Legal sector
Money laundering and terrorist
financing risk data analysis

December 2025

Contents

This report forms part of a series which is being published to improve the understanding of money laundering and terrorist financing risk within a number of sectors, and to enable a comparison across different sectors and activities. Key risk indicators are included for each sector to provide useful benchmarking for supervised persons looking to assess their own money laundering and terrorist financing risks.

These reports are not risk assessments. Each report contains some explanation to support the aggregated data which is presented through a combination of graphs and tables. Whilst some data quality and integrity checks are performed on receipt of the data, we rely on the accuracy and completeness of data provided by industry.

Sector overview

15K
Customer Relationships

1,395
Employees

104
Customer Jurisdictions

£3.3bn
Client Account Transactions

Number of reporting e titi

2020	2021	2022	2023	2024
48	43	45	45	48
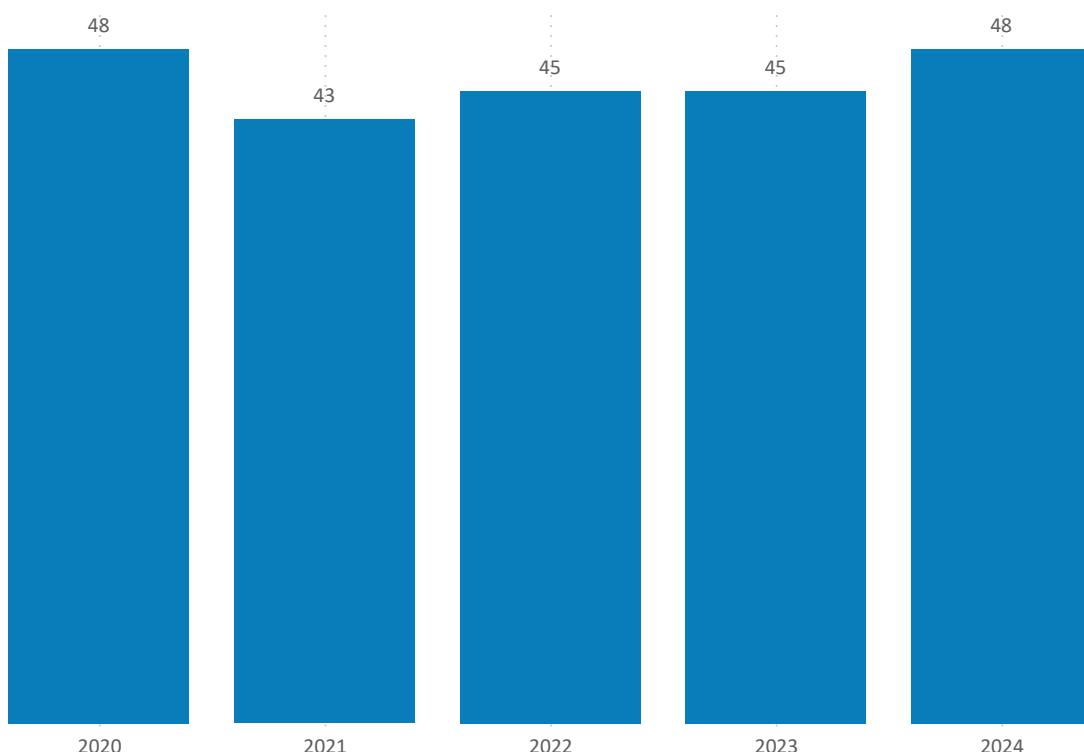
The JFSC is the AML/CFT/CPF regulator for lawyers, notaries and other independent legal professionals carrying on certain activities as a business in or from within Jersey (law firms) - Paragraph 21 of Schedule 2 to the Proceeds of Crime (Jersey) Law 1999. The focus of activity is on the provision of legal or notarial services to third parties when participating in financial, or immovable property, transactions. As a result there remain Jersey-based law firms that are not within the regulatory scope although all local lawyers practising as Advocates and Solicitors of the Royal Court of Jersey are regulated for conduct purposes by the Law Society of Jersey.

The size of the law firms, and the nature of activity they undertake, is very varied. Some law firms are involved in large multi-national transactions, where they often play a discrete role, and others have a customer base which is predominately domestic.

Data analysed in this report is based on annual supervisory risk data submissions from law firms for the period 2020 to 2024. Whilst some data quality and integrity checks are performed on receipt of data, we are reliant on law firms for the accuracy and completeness of data provided. The data collected includes a range of factors which can inform our view of risk at a national, sectoral and entity level. This includes the residence of the law firms' customers, exposure to higher risk customers and politically exposed persons (PEPs).

In aggregated form the reference to customers must be understood as customer relationships, the data does not identify the number of unique customers that utilise the services of the law firms. Given the nature of legal services (many customers engage with the law firms on a one-off transactional basis rather than building a business relationship) year on year trends can be less stable and in some cases less informative. Conversely, our scope includes law firms that provide legal services in or from within Jersey who are not caught by the Law Society of Jersey as they do not practice Jersey law.

Customer residency

4.1 Top 10 jurisdictions - esidence of customers or beneficial owners (2024)

Jurisdiction	Total Customers or Beneficial Owners ▼	%
Jersey	7,378	55.3%
United Kingdom	2,551	19.1%
United States of America	419	3.1%
United Arab Emirates	230	1.7%
Switzerland	186	1.4%
South Africa	178	1.3%
Saudi Arabia	159	1.2%
Ireland	133	1.0%
France	107	0.8%
Hong Kong	107	0.8%

