Jersey Financial Services Commission

Public Statement

Ms Nicola Marguerite Hodge (Ms Hodge)

Date of Birth: 5 October 1961

Issued: 22 December 2023

Financial Services (Jersey) Law 1998 (**FS(J)L**)

Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 (**Supervisory Bodies Law**)

1 Action

1.1 The Jersey Financial Services Commission (**JFSC**) issues this public statement under Articles 25(a) of the FS(J)L and 26(b)(iii) of the Supervisory Bodies Law, with respect to directions issued to Ms Hodge under Article 23 of both the FS(J)L and the Supervisory Bodies Law.

1.2 The matters outlined in this public statement were determined to be ineligible for consideration of a civil financial penalty.

1.3 Ms Hodge was a long-standing principal person of Lutea Holdings Limited and Lutea Trustees Limited (together, **Lutea**), a Jersey-regulated trust company business. In 2019, she was appointed as Lutea's Managing Director. In her role, Ms Hodge bore significant responsibility for ensuring the effective governance of Lutea, the identification and management of Lutea's risks, and its compliance with Jersey's regulatory framework.

1.4 Following an investigation, the JFSC concluded that, between 1 January 2018 and 2 September 2021, Lutea failed to organise and control its affairs effectively for the proper performance of its business activities and operate adequate risk management systems. A number of Lutea's failings in this regard were repeat findings from previous on-site examinations.

1.5 As a long-standing principal person of Lutea, Ms Hodge failed to ensure Lutea's compliance with regulatory requirements over a protracted timeframe. In doing so, she failed to prioritise compliance matters, demonstrated a lack of awareness of regulatory requirements, and engendered an organisational culture within Lutea without due regard for compliance.

1.6 Ms Hodge's failings caused or contributed to Lutea's significant and material breaches of Jersey's Regulatory Framework, as detailed in the Lutea public statement dated 21 December 2022[1], leaving Lutea vulnerable to significant money laundering/terrorist financing risks.

1.7 The JFSC has concluded Ms Hodge lacks competency and poses a significant risk to the JFSC's guiding principles and objectives of protecting and enhancing the reputation and integrity of Jersey in commercial and financial matters and the need to counter financial crime.

1.8 The JFSC has, therefore, concluded it is necessary and proportionate to issue directions to Ms Hodge under Articles 23 of the FS(J)L and 23 of the Supervisory Bodies Law. Ms Hodge has been issued with equivalent directions under each of the other Regulatory Laws[2].

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[1] Lutea Holdings Limited and Lutea Trustees Limited — Jersey Financial Services Commission (jerseyfsc.org)

[2] Banking Business (Jersey) law 1991, Collective Investment Funds (Jersey) Law 1998 and Insurance Business (Jersey) Law 1996.

1.9 The directions prevent Ms Hodge from performing any function for, engaging in any employment by, or holding any position in, any business regulated or supervised by the JFSC, without its prior written approval.

1.10 The directions shall remain in force until such time as Ms Hodge successfully applies to the JFSC, pursuant to Article 23(6) of the FS(J)L and 23(6) of the Supervisory Bodies Law, for a variance or withdrawal of the directions.

1.11 Ms Hodge will commit an offence, under Articles 23(15) of the FS(J)L and 23(15) of the of the Supervisory Bodies Law, in the event she fails to comply with the provisions of the directions.

1.12 Any person who allows Ms Hodge to perform a function, engage in employment or hold a position knowing that such performance, engagement or holding is in contravention of the directions shall also commit an offence.

For further enquiries, please contact the Enforcement team.