



Jersey Financial  
Services Commission

# Consultation on phase 1 updates to our bank licensing policy

**No. 2 2026**

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# 1 Executive summary

## 1.1 Overview

- 1.1.1 We are asking you for your feedback on proposed updates to our Bank Licensing Policy (**BLP**). The policy explains how we determine whether to approve an application to become a registered person under the Banking Business (Jersey) Law 1991 (**BBJL**).
- 1.1.2 The policy also informs how we supervise banks on an ongoing basis, including when assessing proposed takeovers.
- 1.1.3 In this consultation, we set out phase 1 changes to bring the policy up to date. Phase 2 will look at whether future changes are needed to strengthen Jersey's appeal to potential new banks. This could include more tailored approaches for lower-risk types of banks.
- 1.1.4 Phase 2 might also consider matters outside the policy, including legislative changes. For example, current legislation only provides for a single class of bank, which results in a one-size-fits-all approach to regulations and fees.

## 1.2 What is proposed and why?

- 1.2.1 Jersey welcomes new and existing banks seeking to operate here. This includes:
  - › internationally active banks
  - › firms operating in Jersey already that wish to apply for a banking licence
  - › those who wish to set up a new bank based here
- 1.2.2 We assess each applicant's business model to ensure alignment with our jurisdiction's business profile and risk appetite.
- 1.2.3 We wish to maintain our reputation as a well-regulated jurisdiction that meets international standards of supervision and expect applicants to show commitment to these.
- 1.2.4 We propose to:
  - 1.2.4.1 remove the top 1,000 (by Tier 1 capital) restriction for applicants that are or will be part of banking groups (we largely retain other elements, including the need for such applicants to be internationally active)
  - 1.2.4.2 add a section on Jersey start-ups, setting out how we would expect them to evidence that risks to depositors are materially addressed
  - 1.2.4.3 remove two specific aspects of our BLP that are not being used – managed banks and business continuity registrations
  - 1.2.4.4 remove material on banking regulation and on the application process (more effectively provided on our website)
  - 1.2.4.5 update the language and remove duplication and restatements of regulatory requirements, including material addressed in our Code of Practice for Deposit-taking Business (**Banking Code**), instead referring applicants to the relevant regulations
- 1.2.5 A draft of the proposed BLP is provided as [Appendix A](#).

- 1.2.6 We also seek feedback on two areas outside of the BLP – letters of comfort and the senior officer position – which impact the application process.

### 1.3 Who would be affected?

- 1.3.1 The proposals in this consultation may directly affect those registered under the Banking Law and potential applicants by removing barriers to licensing. They may also increase the provision of banking services in Jersey.

### 1.4 Invitation to comment

- 1.4.1 We welcome views from stakeholders on the proposals, including
- › the removal of the top 1,000 restriction
  - › the proposed approach for start-up banks in Jersey
  - › the removal of the managed bank and business continuity material
  - › the letter of comfort and senior officer requirements
- 1.4.2 [Submit your response through our online form](#) by **5:00pm** on **Friday 12 June 2026**.

## 2 Consultation

### 2.1 Basis for consultation

- 2.1.1 The JFSC is a statutory body corporate established under the Financial Services Commission (Jersey) Law 1998 (**the Commission Law**). It is responsible for the supervision and development of financial services provided in or from within Jersey.
- 2.1.2 We have issued this consultation paper in accordance with Article 8(3) of the Commission Law, as amended, under which the JFSC “may, in connection with the carrying out of its functions ...consult and seek the advice of such persons or bodies whether inside or outside Jersey as it considers appropriate”.

### 2.2 Have your say

- 2.2.1 We invite feedback on this consultation paper by **5:00pm on Friday 12 June 2026**.
- 2.2.2 A response form has been published alongside this consultation. For each question, use the free text box to provide comments and, where relevant, categorise your support level by marking the relevant option:
  - › support
  - › support with concerns
  - › do not support

[Submit your response to this consultation through our form.](#)
- 2.2.3 Respondents are requested to use this form when providing feedback, either directly or via Jersey Finance Limited (**JFL**).
- 2.2.4 All responses received will be considered.
- 2.2.5 Where a response is submitted by an industry body or trade association, that body or association should also provide a summary of the types of individuals or institutions that it represents.
- 2.2.6 If you have any questions on the proposals in this consultation, email [policy@jerseyfsc.org](mailto:policy@jerseyfsc.org).
- 2.2.7 All responses will be considered non-confidential (unless specifically requested otherwise by the respondent).
- 2.2.8 Alternatively, **JFL** is coordinating an industry response that will incorporate any matters raised with them. Comments should be submitted to JFL using the following contact details:
  - › contact: Rupert Hague-Holmes
  - › email: [rupert.hague-holmes@jerseyfinance.com](mailto:rupert.hague-holmes@jerseyfinance.com)
  - › telephone: [+44 \(0\) 1534 836028](tel:+44(0)1534836028)
- 2.2.1 It is the policy of JFL (unless otherwise requested or agreed) to collate all responses and share them with us on an anonymised basis, with reference made only to the type of respondent, for example individual, law firm, trust company. This collated, anonymised response will, typically, be placed in JFL’s permanent electronic archive which is currently open to all JFL members.

### 2.3 What next?

- 2.3.1 We plan to publish feedback on this consultation and a revised BLP by the end of August 2026.

## 3 Proposals

### 3.1 The removal of the top 1,000 restriction

- 3.1.1 We will remain open to applicants that are internationally active banks and propose removing the requirement for applicant banking groups to fall within the 'top 1,000' globally, by Tier 1 capital.
- 3.1.2 Applicants should still demonstrate international activity, financial strength and a good supervisory track record.
- 3.1.3 We may also consider applicants that substantially meet these requirements, provided risks to depositors are clearly mitigated.