Key

Jurisdictions listed in appendix D2

Other jurisdictions

4.2 Residence of customers or beneficial owners (2024)
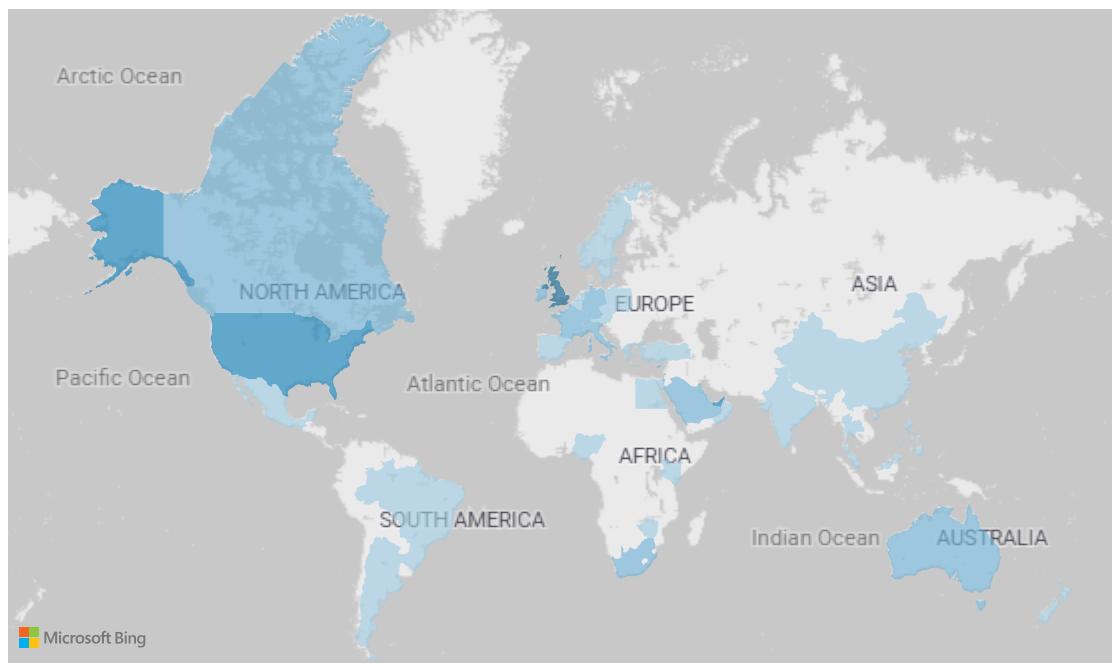
Key:

- 10 - 49 customers
- 50 - 199 customers
- 200 - 499 customers
- 500 customers or More

Country data is collected in respect of the residency of the law firm's customers and the beneficial owners of customers which are not an individual. The data continues to demonstrate the international nature of the sector with customer relationships in 2024 reported as being from 104 different jurisdictions (2023: 113); and 45% of the customer relationships being with persons resident outside Jersey (2023: 50%), of which 19% are reported as UK resident (2023:22%).

The top 10 customer jurisdictions are consistent with the reported locations of customers and beneficial owners of other financial services sectors. In particular, the top 10 jurisdictions in the legal sector are very consistent with the data collected in relation to funds with 9 of the top 10 jurisdictions in the legal sector appearing in the equivalent lists for the investors in public or Jersey private funds.

The nature of legal services is such that customers are a mix of those with a business relationship and those that undertake one off transactions, the impact of which can be seen in the reported data. In 2023 the top 10 jurisdictions included Kuwait and Guernsey however these do not feature in 2024 having been replaced by France and Hong Kong.

Higher risk jurisdiction
Jurisdictions on the FATF black/grey list or 3 or more sources in appendix D2

5.1. Individual customers or beneficial owners who are resident in higher risk jurisdiction

Year	2020		2021		2022		2023		2024	
Jurisdiction	Customers	% of Total	Customers	% of Total	Customers	% of Total	Customers	% of Total	Customers	% of Total
Monaco	48	0.3%	86	0.6%	61	0.4%	50	0.4%	91	0.7%
Virgin Islands (British)	44	0.3%	18	0.1%	116	0.7%	49	0.4%	22	0.2%
Kenya	23	0.2%	29	0.2%	27	0.2%	32	0.2%	26	0.2%
China	21	0.1%	34	0.2%	31	0.2%	27	0.2%	22	0.2%
Nigeria	4	0.0%	4	0.0%	11	0.1%	9	0.1%	25	0.2%

5.2. Percentage of all individual customers or beneficial owners who are resident in higher risk jurisdiction
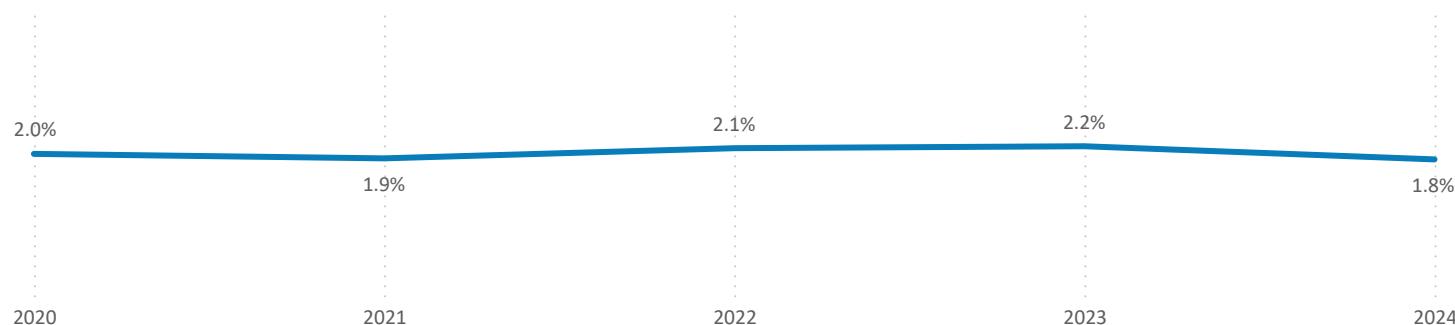
Appendix D2 – Countries and territories identified as presenting higher risks — Jersey Financial Services Commission (jerseyfsc.org)

Appendix D2 of the AML/CFT/CPF Handbook provides details of countries, territories and areas that have been identified by reliable and independent sources as presenting a higher risk of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction. The analysis above is based on the jurisdictions listed in Appendix D2 at October 2025. For the purpose of this analysis, higher risk jurisdictions have been defined as those listed on the FATF black or grey list (Source 1 and Source 2 of Appendix D2) or Jurisdictions listed in 3 or more of the remaining Appendix D2 sources.

Connections to these jurisdictions are stable between 2020 and 2024 with between 2.2% and 1.8% of clients from higher risk jurisdictions each year.

It is important to note that both Monaco and the British Virgin Islands are included in the higher risk jurisdiction list solely as they currently appear on the Financial Action Task Force (FATF) list of jurisdictions under increased monitoring ("grey list"). However, the number of reported connections to these jurisdictions is not large.

Higher risk jurisdiction
Jurisdictions on the FATF black/grey list or 3 or more sources in appendix D2

6.1. Percentage of all individual customers or beneficial owners who are resident in higher risk jurisdiction
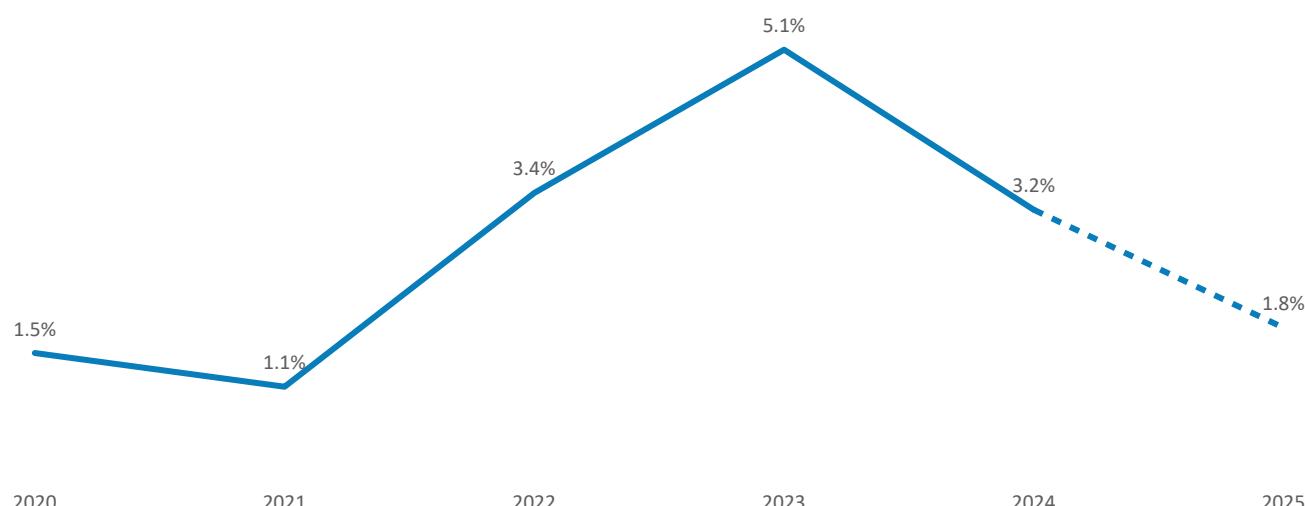
Notable Changes to the FATF Grey List

