

Guide to Section II of risk based supervision data:

Managers of Managed Entities with respect to Managed Entities

Table of Contents

1	General guidance	3
1.1	Scope	3
1.2	Data collected	3
1.3	Excel workbook	3
1.4	Fund Customers of the Managed Entity	3
1.5	Data reporting period.....	4
1.6	Data Submission	4
1.7	Key Terms.....	4
2	MEA: Managed Entity Compliance Data – General Information.....	6
3	MEB: Managed Entity Compliance Data – Fund Customers	10
4	MEC: Managed Entity Compliance Data - Freetext	14

1 General guidance

1.1 Scope

In 2018 we collected supervisory risk data from reporting entities for the first time. This exercise was repeated in 2019, 2020 and 2021. As advised on 3 December 2021¹, we are collecting the same data in 2022 in respect of 2021.

This guidance document relates to the Excel workbook in Section II of the 2022 risk based supervision data collection exercise that requires the provision of data in respect of **Managed Entities** (as defined at 1.7).

The form should be completed by a fund services business that holds the class ZK fund services business registration (Manager of a Managed Entity (**MoME**)) in relation to its customers that are Managed Entities.

1.2 Data collected

Managed Entities remain largely excluded from the Section I data collection exercise however as a regulated person we require data so that we can risk profile these entities. Managed Entities are registered as a fund services business but are supported by an entity with the fund services business class ZK.

Consequently, some of the data being requested in respect of Managed Entities mirrors the Section I data request made to other fund services businesses.

In addition, the Excel workbook captures data in respect of the fund customers of the Managed Entity (see section 1.4).

1.3 Excel workbook

The Excel workbook that the MoME needs to complete, in relation to each of the Managed Entity that it acts for (using one line for each Managed Entity), comprises 3 spreadsheets, as follows:

- (a) MEA: Managed Entity Compliance Data – General Information
- (b) MEB: Managed Entity Compliance Data – Fund Customers
- (c) MEC: Managed Entity Compliance Data - Freetext

1.4 Fund Customers of the Managed Entity

The purpose of a Managed Entity is to act for public funds (**CIFs**), in particular Qualifying Funds (as defined at 1.7). As such it is anticipated that a Managed Entity will normally only act for Qualifying Funds.

However, we note that some Managed Entities may have disclosed in their applications, or subsequently, that they act in relation to a private fund as part of the fund structure.

In section MEB the MoME is requested to provide data in respect of the funds that each Managed Entity acts for, again using one line per Managed Entity.

The Managed Entities customers are the funds not the fund investors.

Where there is a fund with multiple sub funds but it has been issued with one fund certificate this should count as 1 fund.

Where the fund is a scheme this should count as one fund.

Include both Jersey and non-Jersey funds when indicating the funds the Managed Entity acts for.

In the event that any Managed Entity acts for a customer that is not a fund, provide details on the Freetext page (spreadsheet MEC).

1.5 Data reporting period

The Section II data reporting period is 1/1/2021 to 31/12/2021.

Generally, the data should be provided as at the end of the reporting period (31/12/2021 or closest business day).

1.6 Data submission

Whilst we will be collecting the same data as we did in previous years, MoMEs 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 30 April 2022**.

Each MoME will be submitting a completed Excel Workbook in respect of its Managed Entities through myJFSC, and each MoME has a designated individual who is the myJFSC contact.

Notwithstanding who has responsibility for submitting the data, the board of the MoME should have oversight of the content of the submission made on their behalf.

For many this will be the fifth time the data return has been completed therefore we expect MoMEs to be in a very good position to report their 2021 data and that only on a very exceptional basis will responses be derived by extrapolation or estimates supported by specific criteria.

Where a MoME needs to extrapolate or estimate its data as system changes are being implemented, comments should be provided on spreadsheet MEC for the relevant Managed Entity, highlighting which data elements have been impacted, the extent they have been impacted and when the relevant system changes will take effect.

Where a MoME feels it necessary to provide additional data to enable us to understand the response, this information should also be included in spreadsheet MEC.

With the exception of spreadsheet *MEC: Managed Entity Compliance Data - Freetext*, all parts of each question should be answered. Consequently, insert a "0" where relevant, in each row.

