

# **Guide to Section III of risk based supervision data:**

## **Wire transfer**

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# 1 General Guidance

## 1.1 Overview

Understanding the destination of funds transfers and the jurisdictions from which funds are received (funds flow data) is a recognised key indicator of the risk of money laundering and terrorist financing present in a jurisdiction. Where a jurisdiction has a Central Bank, funds flow data is captured and monitored as a matter of course, but as Jersey has no Central Bank, we are requesting funds flow data from a number of organisations.

Any questions that cannot be answered by reading this document should be emailed to your JFSC Supervisor. For queries relating to myJFSC email [myjfsc@jerseyfsc.org](mailto:myjfsc@jerseyfsc.org).

## 1.2 Scope

If a person is in the business of transmitting or receiving funds by wire or other electronic means and is doing such business in or from within Jersey, then they are required to register with us. Registration is required as a result of Article 2(9) of the Financial Services (Jersey) Law 1998 which defines money service business as:

*A person carries on money service business if the person carries on the business of any of the following –*

- (a) a bureau de change;*
- (b) providing cheque cashing services;*
- (c) transmitting or receiving funds by wire or other electronic means;*
- (d) engaging in money transmission services.*

There are 2 exceptions to the registration requirement, one of which is where a person is also registered to carry on deposit-taking business under the Banking Business (Jersey) Law 1991, in which case the person has to notify us that it is carrying on money service business.

As the definition of money service business includes 4 specific types of activity, not all those registered to carry on money service business are being requested to provide wire transfer data.

Throughout this guidance document, and the Excel workbook, the deposit-takers and the identified money service businesses are collectively referred to as a Reporting Entity.

## 1.3 Excel workbook

The wire transfer data is to be provided to us through completion of an Excel workbook which contains three spreadsheets:

ZX – Wire Transfer data

ZY – Outgoing Country List

ZZ – Incoming Country List

Guidance on completing the spreadsheets is provided in section 2 of this document.

## 1.4 Data reporting period

Data should be provided for the period 1/1/2023 to 31/12/2023.

## 1.5 Data submission

Reporting Entities are 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 May 2024**.

Each Reporting Entity will be submitting a completed Excel Workbook for Section III – wire transfers through the myJFSC, and each Reporting Entity has a designated individual who is the myJFSC contact, which, in the vast majority of cases, is the compliance officer.

Notwithstanding that the myJFSC 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.

All parts of each question on *ZX Wire transfer data* should be considered. It is not necessary to insert “0” against each country in spreadsheets *ZY-Outgoing Country List* and *ZZ-Incoming Country List*.

## 1.6 Integrity checking your submission

See the table at 2.3 which highlights the interconnectivity of the questions.

## 2 Section ZX – Wire Transfer Data

### 2.1 Overview

This section collects data on:

- (a) which fund transfer systems are being used;
- (b) the currencies in which wire transfers can be made;
- (c) the number and value of transactions, including the number of customers, analysed by country and split between incoming and outgoing transactions.

**Note: Responses to ZX1-ZX13 should include data on all incoming and outgoing transactions, including central bank transfers, intercompany and intracompany payments.**

### 2.2 Question ZX1

#### Full name of the Reporting Entity

Either insert the name of:

- (a) the deposit-taker that has notified us that they carry on money service business;  
or
- (b) the firm registered to carry on money service business.

### 2.3 Question ZX2

Indicate below which fund transfer systems you utilise *(Mark with an X all that apply)*

- a. SWIFT
- b. BACS / faster payments
- c. CHAPS
- d. SEPA
- e. Other

#### f. Provide details of the other fund transfer systems you utilise

All funds transfer systems should be identified.

If a Reporting Entity utilises a funds transfer system which is not listed above provide details in the free text box at ZX2(f).

The answer to this question will inform which other questions the reporting entity will need to complete – see table below.

Fund transfer system	Relevant ZX questions								
	ZX3	ZX4	ZX5	ZX6	ZX7	ZX8	ZX9	ZX10	ZX11
a. SWIFT	✓	✓		✓			✓		✓
b. BACS / faster payments	✓	✓	✓			✓			✓
c. CHAPS	✓	✓	✓			✓			✓
d. SEPA	✓	✓			✓			✓	✓
e. Other	✓	✓			✓			✓	✓

Note: ZX11 is not compulsory.

## 2.4 Question ZX3 and ZX4

**ZX3 How many currencies does your entity support ie. make payments or receive funds in?**

**ZX4 With reference to question ZX3. Indicate below the currencies in which you make fund transfers (Mark with an X all that apply)**

a. AED	b. AUD	c. CAD	d. CHF	e. Euro
f. GBP	g. HKD	h. SEK	i. SGD	j. USD

**Other, provide the ISO code of all other currencies (separated by comma “,”)**

We are interested to understand the actual currencies in which funds are flowing through the Island as well as the jurisdictions to which payments are being made and funds received from. Consequently, these questions seek data about the underlying currency in which payments and receipts are being undertaken.

Question ZX3, state the total number of currencies in which payments or receipts can be made through a Reporting Entity. Currencies should not be double counted i.e. if payments can be made in USD and funds received in USD then count 1, if funds can be received in AUD but not made in AUD then also count as 1.