| Attribute	2020	2021	2022	2023	2024	2025
Grey List Additions	Mauritius	Cayman Islands	UAE	South Africa, Nigeria	Kenya, Monaco	BVI
Grey List Removals		Mauritius		Cayman Islands	UAE	South Africa, Nigeria

Figure 6.1 illustrates the impact of changes in Appendix D2 over time, in contrast to the previous page, which presents a snapshot of the current Appendix D2 and tracks customer numbers over time. Specifically, this view demonstrates how the addition and removal of jurisdictions from the FATF grey list has influenced exposure to higher-risk countries.

Exposure to higher-risk jurisdictions peaked in 2023, when both South Africa and the United Arab Emirates were on the grey list. The removal of South Africa and UAE from the grey list reduced exposure by 63% from its 2023 peak, demonstrating how FATF actions directly influence Jersey's risk profile. This change reflects progress as jurisdictions with significant connections to Jersey have addressed shortcomings in their AML/CFT frameworks, resulting in a potentially more favourable geographical risk environment for Jersey.

Higher risk jurisdiction

Jurisdictions that may present a higher risk of facilitating terrorist financing

7.1 Higher risk jurisdic ons - Government of Jersey, higher risk jurisdic ons for terrorist financing

| Year	Customers	% of Total
2020	72	0.5%
2021	71	0.5%
2022	55	0.3%
2023	59	0.5%
2024	62	0.5%
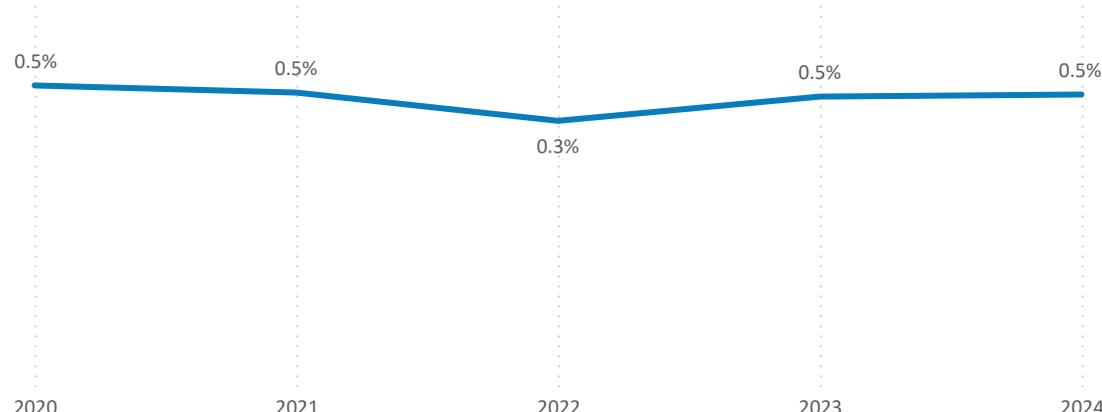
Guidance on countries with higher risk of facilitating terrorist financing (gov.je)

As part of the Government of Jersey's programme of comba ng financial crime, guidance has been produced on specific countries that may present a higher risk of facilitating terrorist financing (TF).

The analysis above is based on the jurisdictions identified and reported in September 2023. In 2024, 0.5% of legal sector clients were from these jurisdictions - a position which has remained relatively stable since 2020 albeit the mix of jurisdictions changes slightly year on year. Of the 14 jurisdictions listed as higher risk for terrorist financing, Kenya and Nigeria have the greatest number of reported connections, there are no reported residential connections to 9 jurisdictions, minimal connections to 3 jurisdictions (less than 0.05% of all customers).

Politi ally exposed persons

8.1. PEP connec ons by customer type

Legend:
- Individuals - Jersey resident
- Individuals - non-Jersey resident
- Jersey Companies
- Non-Jersey Companies
- Other - Jersey
- Other - non-Jersey
- Trusts with Jersey Trustee
- Trusts with non-Jersey Trustee

Year	Total
2020	601
2021	507
2022	585
2023	532
2024	607
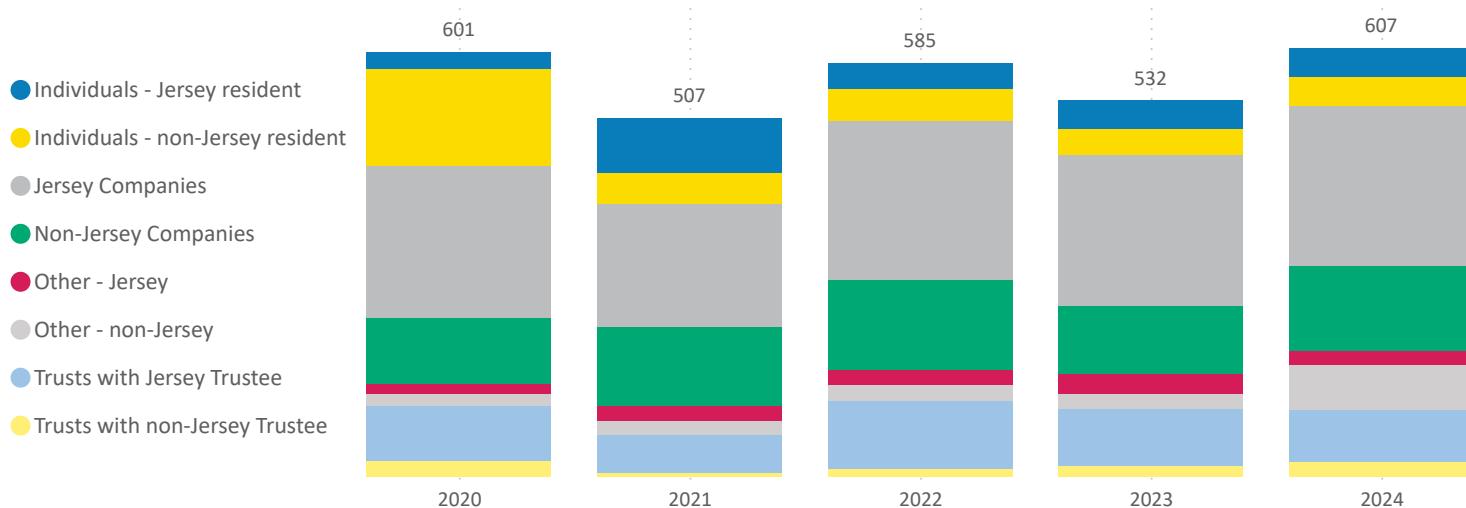
8.2. Percentage of customers who are, or are connected to, a PEP (2024)

