

Feedback on follow-on consultation: AML/CFT/CPF Handbook enhancements to complex structures

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1 Executive summary

1.1 Overview

- 1.1.1 On 27 November 2025, we published our [follow-on consultation: AML/CFT/CPF Handbook enhancements to complex structures](#), for your views on the assessment and treatment of complex structures.
- 1.1.2 This paper provides feedback on the responses received to the consultation paper.

1.2 Feedback received

- 1.2.1 We received 13 responses to the consultation from a range of sectors, with the majority coming from the trust company business (TCB) sector. [Section 2](#) provides a summary of the substantive comments received and our response.
- 1.2.2 In general, industry welcomed our openness to feedback on the earlier draft and appreciated the additional engagement during the follow-on consultation. Respondents recognised the challenge of developing guidance to address the MONEYVAL recommended action on complex structures that is workable across Jersey's diverse financial services sectors.
- 1.2.3 Industry broadly supported the proposed two-tier approach under which the most complex structures are addressed through risk-based customer due diligence (CDD) with enhanced due diligence (EDD) applying only where complexity contributes to a high-risk assessment. Respondents welcomed the clarification that complexity in a customer structure does not automatically require that customer structure to be categorised as higher risk.
- 1.2.4 Most feedback on the CDD section 4.8 focused on the indicators of complexity. Respondents expressed concern that proposed numerical thresholds (for example, number of layers or jurisdictions) could be misinterpreted as fixed criteria and risk capturing ordinary Jersey structures. They emphasised that opacity and lack of rationale, rather than the number of layers or jurisdictions, should determine whether a customer structure is complex. Some respondents queried terminology and what was the scope of complex structure and did this expand requirements.
- 1.2.5 Responses on EDD in section 7.8 highlighted where measures described as EDD resembled CDD or were considered disproportionate in some sectors. Respondents asked for a clearer distinction between CDD and complexity related EDD.
- 1.2.6 Views on additional guidance were mixed. Some respondents did not think further detail was necessary; others asked for practical examples illustrating genuinely complex structures and how to distinguish between standard and higher risk complex structures, provided the guidance remained sector neutral.
- 1.2.7 Respondents also commented on implementation timeframes. The majority considered the proposed two-month period challenging, particularly given overlapping consultations and internal change requirements. Some queried our expectations for implementation for existing customers, which would impact timeframes. Three and six months were the most commonly suggested alternatives.
- 1.2.8 In response to feedback, we have made clarifications to Sections 4.8 and 7.8 to:
 - › reinforce that indicators are non-prescriptive
 - › refine EDD expectations
 - › maintain a proportionate and sector neutral approach

The revised sections will take effect on 31 May 2026, with updates for existing customers expected to be addressed through periodic reviews and trigger events.

- 1.2.9 We are grateful to respondents for taking the time to submit their responses and attend our workshops.

1.3 Next steps

- 1.3.1 Revised sections 4.8 and 7.8 are linked at paragraph 3.1.1 and are to replace the corresponding sections in the draft consolidated AML/CFT/CPF Handbook, which is scheduled to go live on 31 May 2026.

2 Summary of consultation responses

2.1 Feedback received

- 2.1.1 This section summarises the comments received in response to the consultation paper (**CP**). Whilst not every comment received is individually listed, this section contains summaries of the most commonly made and pertinent comments in relation to each question posed and our response to those comments.
- 2.1.2 The comments that were received can be split into those responding to a specific question posed in the CP and those on other matters. This section is structured on those lines.
- 2.1.3 References to paragraphs and sections are to the versions of section 4.8 and 7.8 linked in the [follow-on consultation: AML/CFT/CPF Handbook enhancements to complex structures](#) published on 27 November.
- 2.1.4 We received 13 responses to the consultation as listed below:

Answer choice		Response total
1	Trust company business/trust company service provider	7
2	Bank	2
3	Fund services business	2
4	Other regulated financial services business. For example, investment business, insurance, money service business, general insurance mediation business.	2
5	Other designated non-financial businesses and professions e.g. lawyers, accountants, estate agents	2
9	Regulatory consultant	1
10	Trade body	2
13	Other (please specify):	1
answered		13

- 2.1.5 The summary above incorporates four responses that were also copied to Jersey Finance, as well as responses from the Jersey Compliance Officers Association (**JCOA**) and The Jersey Association of Trust Companies (**JATCo**). Direct feedback received from the Jersey Funds Association (**JFA**) and JATCo during interactive workshop sessions on the complex structures sections has also been reflected, without treating these as additional respondents.

