

# Public Statement

Garfield Bennett Trust Company Limited

Issued: 6 August 2025

## 1 Action

- 1.1 On 31 July 2025, the JFSC imposed a civil financial penalty of £86,803.19 on GBTCL under the Commission Law.
- 1.2 The JFSC determined it necessary and proportionate to impose a civil financial penalty having concluded that GBTCL, to a significant and material extent, negligently contravened requirements of Principles 2, 3 and 4 of the TCB Code and the AML/CFT Code in respect of five JPFs (collectively, the **Funds**) between October 2020 and March 2022 (the **relevant period**).
- 1.3 In its capacity as DSP to the Funds, GBTCL failed to effectively discharge its duties to ensure that financial crime risks were adequately understood, documented, monitored and mitigated. GBTCL also failed to implement appropriate and adequate controls so that it had the highest regard for the interests of all investors to mitigate the risk of financial loss. GBTCL's failures posed an unacceptable risk to the integrity, reputation and stability of Jersey's financial services industry.
- 1.4 The JFSC concluded that the root cause of GBTCL's contraventions was its lack of understanding of regulatory requirements in respect of JPFs and its resultant failure to implement bespoke and adequate JPF procedures.
- 1.5 GBTCL agreed to settle at an early stage of the process and therefore qualified for a 50% (Stage One) discount under the JFSC's Regulatory Settlements Policy<sup>1</sup>.
- 1.6 The JFSC issues this public statement under Article 25(ba) of the FS(J)L and Article 26(ba) of the Supervisory Bodies Law and does so to support its guiding principles:
  - 1.6.1 The reduction of the risk to the public of financial loss; and
  - 1.6.2 Countering financial crime.
- 1.7 Definitions used in this public statement can be found in the glossary.

## 2 Background

- 2.1 GBTCL and its participating members are regulated by the JFSC for the conduct of trust company and fund services business. GBTCL has four main service lines: trust and fiduciary, corporate, family office, and charity and philanthropy.
- 2.2 During the relevant period, GBTCL onboarded Funds A, B, C, D and E. With the exception of Fund E which was established as a JPF at incorporation, Funds A-D were incorporated as private, Jersey companies and then converted to JPFs in April 2021. GBTCL was appointed as DSP to the Funds.
- 2.3 The Funds encompassed some high risk factors such as the residency of investors in a high-risk jurisdiction and the fact that investments were to be made into the fintech/digital asset sector.

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<sup>1</sup> <https://www.jerseyfsc.org/industry/guidance-and-policy/regulatory-settlements/>

Fund A launched in 2021 and made a series of investments, however, the other Funds remained dormant.

- 2.4 Following concerns from the JFSC, GBTCL voluntarily appointed a regulatory consultant to assess its compliance with the Regulatory Framework in respect of Fund A and Fund B. A number of serious findings were identified and as a result, an Enforcement investigation was commenced.
- 2.5 The investigation focused on GBTCL's conduct as DSP to all Funds during the relevant period and the adequacy of corporate governance arrangements and financial crime controls. The investigation also incorporated the conclusions of the review conducted by the regulatory consultant in respect of Fund A and B.

### 3 Summary of findings

- 3.1 The Regulatory Framework requires, amongst other things, supervised persons to implement effective systems and controls, including policies and procedures, to prevent and detect financial crime. Supervised persons must also have the highest regard for the interests of their customers and act with due skill, care and diligence to fulfil the responsibilities that they have undertaken.
- 3.2 A DSP of a JPF plays a crucial role in ensuring the fund's compliance with regulatory requirements and maintaining its integrity. As set out in the JPF Guide, amongst other matters, a DSP is responsible for due diligence on the JPF and its promoter, ensuring that investors are professional or eligible, and that the JPF complies with AML/CFT/CPF requirements.
- 3.3 Throughout the relevant period, GBTCL failed to effectively discharge its duties as DSP to the Funds. It failed to apply adequate risk management systems, including appropriate policies and procedures, to mitigate financial crime risks and the risk of financial loss to investors, leading to significant and material contraventions of the Regulatory Framework.
- 3.4 GBTCL had no prior experience in administering JPFs and the fintech/digital asset sector. Notwithstanding the increased financial crime risks presented by the Funds and its lack of experience, GBTCL commenced providing services to the Funds without bespoke JPF policies and procedures in place. Instead, GBTCL utilised its trust company business policies and procedures until bespoke policies and procedures were implemented.
- 3.5 GBTCL later implemented JPF tailored policies and procedures, however, the procedures were materially inadequate as they did not:
  - 3.5.1 Explain what a JPF was, nor the laws governing the formation of a JPF;
  - 3.5.2 Cover the requirements set out in the JPF Guide;
  - 3.5.3 Explain what constituted a professional or eligible investor;
  - 3.5.4 Set out that retail investors were not permitted to invest in a JPF and investors must have a disposable income of over £1 million;
  - 3.5.5 Stipulate the maximum number of investors permitted to invest in the JPF; and
  - 3.5.6 Set out the roles and responsibilities of GBTCL as DSP.
- 3.6 GBTCL's failure to implement appropriate policies and procedures caused it to contravene requirements of the JPF Guide and Regulatory Framework in respect of the Funds. GBTCL's non-compliance in this regard went undetected for an extended period as it conducted minimal compliance monitoring activities.

