(b)** request data such that the number and value of lending customers acting on behalf of third parties can be determined.

LA9(a) With respect to LA8(a), number of lending customers where exemptions from identification measures have been applied to third parties for whom the customer acts as at the end of the data reporting period

LA9(b) Total value (in GBP)

LA9(c) Number of lending customers, by country, where exemptions from identification measures have been applied to third parties for whom those customers act as at the end of the data reporting period

- 9.4.5 In line with 9.4.1, exemptions from identification measures may be applied in certain circumstances and question **LA9** requests data on the number (LA9(a)) and value (LA9(b)) of lending customers where exemptions from identification measures have been applied at the end of the reporting period.
- 9.4.6 **LA9(c)** requires an analysis of the number provided at LA9(a) by the country in which the lending customer is regulated and supervised for AML/CFT purposes. Responses should be provided on spreadsheet *MA-DC Lending Country list*, only positive responses are required i.e. there is no need to insert “0” against every country.
- LA10 Number of lending customers who failed to provide information and evidence on demand and without delay during the data reporting period, where exemptions from identification measures have been applied in accordance with Articles 17B-D of the MLO**
- 9.4.7 Where a deposit-taker applies exemptions from identification measures, the Money Laundering Order (Article 17D(3)) requires that a deposit-taker establish, as often as it considers appropriate, whether the relevant lending customer:
- (a) has appropriate policies and procedures in place to apply the identification measures;
 - (b) obtains information in relation to the third party;
 - (c) keeps the information or evidence in relation to the third party; and
 - (d) provides the information or evidence without delay if requested to do so.
- 9.4.8 In light of 9.4.7(d), question **LA10** requires a deposit-taker to report the number of lending customers that failed to provide information and evidence on demand and without delay.

- 9.4.9 Please do not leave the cell blank, insert “0” if:
- (a) no exemptions from identification measures are applied; or
 - (b) a lending customer did provide information and evidence when requested.

LA11 Number of lending customers, where Article 17B-D has been applied, who are carrying on financial services business, equivalent business or owned by a person carrying on financial services business or equivalent business as at the end of the data reporting period
(a) deposit-taker; (b) investment business; (c) fund services business; (d) trust company business; (e) permit or certificate holder under the CIF Law; (f) unregulated fund or non-public fund; (g) permit holder under the Insurance Law; (h) lawyer

- 9.4.10 Question **LA11** requests data on the type of business that is carried on by lending customers where exemptions from identification measures have been applied.
- 9.4.11 Please insert “0” in the green boxes if no exemptions from identification measures are applied.

9.5 Further exemptions from applying identification requirements (Article 18 of the MLO)

LA12(a) Number of lending customers to whom further CDD exemptions (Article 18 of the MLO) have been applied during the data reporting period
Of the above, number of customers to whom the exemptions have been applied:
(b) Article 18(2) – pension, superannuation, employee benefit, share option or similar scheme
(c) Article 18(1) – insurance policies
(d) Article 18(4) – public authorities, companies listed on an IOSCO-compliant market or regulated market
(e) Article 18(3) – regulated businesses or equivalent
(f) Article 18(5)– employees of regulated businesses or equivalent

- 9.5.1 Article 18 of the Money Laundering Order sets out a number of very specific circumstances where a deposit-taker may be able to apply CDD exemptions. See Sections 7.13 - 7.16 of the AML/CFT Handbook for further guidance.
- 9.5.2 If a deposit-taker has applied exemptions from CDD identification measures to any lending customers during the data reporting period the number of customers should be reported in response to **LA12(a)**.
- 9.5.3 If exemptions from CDD identification measures have been applied, **LA12(b) to (f)** provide the five circumstances which are relevant for a deposit-taker.
- 9.5.4 If exemptions from CDD identification measures have not been applied please do not leave the cells blank, insert a “0” in response to **LA12 (a)-(f)**.

ⁱ Industry update: [2019 and 2020 Supervisory Risk Data Collection Exercise](#)

ⁱⁱ The Money Laundering (Jersey) Order 2008 is referred to as both the Money Laundering Order and the MLO in the supervisory risk data collection exercise.

ⁱⁱⁱ Section 2.4.1 of the AML/CFT Handbook (paragraph 32) explains that a deposit-taking business may demonstrate that it checks that systems and controls are operating effectively where senior management periodically considers the effect of those systems and controls in light of the number and percentage of customers that have been assessed as presenting a higher risk.

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- iv Section 2.4.1 of the AML/CFT Handbook (paragraph 32) explains that a deposit-taking business may demonstrate that it checks that systems and controls are operating effectively where senior management periodically considers the effect of those systems and controls in light of the number and percentage of customers that have been assessed as presenting a higher risk.
 - v What it means to have a relevant connection with an enhanced risk state is described in Article 15(2)(b)
 - vi “enhanced risk state” is the countries and territories in relation to which the FATF has called for the application of enhanced CDD
 - vii What it means to have a relevant connection with an enhanced risk state is described in Article 15(2)(b)
 - viii “enhanced risk state” is the countries and territories in relation to which the FATF has called for the application of enhanced CDD
 - ix No individual is to be treated as a beneficial owner of a body corporate the securities of which are listed on a regulated market. For the purpose of this section, legal persons that are companies has been used as the example.
 - x Excluding a settlor of a trust who is deceased in line with paragraph 72 of Section 4.4 of the AML/CFT Handbook.
 - xi No individual is to be treated as a beneficial owner of a body corporate the securities of which are listed on a regulated market. For the purpose of this section, legal persons that are companies has been used as the example.
 - xii Excluding a settlor of a trust who is deceased in line with paragraph 72 of Section 4.4 of the AML/CFT Handbook.
 - xiii Article 16(5) is applicable to persons in the same financial group by virtue of Article 16A(1)(B)(f).
 - xiv Article 16(5) is applicable to persons in the same financial group by virtue of Article 16A(1)(B)(f) of the Money Laundering Order.