Customer type	Percentage
Other	13.0%
Trusts	6.9%
Companies	5.4%
All Customers	3.9%
Individuals - non-Jersey resident	3.0%
Individuals - Jersey resident	0.7%

8.3. Non-Jersey PEP connec ons, by region (2024)

| Region	PEP Connections ▼
Middle East	45.1%
UK and Crown Dependencies	19.6%
Asia & Pacific	14.0%
Europe	9.7%
North America	5.3%
Africa	4.9%
South/Latin America	1.3%
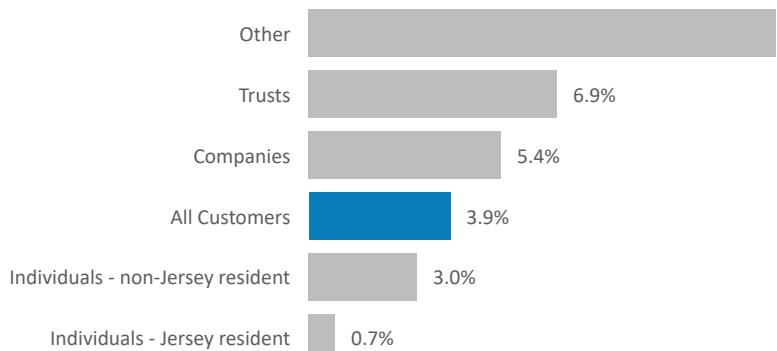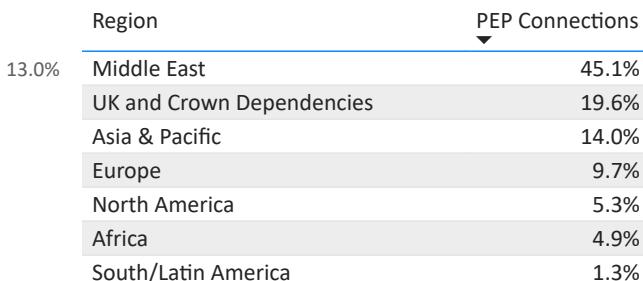
The short term nature of some customer relationships leads to volatility in the number of total PEP connections. Based on data from 2024, 3.9% of the law firm's customer relationships include a PEP connection. This is highest for other vehicles such as limited partnerships (13.0%) followed by trusts (6.9%).

In September 2023, the Jersey Money Laundering Order 2008 (MLO) was updated to allow for the declassification of PEPs but prior to this any individual which had been classified as a PEP would always remain a PEP. As such, it is likely that the total reported PEP connections could over-estimate the current exposure to PEPs within the sector. Data demonstrates that to date, most law firms have not taken action to declassify PEPs.

Of the PEP connections in the Legal sector, a high proportion are connected with Middle Eastern jurisdictions (45.1%). Source 7 of Appendix D2 utilises the Transparency International Corruption Perception Index and provides a list of jurisdictions which may present a higher risk of corruption. Consideration of PEP data against this source highlighted only minimal connections to PEPs from these jurisdictions.

Customer risk

9.1. Customer type trends

Legend:
- Companies
- Individuals - Jersey resident
- Individuals - non-Jersey resident
- Other
- Trusts

	2020	2021	2022	2023	2024
Companies	31.5%	32.8%	33.3%	42.7%	41.9%
Individuals - Jersey resident	38.6%	48.4%	47.6%	36.6%	35.9%
Individuals - non-Jersey resident	16.9%	8.6%	8.3%	9.6%	9.0%
Trusts	9.6%	6.8%	7.4%	7.9%	8.9%
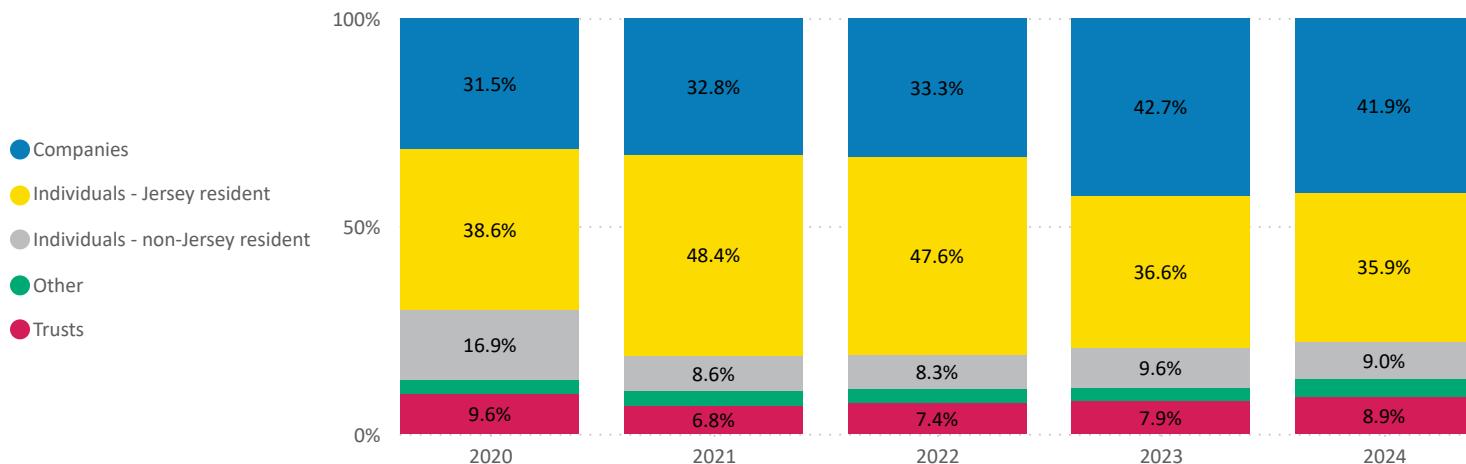
8.2. Percentage of customers rated as higher risk and percentage of customers to which enhanced customer due diligence (CDD) was applied (2024)

	Trusts	Other	Individuals - non-Jersey resident	Companies	All Customers	Individuals - Jersey resident
Higher risk customers %	16.0%	13.8%	11.3%	9.1%	7.9%	3.0%
Enhanced CDD %	24.1%	32.4%	49.8%	23.4%	21.1%	9.1%