1.7 Key terms

CIF unregulated funds order	Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008)
CoBO	Control of Borrowing (Jersey) Order 1958
FSB Code	Code of Practice for Fund Services Business issued by the JFSC
Managed Entity (ME)	means a registered person that relies upon the services of a registered person with a Class ZK registration (manager of a managed entity) to satisfy any parts of its regulatory obligations

Manager of a Managed Entity (MoME)	means a registered person registered under the Financial Services (Jersey) Law 1998 holding the Fund Services Business class ZK which is Manager of a Managed Entity.
Qualifying Funds	<p>means,</p> <ul style="list-style-type: none"> (a) an Expert Fund; or (b) a Jersey Eligible Investor Fund; or (c) Materially Equivalent Fund; or (d) an Unregulated Fund; or (e) a related Expert Fund; or (f) a related Jersey Eligible Investor Fund; or (g) a related Materially Equivalent Fund; or (h) a related Unregulated Fund. <p>In the context of Expert Funds, Jersey Eligible Investor Funds, Materially Equivalent Funds and Unregulated Funds, “related” means two or more such Funds established by the same promoter and sharing significant common attributes such as the same type of Fund (Expert, Eligible, or Unregulated), reference to the promoter in the name of the Fund, having the same investor market, and adopting the same style of marketing.</p>

2 MEA: Managed Entity Compliance Data – General Information

Question number	Guidance on question
Section MEA– Managed Entity Compliance Data – general information	
MEA1	<p>Full name of the Managed Entity:</p> <p>Enter the name under which the Managed Entity is registered and currently appears on the certificate issued to the Managed Entity under the Financial Services (Jersey) Law 1998.</p> <p>Use one line for each of the Managed Entity.</p>
MEA2	<p>Has the Managed Entity elected to comply with the full FSB Code?</p> <p>Select yes or no from dropdown provided</p> <p>Managed Entities that have been established for the purpose of acting for Qualifying Funds shall be subject only to the core principles of the FSB Code, to the extent described in the Guidance Note: <i>Manager of a managed entity (MoME) and certain managed entities</i>, issued by us, unless it elects to comply with the FSB Code in full.</p> <p>Such election must have been made in writing us. A Managed Entity may have elected to comply with full FSB Codes if it provides services to a fund that is not a Qualifying Fund, for example a listed fund under the Jersey Listed Fund Guide or it acts for a number of unrelated funds.</p> <p>Answer Yes, only if the Managed Entity complies with the FSB Code in full.</p> <p>Answer No, if the Managed Entity complies with only the core principles of the FSB Code.</p>
MEA3	<p>Does the Managed Entity have a licence to have employees from the Population Office?</p> <p>Select yes or no from dropdown provided</p>
MEA4	<p>Is the Managed Entity part of a group of companies and subject to consolidated supervision by an overseas regulator?</p> <p>Select yes or no from dropdown provided</p> <p>Where the Managed Entity is part of a group of companies and subject to consolidated supervision by a lead regulator indicate Yes via the dropdown. The lead regulator may be the JFSC in Jersey.</p> <p>A Managed Entity that is part of a group of companies is subject to consolidated supervision where:</p>

Question number	Guidance on question
Section MEA– Managed Entity Compliance Data – general information	
	<p>(a) its parent is supervised by a supervisor; and</p> <p>(b) the lead regulator supervises the parent and other entities in the group as a single unit.</p> <p>The lead regulator will receive information on the worldwide operations of the group to assess the group’s overall compliance with regulatory requirements (including AML/CFT) that apply to the parent.</p>
MEA5	<p>If the answer to MEA4 is yes, in which country is the overseas regulator?</p> <p>Select country from the list of 249 in the dropdown provided</p> <p>If the answer to MEA4 is “Yes”, indicate using the dropdown the country of the lead regulator.</p>
MEA6	<p>Is any parent entity of the Managed Entity any of the following?</p> <p>Select from dropdown provided (see options listed below)</p> <p>Indicate which of the following is the parent of the Managed Entity.</p> <p>If the parent falls into more than one of the categories (a) to (e) then answer (f) (<i>More than one of those listed</i>) e.g. 1 Bank and 1 Investment Firm (Non-financial services).</p> <p>If the parent does not fall into any of the categories (a) to (e) and is not an individual then answer (g) (<i>Other parent entity</i>).</p> <p>If the Managed Entity is 100% owned by individuals then answer (h) (<i>Not applicable</i>)</p> <ul style="list-style-type: none"> (a) Bank (b) Non-bank financial services (includes an investment firm) (c) Private Equity/Fund (d) Law firm (e) Accountancy firm (f) More than one of those listed (g) Other parent entity (h) Not applicable