- 3.7 At onboarding and throughout the relevant period, GBTCL failed to conduct and record adequate BRAs and customer risk assessments for the Funds, leaving it under informed of all relevant financial crime risks. GBTCL's BRA and customer risk assessment failed to consider a change in investment direction for Fund A to invest in cryptocurrency until after investments had been made for an extended period. Further, there was no re-assessment of risk following trigger events such as the conversion of Funds A-D to JPFs.
- 3.8 Significant conflicts of interest were present with the Funds from the commencement of the relationship which were either not recorded in a timely manner or considered at all. Conflicts were not effectively managed by GBTCL nor were the financial crime risks arising from the conflicts properly considered or understood.
- 3.9 A retrocession fee arrangement existed for the Funds in that a GBTCL employee would receive a proportion of any fees generated. A percentage of the employee's fee would then be passed to a significant investor in Fund A who was also an introducer of other investors. GBTCL failed to recognise the unusual fee arrangement and whether the flow of funds presented a potential financial crime risk.
- 3.10 There was a significant delay in the conflict being recorded and in the intervening period, the GBTCL employee attended meetings to onboard investors for Fund A. Minutes of meetings failed to record any conflicts, and both minutes of meetings and GBTCL's conflict form failed to fully explain how risks posed by the conflict would be managed on a day-to-day basis or what monitoring/oversight would be undertaken. As a result, GBTCL was unable to ensure it had appropriate controls in place to ensure it had the highest regard for the interests of all underlying investors and mitigate the risk of financial loss.
- 3.11 As DSP to the Funds, GBTCL was required at the outset to ensure that investors met the professional investor or eligible investor definition as set out in the JPF Guide. However, due to a lack of JPF tailored policies and procedures, GBTCL failed to obtain sufficient information to determine whether investors qualified as a professional/eligible investor, meaning a number of investors that would not meet the criteria were recommended for onboarding to Fund A.
- 3.12 The eligibility of investors and adequacy of EDD (including source of wealth/source of funds) was raised by GBTCL's Compliance Function with the GBTCL Board. Despite such concerns being raised, GBTCL proceeded to onboard certain of the investors which met the eligibility criteria. GBTCL failed, however, to conduct further EDD measures for the investors as required. As a result, GBTCL did not understand the ownership and control structure for one corporate investor and for other investors, it failed to obtain source of wealth information or adequate supporting information to evidence source of wealth, leaving it underinformed of all relevant financial crime risks.
- 3.13 Upon the conversion of Funds A-D to JPFs from private companies in April 2021, GBTCL failed to immediately appoint itself as DSP as required. It also failed to appoint an MLRO and MLCO as required by the MLO. A MLCO and MLRO was appointed in August 2021, however, by that time, a series of investments totalling \$675,000 had already been made for Fund A.
- 3.14 During this period, GBTCL also failed to undertake transaction monitoring and to reconcile Fund A's bank account from July 2021 onwards. GBTCL's failure to appoint a MLCO and MLRO and conduct transaction monitoring created a significant risk that transactions for Fund A that presented increased financial crime risks were not detected and understood and, where appropriate, reported in a timely manner.

- 3.15 GBTCL also failed to undertake effective periodic and trigger event reviews. Various CDD, screening and administration issues were raised by GBTCL's Compliance Function, however, the issues remained unresolved following periodic reviews. Further, following a change of beneficial ownership of Fund A, GBTCL failed to document the rationale for the change in ownership and consider the conflict of interest arising from the change.
- 3.16 GBTCL's record keeping for the Funds was poor. Investor onboarding forms were handwritten, barely legible and, in most cases, there was no supporting documents to evidence source of funds and source of wealth information. In addition, there was a lack of appropriate and adequate records for the effective management and documentation of conflicts of interest and evidence of screening results. GBTCL's terms of business with Fund A were also silent on the levels of services to be provided by GBTCL as DSP.

