Guide to Section II of risk-based supervision data: Virtual Asset Service Provider

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1 General guidance

1.1 Scope

1.1.1   This guidance document relates to Section II of the 2023 risk-based supervision data collection which requires the provision of activity-based data from Reporting Entities registered to carry on virtual asset service provider (**VASP**) activity.

1.1.2   Virtual asset service provider, as defined in the Proceeds of Crime (Jersey) Law 1999 (**POCL**), includes a natural or legal person or arrangement that carries on the business of conducting one or more of the following activities or operations to, for or on behalf of another natural or legal person or arrangement:

(a) Exchange between virtual assets and fiat currencies,

(b) Exchange between one or more forms of virtual assets,

(c) Transfer of virtual assets,

(d) Safekeeping or administration of virtual assets or instruments enabling control over virtual assets,

(e) Participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset.

1.1.3   The Excel workbook for a reporting entity carrying on VASP comprises 5 spreadsheet pages, as follows:

(a)   VCA-VASP - Compliance Data

(b)   VCB-VASP - Customer Data

(c)   VCC-VASP - Beneficial Ownership

(d)   VCD-VASP - Use and application of concessions granted by the MLO[i]

(e)   VCE-VASP - Country List

1.1.4   Spreadsheet VCE-VASP is an input sheet for the responses to questions VCB12, VCB13 and VCC1.

1.2 Customers

1.2.1   The spreadsheets require VASPs to provide data in respect of their customers.

1.2.2   A customer is a person to whom the VASP provides any of the services as described in 1.1.2 above.

1.3 Data reporting period

1.3.1   Generally, data should be provided for the period 01/01/2023 to 31/12/2023.

1.3.2   There are a few data items where the data should be provided as at the end of the reporting period (31/12/2023 or closest business day).

1.4 Data Submission

1.4.1   Each VASP will be submitting a completed Excel Workbook for Section II through the JFSC Portal, and each VASP has a designated individual who is the JFSC Portal contact, which, in the vast majority of cases, is the money laundering compliance officer.

1.4.2   Notwithstanding that the JFSC Portal contact has responsibility for submitting the data, the board, or equivalent, of the VASP should have oversight of the content of any submission made on their behalf.

1.4.3   Please be advised that the JFSC will request similar information from the Reporting Entity periodically throughout the course of its registration with the JFSC. It is therefore recommended that the Reporting Entity implements reporting processes for this type of information.

1.4.4   Where a VASP needs to extrapolate or estimate its data, the comments section at the bottom of the relevant spreadsheet should highlight which data elements have been impacted, the extent they have been impacted and when the relevant system changes will take effect.

1.4.5   Where the VASP 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.

1.4.6   With the exception of spreadsheet *VCE-VASP-Country list*, all parts of each question should be answered. Consequently, please insert a "0" where relevant.

1.5   Integrity checking your submission

1.5.1   Before submitting your data, the JFSC suggests that the integrity checks highlighted in paragraphs 1.5.2 to 1.5.5.

1.5.2   Sum of VCA1(a) to (c) needs to agree to the sum of VCB1(i) to (iii).

1.5.3   VCA1(a) should equal sum of VCB5(i) to (iii).

1.5.4   No response in VCB2 should exceed VCB1, in any given column.

1.5.5   VCB6 and VCB7 cannot be individually greater than VCB2, in any column.

2 Section VC –VASP Compliance Data

2.1 Overview

2.1.1   This section collects data on:

(a) customer risk ratings;

(b) business which has been declined, terminated, or withdrawn due to customer due diligence or other financial crime concerns; and

(c) transaction monitoring.

2.2 Risk Rating

VCA1   **Number of customers in each category of risk (as defined by the VASP) during the data reporting period**
(a) Higher; (b) Standard; (c) Lower

VCA2   **Does the VASP's risk ratings as specified above include factors other than money laundering and the financing of terrorism? (Yes ; No)**
If yes, please provide details at VCA12(a)

2.2.1   Question **VCA1** requests data about the number of 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 Handbook for the prevention and detection of money laundering, the countering of terrorist financing, and the countering of proliferation financing (the **AML/CFT/CPF Handbook**)).