Higher risk customers % ● Enhanced CDD %
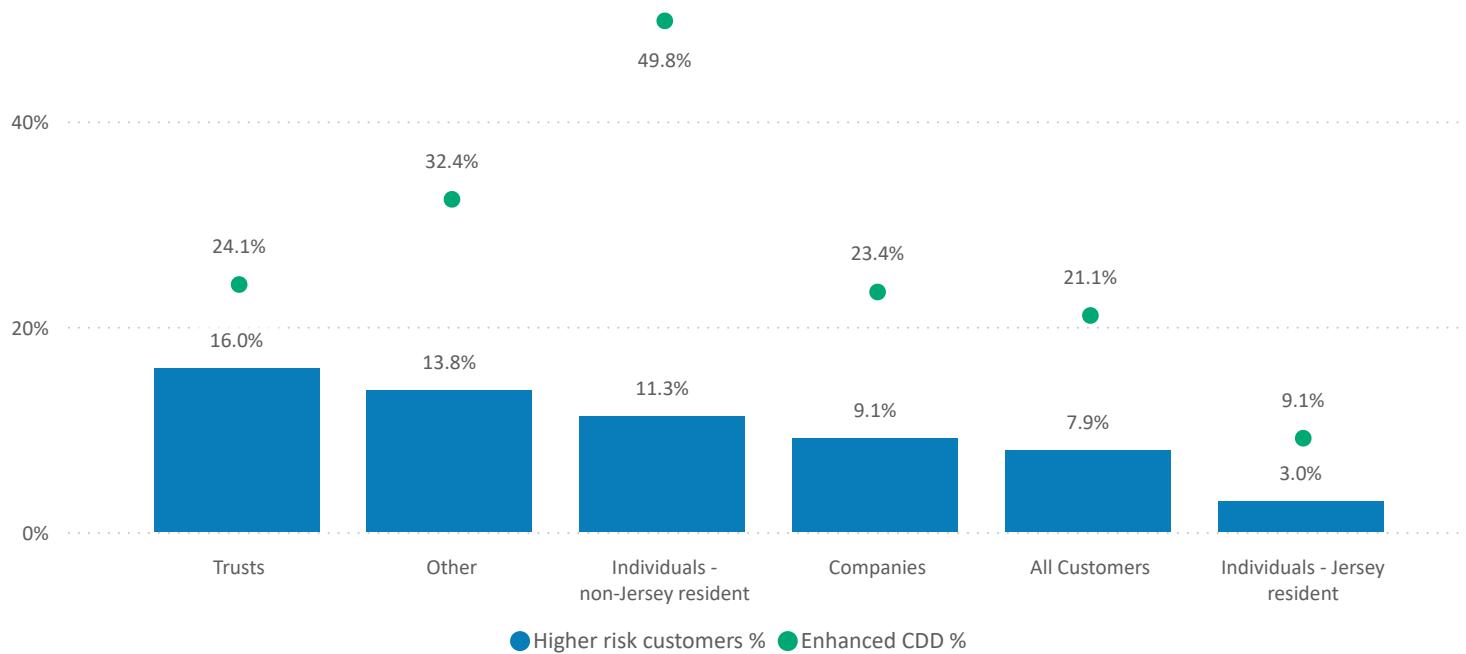
Data collected from law firms includes the risk ratings they apply to each customer and the number of customers for which enhanced CDD was applied.

In 2024, 7.9% of a law firm's customers are rated as higher risk, a reduction from 9.9% in 2023. Individuals - Jersey resident remain the type of customer considered to be lowest risk with 3% of these customer relationships rated as higher risk as against 16.0% of trusts.

Enhanced CDD was applied to 21% of all law firms customers in 2024, which is considerably above than the 7.9% rated as higher risk. When considered by customer type, the data demonstrates a correlation between the risk ratings and the application of enhanced CDD with the exception being individuals - non-Jersey resident where the application of enhanced CDD is more likely.

Services provided

10.1. Matters opened (2024)

	Total Customers or Beneficial Owners
Matters Relating to the creation or management of trusts, companies or similar structures	5,998
Matters Relating to the buying or selling of immovable property or business entities	4,590
Matters Relating to the organization of contributions necessary for the creation or management of companies	2,393
Matters Relating to management of client assets	1,703
Matters Relating to the buying or selling of shares relating to share transfer property	425
Matters Relating to opening/management of bank, savings or securities accounts	174

10.2. Matters opened 2019 - 2024
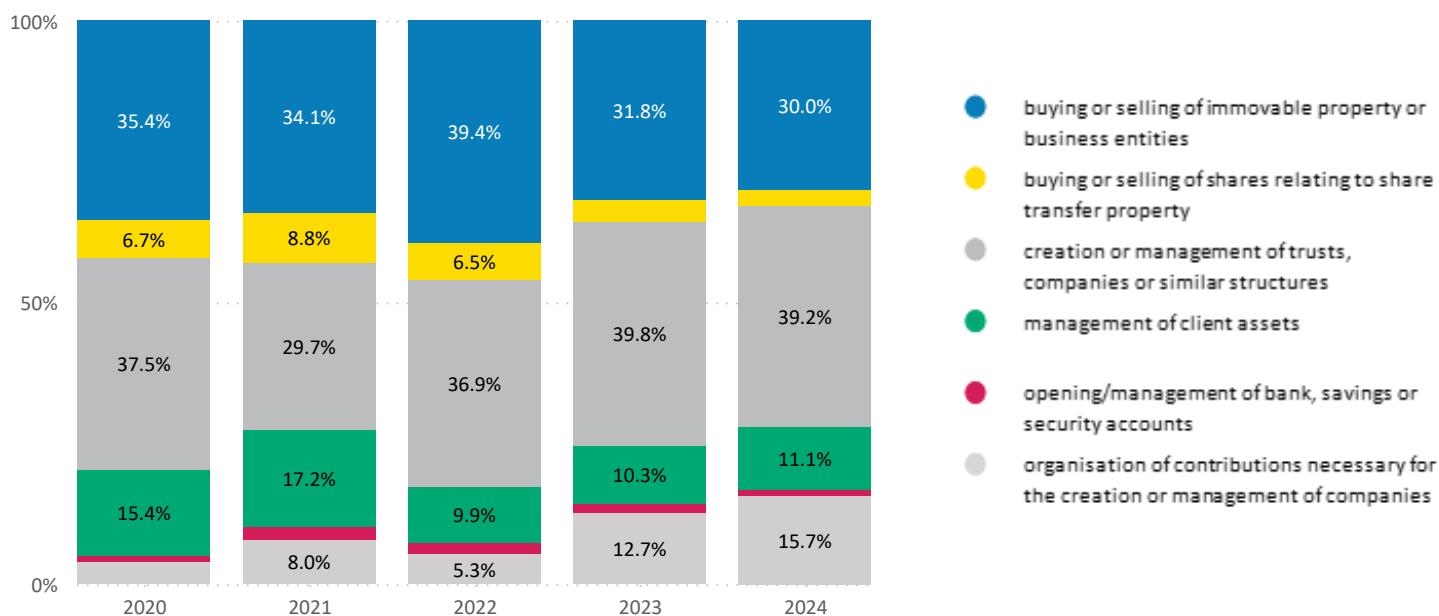
We collect data relating to the regulated activities undertaken by the law firms, as some activities can span more than one year the data reported refers to the "matters" (transaction) started in any given year. Unlike in some other jurisdictions the law firms are not allowed to provide trust and company services unless they are also registered for trust company business.

