

# Guide to Section I of risk based supervision data: Sole Traders

**Sole traders are natural persons carrying on specified schedule 2 business.**

## **1 Introduction**

- 1.1 This guidance is intended to assist Reporting Entities that are natural persons carrying on specified schedule 2 business<sup>1</sup> to complete the Section I risk based supervision data questionnaire.
- 1.2 The questionnaire is designed to capture information from a wide range of businesses, and the JFSC is aware that some of the questions will not be applicable to sole traders.
- 1.3 This guidance is intended to supplement other published documentation regarding the supervisory risk data collection exercise.
- 1.4 Detailed information included in those documents is not repeated in this document and sole traders may need to refer to those documents in conjunction with this guidance.
- 1.5 Any questions that cannot be answered by reading this document or the associated Guidance should be emailed to your supervision manager or respective supervision team. For queries relating to the myJFSC portal please email [myjfsc@jerseyfsc.org](mailto:myjfsc@jerseyfsc.org).
- 1.6 All questionnaires must be submitted to the JFSC by **17:00 on 31 May 2024**.

## **2 General guidance for all sole traders**

- 2.1 The questionnaire refers to completing questions A21 to A23 on an Aggregated Basis and completing sections B and C on a Consolidated Basis. As a sole trader this guidance is not relevant and can be ignored.

## **3 Question-by-question overview of the Section I risk based supervision data questionnaire**

- 3.1 The following tables provide a question-by-question guide to the applicability of each question to a sole trader.
- 3.2 Please note that the circumstances of each Reporting Entity that is a sole trader will be different and the tables provide guidance not a policy position.

## 4 Section A – Organisational Data

- 4.1 The position of sole traders differs slightly in section A depending on the specified schedule 2 business undertaken – this is explained in the text against the relevant questions.

Question Number	Does the question apply to a sole trader?
A1	<p><b>Yes.</b></p> <p>Please enter the name under which your business is registered.</p> <p>This is the name which appears on the JFSC certificate issued at the time of registration and may be either your own name or the name of a company via which you provide services.</p>
A2	<p>Not applicable.</p> <p>This question is only applicable for sole traders registered to carry on trust company business.</p>
A3	<p><b>Yes.</b></p> <p>Please respond using the drop down menu (yes/no) in the box relating to the type of business being carried on.</p> <p>There is no need to respond 'No' to the other boxes.</p> <p>The column entitled 'Participating members' should be left blank.</p> <p>The guidelines to the AML/CFT Handbook clarifies that "accountancy services" includes any service provided under a contract for services (i.e. not a contract of employment) which pertains to the recording, review, analysis, calculation or reporting of financial information. <u>This includes those reporting entities that only undertake bookkeeping.</u></p>
A4	<p>Not applicable.</p> <p>This question does not apply and should be left blank.</p>
A5	<p>Not applicable.</p> <p>This question does not apply and should be left blank.</p>
A6	<p>Not applicable.</p> <p>This question does not apply and should be left blank.</p>
A7	<p>Not applicable.</p> <p>This question does not apply and should be left blank.</p>
A8	<p>Not applicable.</p> <p>This question does not apply and should be left blank.</p>

Question Number	Does the question apply to a sole trader?
A9	Not applicable. This question does not apply and should be left blank.
A10	Maybe. This question applies only to sole traders carrying on accountancy services. i.e. who have answered 'Yes' to 'Accountants' in A3.
A11(a)	Not applicable. This question does not apply and should be left blank.
A11(b)	Not applicable. This question does not apply and should be left blank.
A12(a)	Not applicable. This question does not apply and should be left blank.
A12(b)	Not applicable. This question does not apply and should be left blank.
A13	Not applicable. This question does not apply and should be left blank.
A14	Not applicable. This question does not apply and should be left blank.
A15	Not applicable. This question does not apply and should be left blank.
A16	Not applicable. This question does not apply and should be left blank.

Question Number	Does the question apply to a sole trader?
A17(a)	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p>Total income should be reported before any deductions i.e. total fees.</p> <p><b>Note:</b> the answer must be given as an absolute value e.g. GBP 10,000.</p>
A17(b)	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p>It is likely that the answer to this question will be the same as for A17(a).</p> <p><b>Note:</b> the answer given must not be greater than the answer to A17(a) and should be given as an absolute value e.g. GBP 8,000</p>
A18	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p>The question should be answered as '1'.</p> <p>For the purpose of this questionnaire, the sole trader is the only 'employee'.</p>
A19	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p>The question should be answered as '1'.</p> <p><b>Note:</b> The sole trader is the Money Laundering Compliance Officer and is therefore the person responsible for compliance – Article 7(2) of the Money Laundering (Jersey) Order 2008.</p>
A20	<p><b>Yes.</b></p> <p>This question should be answered with a '0'.</p>
A21	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p><b>Note:</b> the JFSC does not expect the answer to this question to be '0'. However, if the sole trader considers '0' to be the most appropriate answer please explain this response on Sheet E – Comments.</p>
A22	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p><b>Note:</b> the JFSC does not expect the answer to this question to be '0'. However, if the sole trader has answered A21 with '0' then this will also be the answer to A22.</p>
A23(a)	<p>Maybe.</p> <p>Unlikely to be applicable.</p> <p>However, if a sole trader does provide services to a PEP, this question must be answered.</p>
A23(b)	<p>Maybe.</p> <p>Unlikely to be applicable.</p> <p>However, if a sole trader does provide services to a PEP, this question must be answered.</p> <p><b>Note:</b> In relation to each unique PEP <u>either</u> answer A23(a) or A23(b). A unique PEP should not be reported in both question A23(a) and A23(b).</p>

## 5 Section B – Compliance Data

5.1 The position of all sole traders is the same for section B therefore the guidance provided applies to sole traders carrying on any specified schedule 2 business.