#### Question 1

Do you support the removal of the top 1,000 restriction?

#### Question 2.

Do you have any comments about the proposal to otherwise substantially retain the current regime?

### 3.2 The proposed approach for start-up banks in Jersey

- 3.2.1 We also welcome applicants operating in Jersey already who wish to apply for a banking licence and those who wish to set up a bank based here.
- 3.2.2 The application process will depend on the risks in the applicant's business model and on whether the applicant's people and processes can manage those risks effectively.
- 3.2.3 For example, when agreeing to accept an application we would consider:
  - › the experience of the board and management of applying to set up and run a start-up bank
  - › the proposed business model and its alignment to Jersey's risk profile
  - › the potential financial risks to Jersey in the event of a failure, which would be identified and assessed through stress testing of the applicant's business plan
- 3.2.4 Existing businesses that are considering evolving into banks would also be considered based on their regulatory history and business plans.
- 3.2.5 Some start-ups may need in principle licences to support capital raising and a mobilisation phase to support activation of the bank. These arrangements would be time bound, with activities restricted to limit risks.
- 3.2.6 Before restrictions are lifted, we would need evidence that risks to depositors are mitigated and that the bank is compliant with prudential and anti-money laundering, countering the financing of terrorism and countering proliferation financing (AML/CFT/CPF) requirements.

### Question 3

Do you support the proposals regarding the registration of Jersey start-up banks?

## 3.3 The removal of the managed bank and business continuity material

- 3.3.1 Jersey does not currently have any managed banks or banks registered solely for business-continuity purposes, and such banks are not common elsewhere.
- 3.3.2 We therefore propose removing the associated material from the BLP.

### Question 4

Do you have any comments about removing material on managed banks or on business continuity applications? If so, what do you suggest retaining, and does this need to be in the BLP?

## 3.4 The letter of comfort and senior officer requirements

- 3.4.1 The letter of comfort requirements are set out in the Banking Code and impact Jersey incorporated banks (**JIBs**). While not part of the BLP, they are provided initially as part of the registration process.
- 3.4.2 Since the last BLP revision, we have introduced requirements relating to recovery planning for JIBs, as part of our Pillar 2 process. JIBs must now demonstrate how they can address solvency events through support from the group and actions the bank can take.
- 3.4.3 For start-ups, this enables assessment of the ability to recover without reliance on group support.
- 3.4.4 Separately, the Jersey Resolution Authority's (**JRA**) work on resolution planning further removes the need for letters of comfort.
- 3.4.5 We therefore propose to remove the letter of comfort requirement and instead assess support through consideration of recovery plans.

### Question 5

Do you support the proposal to remove the letter of comfort requirement for JIBs, given the development of recovery and resolution planning in Jersey?

- 3.4.6 The requirement to appoint an off-island senior officer approved by us is a condition of registration (under Article 11 of the BBJL) that applies to all branches (under Article 11(2) of the Banking Business (General Provisions) (Jersey) Order 2002). Although not part of the BLP, our approval process is part of the bank application process.
- 3.4.7 Our work on AML/CFT/CPF established that senior officers form part of a bank's senior management.
- 3.4.8 We seek views on whether the way we implement this requirement impacts business development or governance arrangements within firms. We welcome feedback on whether clarifying expectations would support role holders or businesses subject to this requirement.

**Question 6**

Please provide your comments on the impact of the requirement to appoint a senior off-island officer and whether clarifications to the role would support business development or governance standards.

**3.5 Removal of material on Jersey regulations and the application process**

- 3.5.1 We propose removing material about Jersey's regulatory framework and the application process from the BLP.
- 3.5.2 This information is now more effectively provided on our website, where it can be updated as needed.

**Question 7**

Do you have any comments about the removal of material on Jersey regulations or on the application process from the BLP?

**3.6 General comments and phase 2****Question 8**

Do you have any other comments on the proposals, including on the text provided in Appendix A?

## 4 Summary of questions

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7	<p><b>Question 1</b></p> <p>Do you support the removal of the top 1,000 restriction?</p>
7	<p><b>Question 2</b></p> <p>Do you have any comments about the proposal to otherwise substantially retain the current regime?</p>
8	<p><b>Question 3</b></p> <p>Do you support the proposals regarding the registration of Jersey start-up banks?</p>
8	<p><b>Question 4</b></p> <p>Do you have any comments about removing material on managed banks or on business continuity applications? If so, what do you suggest retaining, and does this need to be in the BLP?</p>
8	<p><b>Question 5</b></p> <p>Do you support the proposal to remove the letter of comfort requirement for JIBs, given the development of recovery and resolution planning in Jersey?</p>
9	<p><b>Question 6</b></p> <p>Please provide your comments on the impact of the requirement to appoint a senior off-island officer and whether clarifications to the role would support business development or governance standards.</p>
9	<p><b>Question 7</b></p> <p>Do you have any comments about the removal of material on Jersey regulations or on the application process from the BLP?</p>
9	<p><b>Question 8</b></p> <p>Do you have any other comments on the proposals, including on the text provided in Appendix</p>

**Appendix A: proposed revised BLP**

[See our proposed revised BLP.](#)

## Glossary

Defined terms are indicated throughout this document as follows:

Banking Code	Code of Practice for Deposit-taking Business
BBJL	Banking Business (Jersey) Law 1991
BLP	Bank Licensing Policy
Commission Law	Financial Services Commission (Jersey) Law 1998
JFSC	Jersey Financial Services Commission
registered person	a person who is registered, or holds a permit or certificate, as applicable, under one or more of the regulatory laws