The two most commonly reported activities continue to be legal or notarial services to third parties regarding the (i) creation, operation or management of trusts, companies or similar structures, and (ii) buying and selling of immovable property or business entities. 2024 data shows an overall increase in matters started particularly in relation to the organisation of contributions necessary for the creation or management of companies.

Legal sector employees

11.1. Employee trend

Year	Employees - Jersey	Employees - non-Jersey
2020	1,209	20
2021	1,171	12
2022	1,220	22
2023	1,309	45
2024	1,340	55

11.2. Jersey and non-Jersey employees

Bar chart showing: 2020: 1,229; 2021: 1,183; 2022: 1,242; 2023: 1,354; 2024: 1,395

● Employees - Jersey ● Employees - non-Jersey
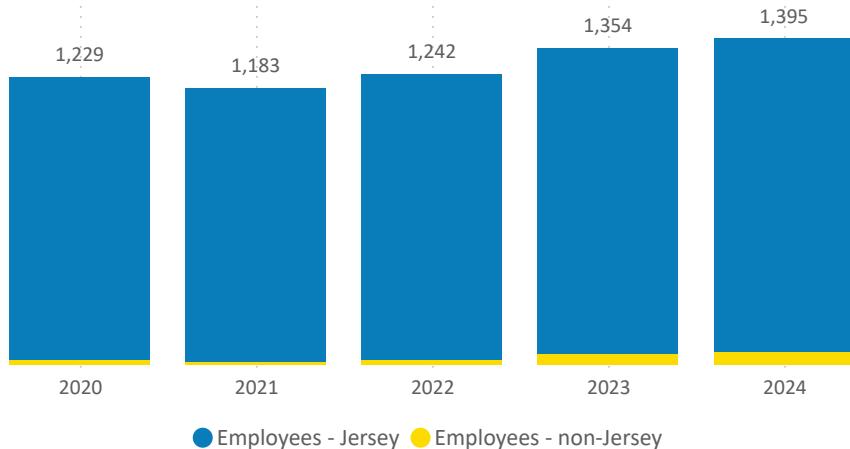
11.3. Compliance and risk employee trends

Year	Compliance and Risk Employees, Jersey	Compliance and Risk Employees, Non-Jersey	Compliance and Risk Vacancies
2020	69	11	5
2021	66	12	4
2022	76	7	7
2023	79	10	6
2024	106	4	3

11.4. Compliance and risk employees as a % of all employees

Line chart showing: 2020: 6.5%; 2021: 6.6%; 2022: 6.7%; 2023: 6.6%; 2024: 7.9%
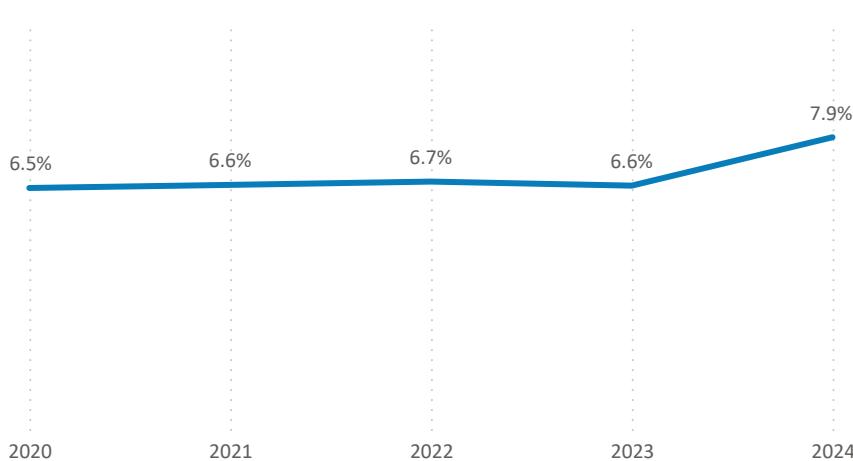
Data collected from the law firms demonstrates that at the end of 2024 there were approximately 1,400 employees working in the sector. The proportion of employees working predominately outside of Jersey remains low throughout the period analysed with 4% of employees based outside of Jersey in 2024, a small increase on 2023 (3%).

In 2024, 7.9% of employees are reported as working in a compliance or risk role – an increase from 6.5% in 2020 and the reported vacancy level in compliance and risk dropped to just 3 vacancies, a trend which is consistent with other sectors.

Reliance on obliged persons (Article 16 of the M O) and MLO exemptions (Article 17 and Article

12.1. Number of customers where reliance has been placed on obliged persons

Year	Number of Customers
2020	2,013
2021	1,035
2022	681
2023	507
2024	339
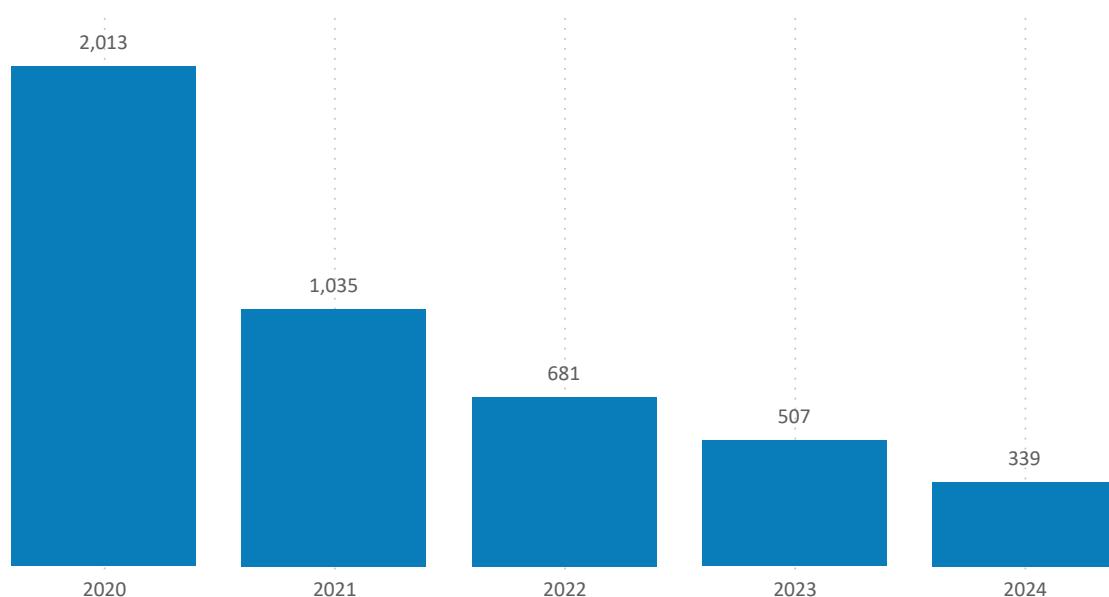
12.2. Number of customers where article 17 or article 18 has been appli

	2020	2021	2022	2023	2024
Article 17	138	96	101	141	155
Article 18	4,160	3,042	2,953	2,618	3,081

The one-off transactional nature of some legal services means the trended data regarding the use of exemptions and reliance is slightly volatile.