Question ZX4, includes 10 currencies and a Reporting Entity should mark with an “X” all those currencies that it supports from a funds transfer perspective.

The 10 currencies were identified from the 2017 sample data as being the most common currencies. Where a Reporting Entity receives funds or makes payments in other currencies identify these using ISO codes in the free text box.

## 2.5 Questions ZX5 to ZX8

### Question ZX5

**With respect to payments made through BACS/CHAPS/faster payments provide, analysed by country to which the ultimate payment is being made, the following information for the calendar year 2023:**

**a. Number of transactions**

i. UK	ii. Jersey	iii. Guernsey	iv. Isle of Man	v. Gibraltar
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**b. Value of transactions (in GBP)**

i. UK	ii. Jersey	iii. Guernsey	iv. Isle of Man	v. Gibraltar
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**Only answer this question if ZX2b or ZX2c have been marked with an “X”.**

BACS/CHAPS /faster payments are all fund transfer systems that only deal with GBP-based transfers.

Question ZX5 is designed to understand the extent to which Reporting Entities are using these systems to make GBP payments to GBP-based jurisdictions.

We recognise that where the systems are being used to transfer GBP funds to another entity in Jersey there will be a degree of double counting (within the total population of responses) as the recipient entity may be reporting these transactions in response to question ZX9.

**Question ZX6**

With respect to payments made through SWIFT provide, analysed by country (*broken down on sheet ZY – Outgoing Country List*) to which the ultimate payment is being made, the following information for the calendar year 2023:

- a. Number of transactions
- b. Value of transactions (in GBP)

**Only answer this question if ZX2a has been marked with an “X”.**

Convert all currencies to GBP and report the GBP equivalent value.

*ZY – Outgoing Country List* should be completed with the number and value of transactions which have been made to a particular country. The currency of the transaction is not important in respect of answering this question, the key matter is the destination of the payment.

For example: a USD payment to an account in the Cayman Islands should be reported against the Cayman Islands.

Where a Reporting Entity is a deposit-taker which operates in Jersey as a branch only include details relating to the transactions executed through the Jersey Branch (i.e. associated with the Jersey branch sort codes).

Where a Reporting Entity is registered to carry on money service business but is not a Jersey company only include details relating to the transactions associated with the Jersey registration.

**Question ZX7**

With respect to payments made through other payment systems provide, analysed by country (*broken down on sheet ZY – Outgoing Country List*) to which the ultimate payment is being made, the following information for the calendar year 2023:

- a. Number of transactions
- b. Value of transactions (in GBP)

**Only answer this question if either ZX2d or ZX2e have been marked with an “X”.**

Convert all currencies to GBP and report the GBP equivalent value.

*ZY – Outgoing Country List* should be completed with the number and value of transactions which have been made to a particular country using a payments system which is **not** one of the following:

- (a) SWIFT;
- (b) BACS/faster payments; or
- (c) CHAPS.

The currency of the transaction is not important in respect of answering this question, the key matter is the destination of the payment.

For example: a USD payment to an account in the Cayman Islands should be reported against the Cayman Islands.

Where a Reporting Entity is a deposit-taker which operates in Jersey as a branch only include details relating to the transactions executed through the Jersey Branch (i.e. associated with the Jersey branch sort codes).

Where a Reporting Entity is registered to carry on money service business but is not a Jersey company only include details relating to the transactions associated with the Jersey registration.

**Note: payments made through SEPA should be included here.**

## Question ZX8

Based on the aggregate of SWIFT and other payment systems (including SEPA) please provide, analysed by country (broken down on sheet ZY – Outgoing Country List) the number of customers that have made payments to that country.

**This question should be answered by all reporting entities that have made outgoing payments.**

ZY – Outgoing Country List should be completed with the number of customers in aggregate that have made payments to a particular country.

A customer is a person with whom:

- (d) a business relationship<sup>i</sup> is formed; or
  - (e) a one-off transaction<sup>ii</sup> carried out,
- both under the MLO.

A customer can only be an individual, an individual forming part of a group of individuals (such as for a joint account or customary law partnership) or legal person, and not a legal arrangement such as a trust or limited partnership, where the customer will be the trustee of a particular trust or general partner of a particular partnership respectively. The person that is the customer will be a matter of fact: it will be the person with whom there is a contractual relationship.

Where a Reporting Entity is a deposit-taker which operates in Jersey as a branch only include details relating to the transactions executed through the Jersey Branch (i.e. associated with the Jersey branch sort codes).

Where a Reporting Entity is registered to carry on money service business but is not a Jersey company only include details relating to the transactions associated with the Jersey registration.

## 2.6 Question ZX9 to ZX12

### Question ZX9

With respect to payments made through BACS/CHAPS/faster payments provide, analysed by country from which the funds were received, the following information for the calendar year 2023:

#### a. Number of transactions

i. UK	ii. Jersey	iii. Guernsey	iv. Isle of Man	v. Gibraltar
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#### b. Value of transactions (in GBP)

i. UK	ii. Jersey	iii. Guernsey	iv. Isle of Man	v. Gibraltar
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**Only answer this question if ZX2b or ZX2c have been marked with an “X”.**

As noted above, BACS/CHAPS /faster payments are all fund transfer systems that only deal with GBP-based transfers.

