



Jersey Financial
Services Commission

Examination feedback – suspicious activity reporting

2025 thematic examination programme

Issued: May 2026

Executive summary

This thematic examination programme assessed how well supervised persons were complying with their legal and regulatory obligations under the Money Laundering (Jersey) Order 2008 and the code of practice in the AML/CFT/CPF handbook for suspicious activity reporting.

We carried out the examination following a Recommended Action in Jersey's 2024 MONEYVAL Mutual Evaluation Report, which highlighted the need to improve how supervised persons identify and report suspicious activity to the Financial Intelligence Unit, Jersey (**FIU**).

Key findings

Overall, the firms examined showed a good level of compliance, with four out of nine receiving no findings. Where deficiencies were found, the findings related to:

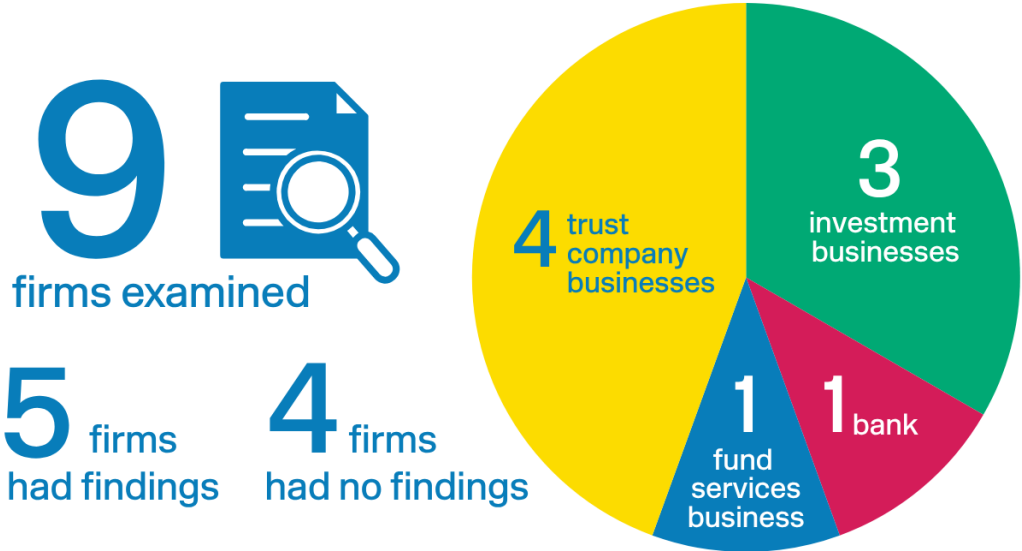
- › board oversight of timeliness of reporting by the money laundering reporting officer (**MLRO**)
- › policies and procedures not updated to reflect current requirements (most common)
- › suspicious activity reports (**SAR**) register and records (most common)
- › role and independence of the MLRO (most common)
- › ongoing training of the MLRO
- › compliance monitoring of SAR related systems and controls

All examined firms received feedback, and those where findings were identified were required to submit a formal remediation plan to their supervisor, setting out the actions required and timescales for completion.

The thematic examination at-a-glance

All firms were assessed on whether they had:

- › clear and accessible processes for employees to identify and report suspicious activity
- › effective measures to mitigate tipping-off risk
- › an MLRO or deputy MLRO (**DMLRO**) with adequate independence, authority and resourcing
- › well-documented SARs decision-making consistent with systems and controls



11 findings (in scope)

2 out of scope findings

Findings unrelated to suspicious activity reporting, identified through the provided information and document review

6 observations

Feedback provided on control enhancements to reduce risk, but where there was no failure to comply with an obligation

Of the five firms with findings



2 were trust company businesses, 1 was an investment business, 1 was a bank and 1 was a fund services business

Reporting requirements where money laundering or terrorist financing is suspected

Article 34D of the Proceeds of Crime (Jersey) Law 1999 and Article 21 of the Terrorism (Jersey) Law 2002 make failing to report knowledge or suspicion of money laundering (**ML**) and terrorist financing (**TF**) a criminal offence.