Reliance (Article 16 of the M O): Use of reliance by law firms is not widespread and has decreased significantly across the period 2020 – 2024 to a position where reliance is reported as being used for 2.2% of the reported customer relationships in 2024.

Exemption f om applying 3rd party identifi ation equirements (Article 17B-D of the M O): Since 2021 there has been a general increase in the use of this exemption however its use remains limited (1% of reported customer relationships in 2024)

Specific CDD exemptions egarding identifi ation measu es (Article 18 of the M O): there are five specific circumstances where the exemption can be utilised, of which the most widely used are where the relationship is with either a person that is regulated by us or carries on equivalent business in another jurisdiction or public authority or the company is listed on an IOSCO-compliant market or regulated market.

Key risk indicators

The data summarised below demonstrates key risk indicators which can inform our view of risk across the legal sector. This includes inherent risk factors such as customers from higher risk jurisdictions and PEP connections as well as the application of enhanced CDD, and reliance on obliged persons. For the Legal sector, this analysis has been split between larger firms with 50 or more employees and smaller firms with fewer than 50 employees. Details of how these key risk indicators have been calculated are included in the glossary section to allow entities to benchmark their own data against sector averages.

Key
— Law Firms with Fewer than 50 Employees
— Law Firms with Greater than 50 Employees

13.1 All law firms

Year	Customers from Higher Risk Jurisdictions (D2)	Customers from Higher Risk Jurisdictions (GoJ TF)	Higher Risk Customers %
2020	2.0%	0.5%	4.9%
2021	1.9%	0.5%	9.5%
2022	2.1%	0.3%	7.5%
2023	2.2%	0.5%	9.9%
2024	1.8%	0.5%	7.9%

13.2 Law firms with 50 or more employees

Year	Customers from Higher Risk Jurisdictions (D2)	Customers from Higher Risk Jurisdictions (GoJ TF)	Higher Risk Customers %
2020	3.0%	0.7%	5.8%
2021	2.4%	0.7%	15.8%
2022	2.6%	0.4%	12.6%
2023	2.1%	0.5%	15.4%
2024	2.2%	0.5%	11.9%

13.3 Law firms with fewer than 50 employees

| Year	Customers from Higher Risk Jurisdictions (D2)	Customers from Higher Risk Jurisdictions (GoJ TF)	Higher Risk Customers %
2021	1.2%	0.2%	3.4%
2022	1.6%	0.3%	3.1%
2020	0.7%	0.2%	2.9%
2023	2.2%	0.4%	2.8%
2024	1.4%	0.4%	2.3%

Key risk indicators
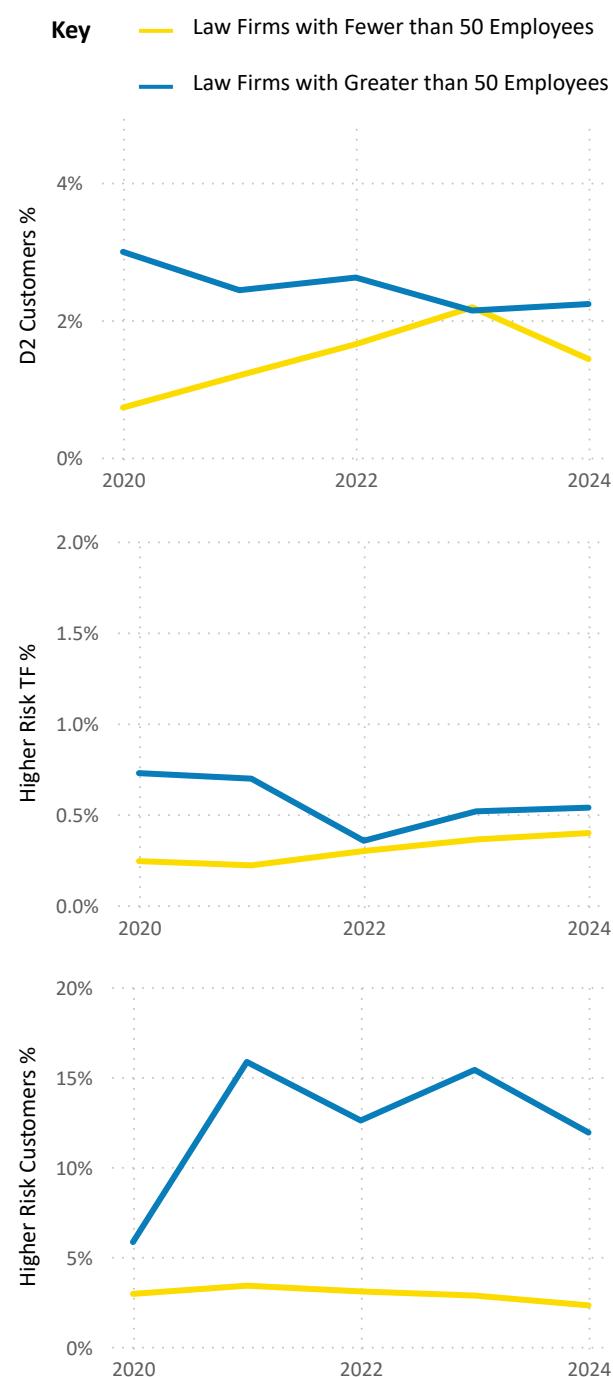
Key — Law Firms with Fewer than 50 Employees
— Law Firms with Greater than 50 Employees

14.1 All law firms

Year ▲	PEP %	Higher Risk PEPs %	Enhanced CDD %	Reliance %
2020	3.2%	0.4%	19%	10.7%
2021	3.4%	0.2%	18%	6.9%
2022	3.5%	0.3%	19%	4.1%
2023	4.1%	0.5%	28%	3.9%
2024	3.9%	0.3%	21%	2.2%

14.2 Law firms with 50 or more employees

Year	PEP %	Higher Risk PEPs %	Enhanced CDD %	Reliance %
2020	3.8%	0.6%	21%	13.1%
2021	5.2%	0.4%	18%	7.4%
2022	5.3%	0.5%	23%	5.2%
2023	5.8%	0.8%	34%	3.6%
2024	5.2%	0.4%	27%	2.0%
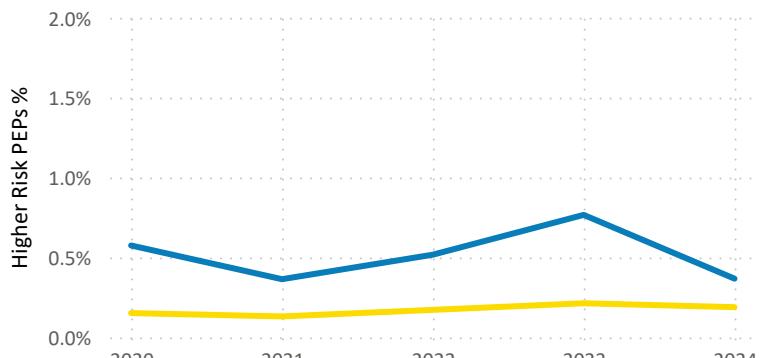
14.3 Law firms with fewer than 50 employees