Question ZX9 is designed to understand the extent to which Reporting Entities receive GBP from GBP-based jurisdictions, through these systems.

We recognise that where receipts are from another entity in Jersey there will be a degree of double counting (within the total population of responses) as the paying entity may be reporting these transactions in response to question ZX5.

**Question ZX10**

With respect to payments made through SWIFT provide, analysed by country (*broken down on sheet ZZ – Incoming Country List*) from which the funds were received, the following information for the calendar year 2023:

a. Number of transactions

b. Value of transactions (in GBP)

**Only answer this question if ZX2a has been marked with an “X”.**

Convert all currencies to GBP and report the GBP equivalent value.

ZZ – *Incoming Country List* should be completed with the number and value of transactions which have been received from a particular country. The currency of the transaction is not important in respect of answering this question, the key matter is the origin of the funds.

For example: a USD receipt from an account in the Cayman Islands should be reported against the Cayman Islands.

Where a Reporting Entity is a deposit-taker which operates in Jersey as a branch only include details relating to the transactions executed through the Jersey Branch (i.e. associated with the Jersey branch sort codes).

Where a Reporting Entity is registered to carry on money service business but is not a Jersey company only include details relating to the transactions associated with the Jersey registration.

**Question ZX11**

With respect to payments made through other payment systems provide, analysed by country (*broken down on sheet ZZ – Incoming Country List*) from which the funds were received, the following information for the calendar year 2023:

a. Number of transactions

b. Value of transactions (in GBP)

**Only answer this question if either ZX2d or ZX2e have been marked with an “X”.**

Convert all currencies to GBP and report the GBP equivalent value.

ZZ – *Incoming Country List* should be completed with the number and value of transactions which have been made to a particular country using a payments system which is **not** one of the following:

- (a) SWIFT;
- (b) BACS/faster payments; or
- (c) CHAPS.

As for SWIFT payments the currency of the transaction is not important in respect of answering this question, the key matter is the origin of the funds.

For example: a USD receipt from an account in the Cayman Islands should be reported against the Cayman Islands.

Where a Reporting Entity is a deposit-taker which operates in Jersey as a branch only include details relating to the transactions executed through the Jersey Branch (i.e. associated with the Jersey branch sort codes).

Where a Reporting Entity is registered to carry on money service business but is not a Jersey company only include details relating to the transactions associated with the Jersey registration.

**Note: funds received through SEPA should be included here.**

## Question ZX12

Based on the aggregate of SWIFT and other payment systems (including SEPA) please provide, analysed by country (broken down on sheet ZZ - Incoming Country List) the number of customers that have received payments from a particular country.

**This question should be answered by all reporting entities that have received incoming payments.**

ZZ – Incoming Country List should be completed with the number of customers in aggregate that have received payments from a particular country.

A customer is a person with whom:

- (d) a business relationship<sup>iii</sup> is formed; or
  - (e) a one-off transaction<sup>iv</sup> carried out,
- both under the MLO.

A customer can only be an individual, an individual forming part of a group of individuals (such as for a joint account or customary law partnership) or legal person, and not a legal arrangement such as a trust or limited partnership, where the customer will be the trustee of a particular trust or general partner of a particular partnership respectively. The person that is the customer will be a matter of fact: it will be the person with whom there is a contractual relationship.

Where a Reporting Entity is a deposit-taker which operates in Jersey as a branch only include details relating to the transactions executed through the Jersey Branch (i.e. associated with the Jersey branch sort codes).

Where a Reporting Entity is registered to carry on money service business but is not a Jersey company only include details relating to the transactions associated with the Jersey registration.

## 2.7 Question ZX13

Provide below details which you consider will assist in understanding your responses:

This is a free text area which has been included such that Reporting Entities can provide some explanative text to support their submitted data

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- <sup>i</sup> The term “business relationship” is defined in Article 1 of the MLO and is a business, professional or commercial relationship with a customer, which is expected, at the time when contact is established, to have an element of duration.
  - <sup>ii</sup> The term “one-off transaction” is defined in Article 4 of the MLO. A transaction is not a one-off transaction unless the amount or value of the transaction exceeds:
    - (i) the equivalent of €1,000 in respect of money service business, virtual currency exchange business, or operating a casino; or
    - (ii) the equivalent of €15,000 in all other cases.
  - <sup>iii</sup> The term “business relationship” is defined in Article 1 of the MLO and is a business, professional or commercial relationship with a customer, which is expected, at the time when contact is established, to have an element of duration.
  - <sup>iv</sup> The term “one-off transaction” is defined in Article 4 of the MLO. A transaction is not a one-off transaction unless the amount or value of the transaction exceeds:

- 
- (i) the equivalent of €1,000 in respect of money service business, virtual currency exchange business, or operating a casino;  
or
  - (ii) the equivalent of €15,000 in all other cases.