Article 21 of the Money Laundering (Jersey) Order 2008 sets out the operational requirements for firms that are supervised by us relating to internal reporting of suspicions. This includes the requirement to have clear processes in place to escalate suspicion to the MLRO and onward to the FIU.

Section 8¹ of the AML/CFT/CPF handbook sets out the statutory duties placed on firms and their employees to identify, escalate, and report knowledge or suspicion of ML, TF or proliferation financing (**PF**). This includes:

- › the requirement to maintain effective internal reporting arrangements
- › the obligations of employees to raise iSARs through established channels
- › ensuring that all suspicions are assessed and where appropriate, disclosed to the FIU in a timely and compliant manner²

The obligations include those outlined in the table below:

Supervised persons obligations	Employee obligations
Adequate systems and controls to identify, manage and report knowledge or suspicion of ML/TF/PF.	Must recognise and escalate knowledge or suspicion of ML/TF/PF without delay.
Clear internal reporting procedures enabling employees to escalate suspicions promptly and in good faith.	Raise an iSAR as soon as practicable when they know or suspect ML/TF/PF.
Ensure that the MLRO has timely access to information to assess iSARs and submit eSARs promptly.	Provide any additional information requested by the MLRO or DMLRO.
Maintain procedures, making employees aware of tipping off offence.	Understand the risks associated with the offence of tipping off.
Ensure that reporting channels are well understood through adequate support and training.	Understand the firm’s internal procedures to meet reporting obligations.

¹ This content appears as Section 8 in the current AML/CFT/CPF Handbook. From 31 May 2026, when the new AML/CFT/CPF Handbook takes effect, it will be renumbered as Section 9.

² Sanctions compliance reporting obligations under the Sanctions and Asset-Freezing Law were not within the scope of this thematic examination.



Findings and good practice

This section sets out our findings in more detail, along with examples of good practice.

Our examinations showed that firms demonstrated a good understanding of the statutory obligations and regulatory requirements in relation to suspicious activity reporting. However, the table below highlights areas that required improvement.

All examined firms received feedback. Where we identified findings, firms were required to submit a formal remediation plan to their supervisor, setting out the actions required and timescales for completion.

Area	Finding	Good practice
Board oversight	Failure by the board to demonstrate adequate oversight of the timeliness of the MLRO’s decision whether to file an eSAR with the FIU.	Board minutes document the discussion, scrutiny and challenge of the MLRO reports to ensure: <ul style="list-style-type: none"> › the MLRO reports provide sufficient detail to give the board a clear and accurate understanding of how the supervised person and its employees are meeting their reporting obligations in a timely manner › there is a proactive and effective feedback loop between the MLRO and the board, ensuring the reports contain the information needed to support robust oversight
Policies and procedures	Failure to update policies and procedures to align with current regulatory requirements for suspicious activity reporting. Policies and procedures were deficient in one or more of the following ways: <ul style="list-style-type: none"> › failure to cover the requirements for the MLRO to inform the FIU in circumstances where additional information is received relevant to the SAR › failure to address the requirement for a disciplinary process for employees who fail to submit an iSAR 	Reporting policies and procedures are: <ul style="list-style-type: none"> › clear, current and easily accessible, and employees know where to find them, along with all relevant forms and templates › regularly reviewed and updated to ensure they remain aligned with regulatory expectations and accurately reflect operational practice › supplemented with relevant and up to date templates to ensure all key data points are recorded › embedded across the supervised persons, providing consistent compliance and reliable oversight