Question number	Guidance on question
Section MEA– Managed Entity Compliance Data – general information	
MEA7	<p>Number of subsidiaries of the Managed Entity:</p> <p>Provide the number of subsidiaries of the Managed Entity.</p> <p>If there are none answer the question with “0”.</p> <p>For the avoidance of doubt, data should not be provided about an asset holding vehicle held on behalf of a fund.</p>
MEA8	<p>Number of subsidiaries of the Managed Entity that are regulated/supervised for AML/CFT purposes:</p> <p>If the answer to MEA7 was “0” also answer “0” to this question.</p> <p>If the Managed Entity has subsidiaries provide the number of subsidiaries (as reported in MEA7) that are Regulated and Supervised for AML/CFT purposes.</p> <p>Regulated and supervised for AML/CFT purposes means:</p> <ul style="list-style-type: none"> a) subject to AML/CFT requirements; and b) supervised for compliance with those requirements by us or an overseas regulatory authority discharging a similar function in respect of AML/CFT.
MEA9	<p>Number of branches or representative offices of the Managed Entity:</p> <p>Provide the number of branches and/or representative offices of the Managed Entity.</p> <p>If there are none answer the question with “0”.</p>
MEA10	<p>Number of branches or representative offices of the Managed Entity that are regulated/supervised for AML/CFT purposes:</p> <p>If the answer to MEA9 was “0” also answer “0” to this question.</p> <p>If the Managed Entity has branches or representative offices provide the number that are Regulated and Supervised for AML/CFT purposes by the overseas regulatory authority.</p> <p>Also report here any case where a Managed Entity undertakes activities outside Jersey where the activity requires it to be Regulated and Supervised for AML/CFT purposes by an overseas regulatory authority, even if it does not have a branch or representative office in that country.</p>

Question number	Guidance on question
Section MEA– Managed Entity Compliance Data – general information	
MEA11	<p>Risk Rating allocated by the MoME to the Managed Entity (as defined by the MoME):</p> <p>Select lower, standard or higher from dropdown provided.</p> <p>This is the risk rating that the MoME applies to the Managed Entity as a customer of the MoME.</p> <p>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, standard or lower risk. For example, if a MoME 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.</p> <p>If a MoME includes other factors e.g. credit or investor eligibility risks, in its risk rating of customers and the ML/TF risk element cannot be reported separately, report the combined risk rating.</p>

3 MEB: Managed Entity Compliance Data – Fund Customers

Question number	Guidance on question
Section MEB– Managed Entity Compliance Data – Customers	
MEB1	<p>Full Name of managed Entity:</p> <p>The name of the Managed Entity inserted in MEA1 will automatically appear in this box.</p>
MEB2	<p>Number of unregulated funds (under CIF Unregulated Funds Order), to which services are provided by the Managed Entity (if any):</p> <p>An unregulated fund is a public fund that has filed a notification with Registry as required under the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008.</p> <p>Provide the number of unregulated funds that are provided with services by the Managed Entity.</p>
MEB3	<p>Number of JPFs, to which services are provided by the Managed Entity (if any):</p> <p>A Jersey Private Fund (JPF) is a private investment fund with no more than 50 eligible investors involving the pooling of capital raised for the fund and which operates on the principle of risk spreading. A JPF is more fully defined, authorised and operated in accordance with the <i>Jersey Private Fund Guide</i> published by us (JPF guide) and has been issued with a relevant consent under the Control of Borrowing (Jersey) Order 1958.</p> <p>Provide the number of JPFs that are provided with services by the Managed Entity.</p>
MEB4	<p>Number of COBO only funds, to which services are provided by the Managed Entity (if any):</p> <p>No new CoBO only funds can be established after 18 April 2017 therefore any existing CoBO only funds are referred to as a “legacy fund”. CoBO Only funds were issued with a consent pursuant to the Control of Borrowing (Jersey) Order 1958 and can have up to 50 investors.</p> <p>According to the Funds statistics page of our website as at 30 September 2021 there were 154 CoBO only Funds (141 Closed ended and 13 Open ended) (NB the statistics for CoBO Only Funds includes 43 PPFs).</p> <p>Provide the number of CoBO only funds that are provided with services by the Managed Entity.</p> <p>Guidance on how to count fund customers is in section 1.4 above.</p>