## 4 Conclusion

- 4.1 The JFSC has determined that GBTCL contravened certain requirements of Principles 2, 3 and 4 of the TCB Code and the AML/CFT Code in respect of the Funds, and such contraventions were committed negligently by GBTCL.
- 4.2 Notwithstanding that the JFSC investigation did not identify customer or investor loss, GBTCL's contraventions are considered to be significant and material because its deficient controls and corporate governance arrangements for the Funds left it exposed to increased financial crime risks and exposed investors to a significant risk of financial loss over an extended period of time.
- 4.3 JPFs can be inherently at high risk of being used to launder the proceeds of crime. It is therefore vital that DSPs fully understand their obligations and implement effective systems and controls to mitigate financial crime risk. Supervised persons, including DSPs, must ensure they implement robust controls so that they have the highest regard for the interests of their customers. Failures in doing so is of serious concern to the JFSC and can undermine the integrity and stability of Jersey's financial services industry.

## 5 Aggravating factors

- 5.1 GBTCL undertook limited ongoing monitoring, including compliance monitoring, and therefore failed to identify the abovementioned contraventions. GBTCL was only aware of the contraventions from the regulatory consultant's review and the Enforcement investigation.
- 5.2 Despite having no prior experience with JPFs or the fintech/digital asset sector, GBTCL provided services to the Funds without tailored systems and controls, including policies and procedures.
- 5.3 Despite concerns being raised by its Compliance Function, GBTCL onboarded investors for Fund A without the requisite EDD, resulting in contraventions of the Regulatory Framework.
- 5.4 The JFSC has published guidance on the steps supervised persons can take to reduce their financial crime risks, including the AML/CFT/CPF Handbook, guidance notes, examination feedback papers and public statements. Despite having access to this documentation, GBTCL failed to comply with elements AML/CFT Code, increasing its exposure to financial crime risk.

## 6 Mitigating factors

- 6.1 Upon becoming aware of the issues from the regulatory consultant's review, GBTCL terminated its relationship with the Funds, reducing the ongoing financial crime risks to GBTCL and Jersey.
- 6.2 GBTCL cooperated fully during the Enforcement investigation.
- 6.3 GBTCL voluntarily agreed to refrain from providing services to JPFs until such time its policies and procedures had been reviewed and redrafted.

- 6.4 GBTCL has strengthened its governance framework by appointing a new member to the GBTCL Board.

## 7 Sanction

- 7.1 On 31 July 2025, the JFSC imposed a civil financial penalty of £86,803.19 on GBTCL under the Commission Law.
- 7.2 GBTCL agreed to settle at an early stage of the process and therefore qualified for a 50% (Stage One) discount under the JFSC's Regulatory Settlements Policy<sup>2</sup>.

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## 8 Glossary

<b>AML/CFT/CPF</b>	Anti-money laundering/countering the financing of terrorism/countering of proliferation financing
<b>AML/CFT/CPF Handbook</b>	Handbook for the prevention and detection of money laundering, the countering of terrorist financing, and the countering of proliferation financing
<b>AML/CFT Code</b>	AML/CFT codes of practice effective between October 2020 and March 2022.
<b>BRA</b>	Business risk assessment
<b>CDD</b>	Customer due diligence
<b>Commission Law</b>	Financial Services Commission (Jersey) Law 1998
<b>DSP</b>	Designated Service Provider
<b>EDD</b>	Enhanced due diligence
<b>Financial crime</b>	Financial crime includes money laundering, terrorist financing, and proliferation financing
<b>FS(J)L</b>	Financial Services (Jersey) Law 1998
<b>GBTCL</b>	Garfield Bennett Trust Company Limited
<b>JFSC</b>	Jersey Financial Services Commission
<b>JPF</b>	Jersey Private Fund
<b>JPF Guide</b>	Jersey Private Fund Guide issued 11 April 2017
<b>MLCO</b>	Monday laundering compliance officer
<b>MLO</b>	Money Laundering (Jersey) Order 2008
<b>MLRO</b>	Money laundering reporting officer
<b>Regulatory Framework</b>	Collectively, FS(J)L, Code of Practice for Trust Company Business, Proceeds of Crime (Jersey) Law 1999, Money Laundering (Jersey) Order 2008, Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008, and AML/CFT Code
<b>Supervised person</b>	Defined in Article 1 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 and covers all those persons that are required to comply with the MLO (referred to in the MLO as “relevant persons”).
<b>Supervisory Bodies Law</b>	Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008
<b>TCB Code</b>	Trust company business codes of practice effective between October 2020 and March 2022.