2.2 Section 4

Question 1

Do you consider that the revised guidance in Section 4 appropriately reflects a risk-based and proportionate approach to identifying and assessing complex structures, in line with industry practice and statutory obligations?

Please provide any examples of structures or scenarios that may still present challenges under this revised approach.

- 2.2.1 Industry and workshop participants broadly supported the intent of Section 4.8, particularly the clarification that complexity does not automatically indicate higher risk. Respondents welcomed efforts to clarify expectations but emphasised the need for more consistent terminology, especially distinctions between ‘customer,’ ‘structure,’ and ‘customer structure,’ to ensure alignment with the MLO and avoid implying additional CDD requirements.
- 2.2.2 Stakeholders expressed concern that some examples (for example, ‘trusts with corporate trustees’) could unintentionally label common Jersey arrangements as complex. Respondents asked for stronger acknowledgement of sectoral differences and for indicators to focus on opacity or unclear rationale rather than structural size.
- 2.2.3 Most respondents considered the numerical indicators in paragraph 246 (for example, three layers, two jurisdictions) to be too low and risk being interpreted as prescriptive ‘tests’. Respondents indicated that these thresholds would capture a large proportion of ordinary Jersey structures and undermine the principle that complexity does not equal high risk.
- 2.2.4 They requested clearer statements that indicators are non-prescriptive and non-exhaustive, with complexity arising only where factors undermine transparency and greater clarity on how jurisdictions should be counted.
- 2.2.5 Respondents asked for further practical guidance on how complexity influences the customer risk assessment. They noted that the key questions are whether the structure is transparent, makes commercial sense, and does not obscure beneficial ownership or control. They supported the proportional approach in paragraphs 248–250 but preferred language that emphasises unclear rationale or ownership rather than the absence of a ‘legitimate’ purpose.
- 2.2.6 Overall, respondents supported the direction of revisions but wanted to ensure the guidance is practical and proportionate.

Our response

What we changed:

1. **Sector nuance and neutrality:** references implying inherent complexity based solely on the type of legal form have been removed; complexity is assessed considering a number of factors including whether the structure is transparent and makes sense in its sectoral context, acknowledging that features considered complex in one sector may be standard in another.
2. **Indicators reframed as non-prescriptive with baselines:** indicators are non-prescriptive and non-exhaustive. We have changed the minimum baseline for jurisdictions and the number

of types of legal persons and legal arrangements from two to three to reflect industry feedback on common structuring.

3. **Practical indicators adopted:** at industry's suggestion we have added fragmented administration and unusual payment flows (where these impede understanding or lack commercial rationale) to aid consistent assessments without creating a checklist.
4. **Clarity on risk:** complexity alone does not mean high risk. Movement to EDD occurs only where standard measures cannot resolve unclear rationale or ownership/control without further enquiry. Wording was amended as structures with no clear legal/economic purpose and/or opaque ownership are not acceptable.

What we did not change and why

1. **Minimum numerical baselines retained:** we retained indicative minimum numerical baselines because they give a simple, objective starting point to support consistency and enable firms to distinguish complexity requiring deeper assessment.
2. **Scope (customer vs structure):** we acknowledge the comments raised regarding the terminology and scope of "customer" in the context of identifying and assessing complex structures. We recognise that this is a broader issue with implications that extend beyond the complex structures workstream alone. We would like to carry out some further consideration of this point and determine the most appropriate place within the wider framework to address and elaborate on the scope of "customer" in a way that ensures consistency and clarity across all relevant areas
3. **Examples:** additional examples are addressed in [Section 2.4](#).

2.3 Section 7

Question 2

Section 7 has been revised to clarify that enhanced due diligence measures should only apply where the complexity of a structure contributes to a customer being assessed as high-risk.

Do you agree that the revised guidance strikes the right balance between addressing MONEYVAL expectations and maintaining proportionality for Jersey's financial services industry?

Are there any additional enhanced measures you believe should be included or clarified?