Question Number	Does the question apply to a sole trader?
B1(a) & B1(b)	<b>Yes.</b> Must be answered by all sole traders. If no Suspicious Activity Reports ( <b>SARs</b> ) have been considered, please answer '0'.
B2(a) & B2(b)	<b>Yes.</b> Must be answered by all sole traders. If no SARs have been submitted to the JFCU or an overseas FIU, please answer '0'.
B3	<b>Yes.</b> Must be answered by all sole traders. If no SARs have been submitted to overseas FIU, please answer '0'.
B4	<b>Yes.</b> Must be answered by all sole traders. If no SARs have been considered, please answer '0'.
B5	<b>Yes.</b> Must be answered by all sole traders. If no SARs have been considered, please answer '0'.
B6	<b>Yes.</b> Must be answered by all sole traders. Links to B2, if no SARs have been submitted, please answer '0'.
B7	<b>Yes.</b> Must be answered by all sole traders. If no request for information has been received from either the JFCU and/or an overseas FIU, please answer '0'.
B8	<b>Yes.</b> Must be answered by all sole traders. If no production orders have been received, please answer '0'.
B9	<b>Yes.</b> As a sole trader does not have any employees please answer '0'.
B10	<b>Yes.</b> As a sole trader does not have any employees please respond by marking all boxes 'not performed'.

Question Number	Does the question apply to a sole trader?
B11	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p>Please respond by marking all boxes that apply with an 'X'.</p> <p><b>Note:</b> the final box should be marked if no screening system has been used.</p>
B12(a)	<p>Maybe.</p> <p>If the answer to B11 is 'None' then B12(a) does not apply and can be left blank.</p> <p>For all other responses to B11 B12(a) must be answered by marking an 'X' against all that apply.</p>
B12(b)	<p>Maybe.</p> <p>Links to B12(a), a response must be provided wherever B12(a) has a positive response.</p>
B13	<p><b>Yes.</b></p> <p>Must be answered using the dropdown menu (daily, weekly, monthly, quarterly, other, never).</p>

## 6 Section C – Financial Sanctions

- 6.1 The position of all sole traders is the same for section C therefore the guidance provided applies to sole traders carrying on any specified schedule 2 business.

Question Number	Does the question apply to a sole trader?
C1	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p>If no positive matches have been detected, please answer '0'.</p>
C2	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p>If C1 has been answered as zero, then the answer to this question will be '0' as well.</p> <p>If positive matches are reported at C1, please report the number of positive matches that have been reported to the Minister for External Relations.</p>
C3	<p>Maybe.</p> <p>Only applicable if C2 has been answered with a number other than '0'.</p>
C4	<p><b>Yes.</b></p> <p>Must be answered by all sole traders.</p> <p>If no funds or assets have been frozen, please answer '0'.</p>
C5	<p>Maybe.</p> <p>Only applicable if C4 has been answered with a number other than '0'.</p>

Question Number	Does the question apply to a sole trader?
C6(a) & C6(b)	<b>Yes.</b> Must be answered by all sole traders.
C7(a) & C7(b)	<b>Yes.</b> Must be answered by all sole traders.
C8(a) & C8(b)	<b>Yes.</b> Must be answered by all sole traders. Please respond by marking all boxes that apply with an 'X'. If another list is used, please provide details in response to C8(b).
C9(a) & C9(b)	<b>Yes.</b> Must be answered by all sole traders.
C10	<b>Yes.</b> Must be answered by all sole traders.
C11(a), (b) & (c)	<b>Yes.</b> Must be answered by all sole traders.
C12	<b>Yes.</b> Must be answered by all sole traders. Please respond by marking all boxes that apply with an 'X'.
C14	<b>Yes.</b> Must be answered by all sole traders. If no watchlist is maintained, please answer 'no'.

## 7 Section D – Country List

- 7.1 The position of all sole traders is the same for section D therefore the guidance provided applies to sole traders carrying on any specified schedule 2 business.

Question Number	Does the question apply to a sole trader?
Complete sheet	<b>Maybe.</b> Only applicable if a sole trader has a customer, or beneficial owner or controller of a customer, that is a PEP. Then either A23(a) or A23(b) will be relevant. If either A23(a) or A23(b) is relevant the number of unique PEPs should be recorded against the country which provides them with their PEP status.

## 8 Section E – Comments

- 8.1 The position of all sole traders is the same for section E therefore the guidance provided applies to sole traders carrying on any specified schedule 2 business.

Question Number	Does the question apply to a sole trader?
Complete sheet	Maybe. Only applicable if a sole trader wishes to provide additional information to the JFSC in relation to questions A21, A22, A23(a), A23(b), B1(b) or B2(b).

## 9 Section F – Prudential

- 9.1 This section is not relevant to sole trader specified schedule 2 businesses. Please leave this section blank.

## 10 Section G – Conduct

- 10.1 This section is not relevant to sole trader specified schedule 2 businesses. Please leave this section blank.

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<sup>i</sup> As defined in Article 1 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008.