Question number	Guidance on question
Section MEB– Managed Entity Compliance Data – Customers	
MEB5	<p>Number of those COBO only funds likely to terminate by 31/12/22:</p> <p>Provide the number of CoBO only funds serviced by the Managed Entity that are likely to be wound up on or before 31 December 2022.</p> <p>This data will assist us in determining the extent to which data should be collected on legacy private funds.</p>
MEB6	<p>Number of Private Placement funds (PPFs) to which services are provided by the Managed Entity (if any):</p> <p>No new Private Placement Fund (PPFs) can be established after 18 April 2017 therefore PPFs are referred to as a “legacy fund”.</p> <p>A PPF is a private investment fund with no more than 50 eligible investors involving the pooling of capital raised for the fund and which operates on the principle of risk spreading. A PPF is more fully defined, authorised and operated in accordance with the <i>Jersey Private Placement Fund Guide</i> published on 26 January 2012 (updated in May 2013) by us and has been issued with a relevant consent under the CoBO.</p> <p>Provide the number of PPFs that are provided with services by the Managed Entity.</p> <p>Guidance on how to count fund customers is in section 1.4 above.</p>
MEB7	<p>Number of those PPFs likely to terminate by 31/12/22:</p> <p>Provide the number of PPFs serviced by the Managed Entity that are likely to be wound up on or before 31 December 2022.</p> <p>This data will assist us in determining the extent to which data should be collected on legacy private funds.</p>
MEB8	<p>Number of Very Private Funds, to which services are provided by the Managed Entity (if any):</p> <p>No new Very Private Funds can be established after 18 April 2017 therefore these are referred to as a “legacy fund”.</p> <p>A Very Private Fund is a private investment fund with no more than 15 investors involving the pooling of capital raised for the fund and which operates on the principle of risk spreading.</p> <p>Historically vehicles that were not truly private funds (as defined in the JPF guide) were issued with consents under the CoBO by the Funds Authorisation team, for example joint ventures. Therefore an assessment will need to be done as to whether entities issued with a consent under the CoBO are very private funds.</p>

Question number	Guidance on question
Section MEB– Managed Entity Compliance Data – Customers	
	Guidance on how to count fund customers is in section 1.4 above.
MEB9	<p>Number of those Very Private Funds likely to terminate by 31/12/22:</p> <p>Provide the number of Very Private Funds serviced by the Managed Entity that are likely to be wound up on or before 31 December 2022.</p> <p>This data will assist us in determining the extent to which data should be collected on Legacy Private Funds.</p>
MEB10	<p>Number of public funds (CIFs) to which services are provided by the Managed Entity:</p> <p>Guidance on how to count fund customers is in section 1.4 above.</p>
MEB11	<p>Number of funds which the Managed Entity acts for in the higher category of risk (as defined by the Managed Entity) as at the end of the reporting period</p> <p>This question relates to the number of funds that the Managed Entity acts for.</p> <p>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, standard or lower risk. For example, if a Managed Entity 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.</p> <p>If a Managed Entity includes other factors e.g. credit or investor eligibility risks, in its risk rating of customers and the ML/TF risk element cannot be reported separately, report the combined risk rating.</p>
MEB12	<p>Number of funds which the Managed Entity acts for in the standard category of risk (as defined by the Managed Entity) as at the end of the reporting period</p> <p>See guidance in MEB11 above.</p>

Question number	Guidance on question
Section MEB– Managed Entity Compliance Data – Customers	
MEB13	<p>Number of funds which the Managed Entity acts for in the lower category of risk (as defined by the Managed Entity) as at the end of the reporting period</p> <p>See guidance in MEB11 above.</p>
MEB14	<p>Who provides the MLCO to the funds for which the Managed Entity acts?</p> <p>Select from dropdown provided (see options below)</p> <p>This question and MEB15 are intended to ascertain whether the MoME provides services directly to the funds.</p> <p>In many cases the MoME employs the MLCO that is provided to both the Managed Entity and the fund.</p> <p>The drop down gives the following possibilities as to who provides the MLCO:</p> <p>MoME</p> <p>Managed Entity</p> <p>Third Party</p>
MEB15	<p>Confirm that the MoME provides services directly to all the funds for which the Managed Entity acts.</p> <p>Select yes or no from dropdown provided</p> <p>See guidance for MEB14.</p> <p>In circumstances where the MoME does not provide the MLCO it may provide other services directly, such as administration services to the funds for which the Managed Entity acts.</p>

4 MEC: Managed Entity Compliance Data - Freetext

Question Number	Guidance on Question
Section MEC– Managed Entity Compliance Data – Freetext	
MEC	<p>If any explanation of an answer to either MEA or MEB is required then use this page.</p> <p>Identify the Managed Entity and the question number when providing the explanation.</p>