2.2.2   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[ii], standard or lower risk. For example, if a VASP 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.

2.2.3   If a VASP includes other factors e.g., commercial risk, in its risk rating of customers and the ML/TF risk element cannot be reported separately, please report the combined risk rating.

2.2.4   If a combined rating is reported, please select "yes" when responding to **VCA2**.

2.2.5   Please provide an answer for every element of VCA1.
For example, a VASP with zero higher risk, 4 medium risk and 6 lower risk customers and who only considers money laundering and terrorist financing when risk rating a customer, should complete the fields as follows:

VCA1(a) - Higher	0
VCA1(b) - Medium	4
VCA1(c) - Lower	6
VCA2	Choose "No" from the dropdown

2.2.6   Please note the sum of VCA1(a) to (c) should equal the sum of VCB1(i) to (iii).

2.3   Declined, terminated and withdrawn business

VCA3   Number of customer registrations declined, due to CDD issues or other financial crime concerns, during the data reporting period

VCA4   Number of customer accounts closed, 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/CPF Handbook, questions VCA3 and VCA4 request data about:

(a)   the number of <u>prospective customer relationships or one-off transactions that have been **declined** (*VCA3*); and</u>

(b)   <u>customer relationships that have been **closed**</u> due to CDD issues or other financial crime concerns (*VCA4*).

In respect of both questions VCA3 and VCA4, this will include cases where:

› it has not been possible to complete identification measures (before or during a customer relationship) under the Money Laundering (Jersey) Order 2008 (**Money Laundering Order or MLO**), including establishing the source of funds;

› the ML/TF risk has been assessed as being too high (and so outside the VASP's risk appetite); and

› there is suspicion of ML/TF.

2.3.2   These questions also apply to cases where:

(a)   an application to form a customer relationship or carry out a one-off transaction is handled by a third party and where there is no direct contact with the prospective customer; and

(b)   an application to form a customer 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).

2.3.3   Please do not leave fields blank, insert a "0" in VCA3 and VCA4 if no prospective customers have been declined or customers terminated.

VCA5   Number of customers who have withdrawn due to CDD issues, during the data reporting period (where this data is collected)

2.3.4   Question **VCA5** collects data on customer applications withdrawn solely or partly because of CDD requested.

2.3.5   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 and where there is no direct contact with the customer.

2.4   Transaction monitoring

**VCA6   What is the timing of the ongoing monitoring of transactions during a business relationship?
(Real-time; Post-event; Both; N/A)**

**VCA7   Are monitoring procedures automatic or manual?
(Automated; Manual; Both; N/A)**

VCA8   **What rules are applied to the transaction monitoring procedures?**
(Generic; Tailored; Both; N/A)

2.4.1   Questions VCA6, VCA7 and VCA8 collects data on transaction monitoring procedures.

2.4.2   Please answer all questions. Where "N/A" is selected from the drop down, please provide details at VCA12(b).

VCA9   **Is the VASP using a monitoring or blockchain analytics tool? If so, what tool?**

2.4.3   Examples of blockchain analytics tool include:

› Dune Analytics

› CipherTrace

› Coinpath

VCA10   **What percentage of assets are covered by the monitoring/blockchain analytics tool?**

2.4.4   If a monitoring or blockchain analytics tool is provided in Question VCA9, please specify the percentage of assets offered or managed by the VASP, which are covered by this tool.

VCA11   **Have any limitations in the monitoring/blockchain analytics tool been identified?**

2.4.5   Examples of potential limitations may include:

› Ability to screen for the use of privacy features, and

› Ability to identify volume linked to illicit activity.