Year	PEP %	Higher Risk PEPs %	Enhanced CDD %	Reliance %
2020	2.0%	0.2%	14%	5.5%
2021	1.6%	0.1%	18%	6.4%
2022	2.0%	0.2%	16%	3.2%
2023	1.9%	0.2%	19%	4.3%
2024	2.2%	0.2%	13%	2.6%
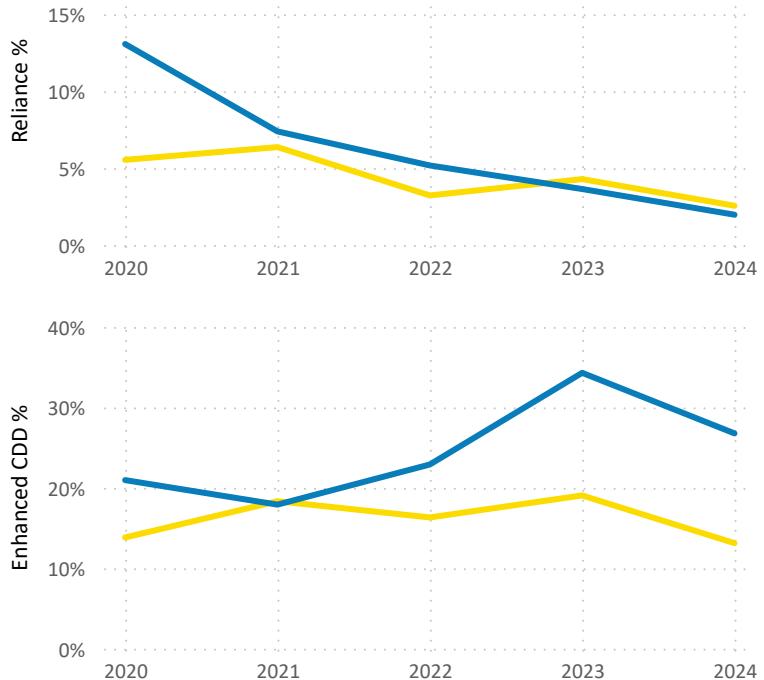
Appendix 1 - References

Supervisory risk data guidance

Section I (footprint) Data
https://www.jerseyfsc.org/media/8044/section-i-global-footprint-guidance-2024.pdf

Section II (Legal Sector) Data
https://www.jerseyfsc.org/media/8008/section-ii-lawyers-2024.pdf

Appendix D2

Appendix D2 – Countries and territories identified as presenting higher risks — Jersey Financial Services Commission (jerseyfsc.org)

Government of Jersey higher risk jurisdictions for terrorist financing

Guidance on countries with higher risk of facilitating terrorist financing (gov.je)

PEP data

The PEP data in this report is based on a combination of responses from the footprint data collection (section I) and the legal sector data (section II). Section I data captures the number of unique PEP connections reported by the jurisdiction that resulted in the persons PEP status i.e. not their country of residence. Section II data provides the number, and type, of customer relationships that involve one or more PEP. Whilst these values may differ, both data points are significant for assessing the level of PEP connections across the sector and the risks associated with these relationships.

Appendix 2 - Glossary

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Reference	Source	Calculation
4.1, 4.2	Legal Sector Data	Sum of question AC1, by jurisdiction. Top 10 jurisdictions by total volume.
5.1, 5.2	Legal Sector Data	Sum of question AC1, for jurisdictions listed on the FATF grey-list or on three or more sources in Appendix D2. Values are displayed as a % of the total across all jurisdictions.
6.1	Legal Sector Data	Sum of question AC1, for jurisdictions listed on the FATF grey-list or on three or more sources in Appendix D2. Values are displayed as a % of the total across all jurisdictions.
7.1	Legal Sector Data	Sum of question AC1, for jurisdictions listed in GoJ list. Values are displayed as a % of the total across all jurisdictions.
8.1	Legal Sector Data	Sum of questions AB4(i) - AB4(viii)
8.2	Legal Sector Data	AB4(i) - AB4(viii) as a % of AB1(i) - AB1(viii)
8.3	Section I (Footprint) Data	Sum of questions A23(a) and A23(b), jurisdictions grouped by region.
9.1	Legal Sector Data	Number of customers - sum of AB1(i) - AB1(viii)
9.2	Legal Sector Data	Enhanced CDD % - AB2(i) - AB2(viii) as a % of AB1(i) - AB1(viii)
9.2	Legal Sector Data	Higher risk % - AB3(i) - AB3(viii) as a % of AB1(i) - AB1(viii)

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Reference	Source	Calculation
10.1, 10.2	Legal Sector Data	Matters Opened - sum of AB14(a)(i) - AB14(f)(viii)
11.1, 11.2	Section I (Footprint) Data	Employees - Jersey - Footprint Data, A18(i).
11.1, 11.2	Section I (Footprint) Data	Employees - non-Jersey - Footprint Data, A18(ii).
11.3	Section I (Footprint) Data	Compliance Employees - Jersey - A19(i).
11.3	Section I (Footprint) Data	Compliance Employees - non-Jersey - A19(ii).
11.3	Section I (Footprint) Data	Compliance Vacancies - A20.
11.4	Section I (Footprint) Data	Compliance Employees as a % of all employees - (A19(i) + A19(ii)) as a % of (A18(i) + A18(ii))
12.1	Legal Sector Data	Customers where reliance has been placed on obliged persons - AD3.
12.2	Legal Sector Data	Article 17 - AD9(a) - AD9(g).
12.2	Legal Sector Data	Article 18 - AD10(b) - AD10(f)

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Reference	Source	Calculation
Customers from higher risk Jurisdictions (D2)	Legal Sector Data	Sum of AC1, for jurisdictions listed on the FATF grey-list or on three or more sources in Appendix D2, as a % of all jurisdictions.
Customers from higher risk Jurisdictions (GoJ TF)	Legal Sector Data	Sum of AC1, for jurisdictions listed as higher risk for terrorist financing on the GoJ list, as a % all jurisdictions.
Enhanced CDD %	Legal Sector Data	AB2(i) - AB2(viii) as a % of AB1(i) - AB1(viii)
Higher Risk Customer %	Legal Sector Data	AB3(i) - AB3(viii) as a % of AB1(i) - AB1(viii)
PEP %	Legal Sector Data	AB4(i) - AB4(viii) as a % of AB1(i) - AB1(viii)
Reliance %	Legal Sector Data	AD3 as a % of AB1(i) - AB1(viii)
Higher Risk PEP %	Section I (Footprint) Data and Legal Sector data	A23(a) + A23(b) for jurisdictions which are listed in source 7 of Appendix D2 divided by the sum of AB1