	<ul style="list-style-type: none"> › failure to provide employees clarity on where and how to locate the iSAR form › failure to require the MLRO to acknowledge an iSAR, as soon as practicable 	
SAR register and records	<p>SAR registers were incomplete. Missing information included:</p> <ul style="list-style-type: none"> › the date the information or matter giving rise to knowledge or suspicion came to the employee’s attention › the name and capacity of the individual submitting a SAR to the FIU › comprehensive details of the customer, transaction, or activity <p>Inadequate records of enquiries made in relation to a SAR and the decisions on whether to externalise the SAR. For example, lack of records of verbal discussions, incomplete information and inadequate underlying CDD records in source of wealth or funds.</p>	<p>The SAR register is:</p> <ul style="list-style-type: none"> › comprehensive › includes all relevant dates and data fields › maintained in line with the supervised persons’ procedures <p>SAR records clearly document:</p> <ul style="list-style-type: none"> › the enquiries made in relation to each iSAR › the reasons for the MLRO or DMLRO decision › a comprehensive record of any further enquiries made to support the MLRO’s decision making <p>The records provide a clear timeline and a detailed rationale for the conclusion reached.</p>
Role of the MLRO	<p>Failure to evidence when and how the MLRO provided support to, and routinely monitored the performance of, the DMLRO to ensure SARs were being managed appropriately and consistently.</p>	<p>Supervised persons can evidence detailed job descriptions which set out key responsibilities of the MLRO and DMLRO.</p> <p>The MLRO holds regular oversight meetings with DMLRO (where the deputy is active in the role) to discuss progress on SAR related matters, discussions with the FIU and workload to ensure appropriate oversight and consistency in exercising the MLRO function.</p>

Training	Failure to provide role specific training to the MLRO that covered key responsibilities of the role.	<p>The MLRO (or DMLRO) is provided with adequate and role specific training that addresses their responsibilities and includes:</p> <ul style="list-style-type: none"> › the handling and validation of an iSAR, liaising with the FIU, the JFSC and law enforcement › management of the risk of tipping off › the handling of production and restraining orders
Compliance monitoring	Inadequate monitoring and testing of suspicious activity reporting systems and controls.	<p>Testing in relation to SAR controls is sufficiently robust to identify any weaknesses in the supervised persons' control framework, which could expose the supervised persons to a heightened risk of non-compliance with reporting obligations.</p> <p>Where weaknesses are identified, the MLRO ensures that the results are reported to the board or senior management and that remediation is agreed, acted upon in a timely manner and tracked to completion.</p>
Conflicts of interest	Failure to record, assess or appropriately mitigate conflicts of interest where the MLRO was carrying out client-facing duties alongside the MLRO function.	The conflicts register clearly identifies any conflicts of interest that could affect the independence of the MLRO function and sets out the nature of the conflict, alongside the mitigation measures put in place to preserve the MLRO's independence.

Key questions to consider

You are encouraged to review this feedback paper and assess your own systems and controls to identify and implement any necessary enhancements. In future engagements, you may be asked to demonstrate the steps taken to address deficiencies identified through your review of this and other feedback materials.

Key questions to consider:

1. Does the board have adequate oversight of the exposure to risk from failing to meet SAR obligations? For example, does the MLRO reporting give the board the right level of information to form a view on the timeliness of submission of eSARs to the FIU?
2. Are your policies and procedures up to date, clear and concise? Do they adequately outline what your employees need to do, and when and how to file an iSAR?
3. Does your iSAR form and SAR register capture all relevant information required under the AML/CFT/CPF Handbook? This includes:
 - a. the date that the information came to the employee's attention
 - b. the date of the iSAR
 - c. identity of the individual making the iSAR
 - d. information to allow supporting documentation to be retrieved in a timely manner
4. Is training on your firm's and employees' reporting obligations, including how to identify and report suspicious activity, tailored to your business and delivered to all employees at an appropriate level and frequency?
5. Do your employees understand what constitutes tipping off, and do you have effective measures in place to prevent it?
6. Does the MLRO (including any deputy) have the independence, authority, and support they need to carry out the role effectively? (training/clarity of role profile or job description)
7. Are your compliance monitoring processes sufficiently robust to give the board an accurate and reliable understanding of the risks associated with the effectiveness of your reporting procedures?

When asking yourselves these questions, if you identify any gaps or areas for improvement, refer to our published [guidance on how supervised persons should approach remediation action plans](#). This will help you ensure your remediation is effective and sustainable.

We may revisit this theme in the future to assess whether you have acted on the guidance provided and to evaluate improvements in overall compliance rates.

For any questions about this examination or feedback, contact us at FSCSEU@jerseyfsc.org.