2.5   General Comments

VCA12   **Please provide any explanations or context comments below**

2.5.1   If a VASP selects "yes" when responding to *VCA2* details of the other factors included in the combined risk rating should be provided at VA12(a).

2.5.2   A free-text box is provided at *VCA12(b)* to provide general comments, explanations or context comments in relation to the other responses in section VA-VASP-compliance data.

3   Section VCB – VASP customer data

3.1   Customer data overview

3.1.1   This section collects data about:

(a)   a VASP's customers which exhibit higher ML/TF/PF risk characteristics; and

(b)   the VASP's activities.

3.1.2   Section VCB 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; and

(c)   Other.

3.1.3   "Other" includes a customer that is any of the following:

(a)   Company

(b)   Foundation

(c)   Trust

(d)   Limited Partnership

(e)   Limited Liability Partnership

(f)   Separate Limited Partnership

(g)   Incorporated Limited Partnership

3.2   Customer analysis

**VCB1   Number of customers that are:
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other**

3.2.1   Question **VCB1** requests the total number of customers as at 31 December 2023 analysed by customer type as listed in **Error! Reference source not found.** and **Error! Reference source not found.**.

3.2.2   Please note that the response provided to question VCB1 provides the base for responding to all other Section VCB questions.

3.2.3   For example, given a response to question VCB1 as set out in the table below then the number of customers is the maximum number that can appear in the relevant column for other Section VCB questions:

Customer type	Number of customers
Individuals – Jersey resident	10
Individuals - non-Jersey resident	2
Other	1

3.2.4   Where a VASP has no customers of a particular type please insert "0".

3.2.5   Please note the sum of VCB1(i) to (iii) should equal the sum of VCA1(a) to (c).

VCB2 Number of active customers

3.2.6   Question VCB2 requests the number of customers as at 31 December 2023 that were active.

3.2.7   For example, an active customer may be defined as a customer that has utilised the services of the VASP within the 12-month period.

VCB3 Number of customers that are considered dormant (as defined by the VASP)

3.2.8   Question VCB3 requests the number of customers as at 31 December 2023 that were considered to be inactive or dormant.

3.2.9   For example, a dormant customer may be defined as a customer that has not utilised the services of the VASP within the 12-month period, and/or has ceased interactions with the business.

3.3   Enhanced CDD measures

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

3.3.2   In addition to a VASP deciding that a customer presents a higher risk of ML/TF/PF, there are some circumstances where enhanced CDD measures are required by Articles 15, 15A and 15B of the Money Laundering Order. Such as where the 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 non-resident (not a Jersey resident) (section 7.7)

(g)   has a correspondent banking or similar relationship (Section 7.11)

3.3.3   Under Article 15(1)(a) of the Money Laundering Order, if a customer has, or proposes to have a business relationship or proposes to carry out a one-off transaction with the VASP, and the VASP is not resident in the customer's country of residence or in the same country as the country from which, or from within which, the customer is carrying on business, a VASP must apply enhanced customer due diligence measures on a risk-sensitive basis.

VCB4 Number where enhanced CDD measures have been applied:
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) other

3.3.4   Using the response to question VCB1 as the base for responding, question **VCB4** requires data about the number of customers to which enhanced CDD measures have been applied during 2023.

3.3.5   For example, using the example laid out in **Error! Reference source not found.**, if 3 of the 10 customers that are reported as "individuals – Jersey" have been subject to enhanced CDD measures then respond "3".

3.3.6   If a VASP has no customers which have been subject to enhanced CDD measures, then insert "0" in each blue box.

VCB5 **Number that present higher risk of ML/TF/PF:**
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

3.3.7 Where a VASP has determined that a customer presents a higher risk of ML/TF/PF, enhanced CDD measures must be applied, therefore the response to question VCB5 should not be greater than the response to question VCB4.

3.3.8 There are circumstances where enhanced CDD measures must be applied but the VASP may not consider the customer presents a higher risk, therefore the response to VCB5 may be lower than the response to VCB4. For example, a Jersey resident owns an asset holding vehicle which holds bank balances.

3.3.9 Enhanced due diligence data in your workbooks **should be provided in line with the requirements of the Money Laundering Order**. If enhanced due diligence is undertaken as standard on non-Jersey customers, then all customers where standard CDD checks are applied should be reported as having been subject to enhanced due diligence. The data needs to accurately reflect the application of enhanced due diligence as defined in the Money Laundering Order. If there is a significant difference between the number of customers who have enhanced due diligence applied to them and the number of non-Jersey-based customers, then please be ready to explain the difference in VCB19.

3.3.10 If a VASP has no customers which present a higher risk please do not leave a cell blank, please insert "0" in each blue box.

3.3.11 The total of this row should be the same as the answer to question VCA1(a).

VCB6 **Number who are, or who are connected to, a PEP:**
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

3.3.12 Using the response to question VCB1 as the base for responding, question **VCB6** requires the number of customers to which enhanced CDD measures have been applied due to a PEP connection.

3.3.13 On 12 June 2019 the Money Laundering Order was amended (see Article 15A of the Money Laundering Order and Section 7.6.1 of the AML/CFT/CPF 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 customer entity;

› a third party for whom the customer entity acts AND the third parties beneficial owners or controllers;

› purporting to act on behalf of the customer entity.

3.3.14 When considering whether a customer is connected with a domestic PEP or foreign PEP it must be remembered that the definition of a PEP 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.

3.3.15 The information to be considered when deciding if a person is a close associate of a domestic PEP or foreign PEP is limited to information in the possession of the VASP

or information that is publicly known (Article 15A(4) of the Money Laundering Order).

3.3.16   If a VASP has no customers who are a PEP, or who are connected with a PEP, please do not leave a cell blank, please insert "0" in each blue box.

VCB7   Number that have a relevant connection to an enhanced risk state:
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

3.3.17   Using the response to question VCB1 as the base for responding, question **VCB7** requires the number of customers to which enhanced CDD measures have been applied because the customer has a connection to an enhanced risk state.

3.3.18   Appendix D1 of the AML/CFT/CPF Handbook provides a list of the countries and territories that are considered an enhanced risk state. As at 31 December 2023 the following were listed:

(a)   Iran;

(b)   The Democratic People's Republic of Korea (**DPRK**); and

(c)   Myanmar (Burma)

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

3.3.20   For example: a customer's source of funds is, or derives from:

(a)   assets held in either Iran, DPRK or Myanmar by the customer or any person on behalf of a customer; or

(b)   income arising in Iran, DPRK or Myanmar.

3.3.21   In either scenario the VASP should take reasonable measures to find out the source of wealth of the customer.

3.3.22   If a VASP has no customers with a relevant connection to an enhanced risk state, please do not leave a cell blank, please insert "0" in each blue box.

3.4   Customer transaction data

VCB8   Total value of transactions facilitated by the Reporting Entity during the data reporting period in GBP
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

VCB9   Average amount of transfer in any one transaction facilitated by the Reporting Entity in GBP
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

VCB10(a) Number of customers that have transferred or transacted more than €1,000 in one transaction
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

VCB10(b) Value of above in GBP
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

3.4.1   In questions VCB8, VCB9 and VCB10(b) , the value number should be reported as an absolute GBP value, NOT rounded in GBP thousands i.e., GBP 1,123,456 not GBP 1,123.

Total value received during the data reporting period analysed by transfer originator/beneficiary in GBP:

VCB11(a) Registered VASP (Jersey)
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

> 3.4.2   VASP as defined in paragraph 1.1.3, registered with, and supervised by the JFSC for AML/CFT/CPF purposes.

> 3.4.3   If this information is known, please provide detail of the value received.

VCB11(b) Registered VASP (in any other jurisdiction)
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

> 3.4.4   VASP as defined in paragraph 1.1.3, registered, and supervised in equivalent jurisdiction for AML/CFT/CPF purposes.

> 3.4.5   If this information is known, please provide detail of the value received.

VCB11(c) Unregistered VASP
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

> 3.4.6   VASP as defined in paragraph 1.1.3, which is not supervised by the JFSC or another relevant supervisory authority for AML/CFT/CPF purposes.

> 3.4.7   If this information is known, please provide detail of the value received.

VCB11(d) Hosted wallet
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

> 3.4.8   Hosted wallet – i.e., software/hardware that allows the user to store, send and transfer virtual assets, which is hosted by a third party (such as, a financial institution).

VCB11(e) Un-hosted wallet
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

> 3.4.9   Un-hosted wallet – i.e., software/hardware that allows the user to store, send and transfer virtual assets, which is not hosted by a third party.

VCB11(f) Other
(i) Individuals – Jersey resident; (ii) Individuals - non-Jersey resident; (iii) Other

> 3.4.10   An example of "other" includes, funds received or sent to mixers or tumblers.

VCB12(a) Total number received during the data reporting period analysed by country of originator VASP in GBP

> 3.4.11   Insert a response in the relevant cell on spreadsheet VCE-VASP-Country list.

VCB12(b) Total value received during the data reporting period analysed by country of originator VASP in GBP

> 3.4.12   Insert a response in the relevant cell on spreadsheet VCE-VASP-Country list.

VCB13(a) Total number sent during the reporting period analysed by country of beneficiary VASP in GBP

> 3.4.13   Insert a response in the relevant cell on spreadsheet VCE-VASP-Country list.

VCB13(b) Total value sent during the reporting period analysed by country of beneficiary VASP in GBP

> 3.4.14   Insert a response in the relevant cell on spreadsheet VCE-VASP-Country list.

VCB14 List the virtual assets which the Reporting Entity facilitates transactions in (e.g. Bitcoin (BTC)).

    3.4.15   Ten free-text boxes provided. Additional free-text box provided, if required.

VCB15 Top five virtual assets supported by the Reporting Entity

    3.4.16   Most popular virtual assets used, exchanged, or transferred amongst the customer base. For example, Bitcoin, Ethereum and Tether.

VCB16 Total value transacted by each asset during the data reporting period in GBP

    3.4.17   Of the top five virtual assets listed in VCB15, please provide the total value transacted by each asset during the reporting period in GBP.

VCB17 Average amount of virtual asset transacted in any one transaction in GBP

    3.4.18   Of the top five virtual assets listed in VCB15, what is the average amount each asset is transacted?

VCB18(a) Number of customers that have transferred more than €1,000 in one transaction

    3.4.19   Of the top five virtual assets listed in VCB15, what is the number of customers that have transferred more than €1,000 in a single transaction?

VCB18(b) Value of above in GBP

    3.4.20   Of the number of customers provided in VCB18(a), what is the value of the transactions in GBP?

3.5 General comments on responses provided above

VCB19 Please provide any explanations or context comment below

    3.5.1   A free-text box is provided at VCB19 for comments, explanations or context comments in relation to the responses provided in the section *VCB-VASP Customer Data*.

4 Section VCC – Beneficial ownership

4.1 General

4.1.1 Where the CDD exemptions from applying identification measures under Article 18 of the Money Laundering Order have been utilised and no data is held, a VASP is not expected to gather information for the purpose of completing questions VCC1.

4.2 Customers who are individuals and beneficial owners or controllers of customers that are not individuals

VCC1 Number and principal country of residence of: (i) individuals who are customers; and (ii) individuals who are the beneficial owner or controller of a customer that is not an individual, as at the reporting date

4.2.1 The <u>principal country of residence</u> of an individual who is a customer, or the beneficial owners and controllers of customers who are not individuals, is recognised as a key factor in determining the riskiness of a customer – section 3 of the AML/CFT/CPF Handbook provides further guidance.

4.2.2 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[iii]. In line with guidance provided in the AML/CFT/CPF 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).

4.2.3 Question **VCC1** requests a VASP provide by country (using spreadsheet *VCE-VASP-Country list*) the total number of customers who are individuals and beneficial owners or controllers of customers that are not individuals, as at the reporting date.

4.2.4 Unlike other questions, there is no need to insert a response in each cell of spreadsheet *VCE-VASP-Country list*.

4.2.5 For example, using the data at **Error! Reference source not found.**, the data may look as follows:

Customer type	Number of customers	Principal country of residence
Individuals – Jersey resident	10	Jersey

Customer type	Number of customers	Principal country of residence
Individuals - non-Jersey resident	2	UK Guernsey
Other	1	Switzerland

Spreadsheet *VCE-VASP-Country list* would therefore have the following entries in the column for question VCC1:

ISO Code	Country	Number and principal country of residence of: (i) individuals who are customers; and (ii) individuals who are the beneficial owners or controllers of a customer that is not an individual
		VCC1
831	**Guernsey**	1
832	**Jersey**	10
756	**Switzerland**	1
826	**UK**	1

4.2.6   **Please Note**:
Each individual should only be reported once.
The following are examples where an individual may have more than one relationship with a VASP but should only be reported once:
(a) they are the beneficial owner or controller of more than one company; or
(b) they are the beneficial owner or controller of a company and are also a customer in their own right

4.3   General comments on responses provided above

VCC2   Please provide any explanations or context comments below

4.3.1   A free-text box is provided at **VCC2** for comments, explanations, or context comments in relation to the responses provided section *VC-VASP-BO & 3rd party data*.

5 Section VCD – Use and application of concessions granted by the Money Laundering Order

5.1 General

5.1.1 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) and **16** (reliance on obliged persons).

5.1.2 The following table provides guidance on the period to be covered by each question:

Question	Data period	Date(s)
Customer identification and verification		
VCD1	During the reporting period	1/1/2023 – 31/12/2023
Reliance on obliged persons (Article 16 of the Money Laundering Order)		
VCD2	During the reporting period	1/1/2023 – 31/12/2023

5.2 Customer identification and verification

VCD1 Number of customers where delayed verification in line with Article 13(4) of the MLO was applied during the data reporting period

5.2.1 In accordance with Article 13(4) of the Money Laundering Order a VASP is permitted to delay verifying the identity of customer where (finding out the identity of the 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.

5.2.2 Question **VCD1** collects data about the number of customers where delayed verification in line with Article 13(4) of the Money Laundering Order has been applied.

5.2.3 If a VASP has not delayed the verification of any customer's identity during the data reporting period, please respond with "0".

5.3 Reliance on obliged persons (Article 16 of the MLO)

5.3.1 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/CPF Handbook, are met. In practice, this has the effect of:

(d) limiting the number of obliged persons that can be relied upon; and

(e) requiring the basis for placing reliance to be recorded in writing.

VCD2 Number of customers where reliance has been placed on obliged persons during the data reporting period

5.3.2 Question VCD2 requests the number of customers where reliance has been placed on obliged persons during the data reporting period (please insert "0" if no reliance has been placed).

5.4 General comments on responses provided above

VCD3 Please provide any explanations or context comments below

5.4.1 A free-text box is provided at **VCD3** for comments, explanations or context comments in relation to the responses provided section *VCD-VASP-Use and application of concessions granted by the MLO*.

6 Section VCE – VASP country list

6.1.1 Spreadsheet VCE is an input sheet for the responses to questions VCB12(a), VCB12(b), VCB13(a), VCB13(b) and VCC1.

6.1.2 Country "other" (row 258 of the spreadsheet) may be used where the jurisdiction of the originating or beneficiary VASP is unknown.

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i   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.

ii   Section 2.4.1 of the AML/CFT/CPF Handbook explains that a VASP 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.