- 2.3.1 Respondents and workshop attendees broadly supported the clarification that EDD should apply only where complexity contributes to a high-risk assessment. Both groups welcomed the intention to reduce the risk of automatic EDD simply because a structure appears complex. Stakeholders requested explicit alignment between COP73 and paragraph 81 to avoid inconsistent interpretation.
- 2.3.2 It was requested that the list of proposed EDD measures be signposted clearly as non-exhaustive and not a checklist, to avoid driving a 'tick box' approach.
- 2.3.3 Respondents were concerned about the requirement in 82(c) to obtain and verify Source of Wealth or Source of Funds (**SoW/SoF**) for all beneficial owners and controllers. Respondents suggested narrowing the wording to distinguish between beneficial owners and controllers, and limit SoW or SoF requirements to where an individual contributes funds or exercises meaningful control.
- 2.3.4 Practical concerns were raised around how firms should distinguish between complexity that is simply structural and complexity that increases risk. Participants asked for a clearer articulation of how firms should determine when complexity 'tips into' EDD and high-risk classification. They stressed that the decisive factor should be whether the complexity generates opacity, such as inhibiting the identification of the ultimate beneficial owner or obscuring transaction flows, not structural size.

- 2.3.5 Overall, stakeholders supported the revised direction but asked for clearer separation of standard CDD from complexity-related EDD, narrowed SoW or SoF expectations, and explicit high-risk triggers.

Our response

1. **Alignment of code and guidance:** paragraph 81 now aligns to COP73 and explicitly states that EDD applies only where complexity contributes to a high-risk assessment.
2. **Recalibrated EDD examples (non-prescriptive):** the list in 82 is expressly non-exhaustive and is not a checklist. Firms may reuse EDD gathered under other EDD triggers where relevant. We have removed standard CDD steps and, based on industry feedback, have adapted suggested EDD measures including, for example, no blanket SoW/SoF for controllers who do not contribute funds or have no economic interest.
3. **Proportionality:** measures apply to the customer within the MLO framework; we clarified EDD may be obtained from external third parties but is not a requirement. Independent sources or external expertise may be used, where proportionate, to corroborate rationale, ownership/control, or flows.

2.4 Additional Guidance

Question 3

What additional detailed guidance would be helpful to support you in identifying and applying enhanced due diligence consistently to complex structures?

- 2.4.1 Some respondents asked us for more practical examples, including case studies of structures considered complex, and clearer risk-based indicators to help distinguish between standard complex and higher-risk complex structures. Respondents emphasised that any additional guidance should be pragmatic, sector-agnostic, and capable of consistent application across different industries.

Our response

Examples: we have not included specific examples to avoid the risk that they could be taken as definitive. We also recognise that no list could cover every sector. The guidance is sector-neutral and principles-based, with transparency and clarity of purpose being the main factors in assessing whether a structure is complex.

2.5 Timeframes

Question 4

Do you think the timeframes, with publication of revisions to Section 4 and 7 regarding complex structures which will be consolidated in the handbook by 26 March 2026, with it becoming effective on 31 May 2026 gives industry sufficient time to comply?

- 2.5.1 The timeframes in the consultation paper were:
- › **26 March 2026:** publication of feedback paper and revised consolidated handbook including the two complex structure sections
 - › **31 May 2026:** effective date of the AML/CFT/CPF Handbook
- 2.5.2 Several respondents stated that the adequacy of the timeframe depended on our expectations of whether existing customers must be reassessed against the new

guidance, which would materially increase the workload. Respondents explained that implementing the changes would require significant updates to policies, procedures, internal controls, systems, and technology platforms, as well as training and changes to customer risk assessment (**CRA**) methodologies.

- 2.5.3 Respondents also highlighted the combined impact of multiple consultations happening at the same time across the AML/CFT/CPF regime. The most common suggestion was to extend the implementation period to three or six months.

Our response

31 May 2026 ‘go-live’

We are publishing updated Sections 4.8 and 7.8 on 26 March 2026. These amended sections, together with the draft consolidated AML/CFT/CPF Handbook published on 27 November 2025 (as linked to the feedback paper to the Consultation No. 8 of 2025), is scheduled to take effect from 31 May 2026. The amended sections retain the same paragraph numbering as the previous drafts, and the single Code of Practice in section 7.8 remains unchanged.

These revisions deliver the commitment made in the MONEYVAL action plan to address inconsistent understanding and application of complex-structure requirements across sectors. The updated sections reflect extensive engagement with industry and build on approaches many firms already apply as part of their customer risk assessments. The guidance is intended to support clearer and more consistent application of the existing risk-based framework. With the exception of one Code of Practice, these changes are guidance only. They assist firms in applying existing standards and do not create new obligations.

Our expectations

1. Firms should update policies and procedures to give effect to the revisions.
2. For existing customers, we do not expect an immediate, wholesale refresh of CRAs or documentation. Firms should address any changes through periodic reviews or trigger events as part of business-as-usual monitoring.

To support consistent application and implementation, we are exploring the possibility of further drop-in sessions and webinars.

2.6 Other comments

- 2.6.1 Respondents asked for reassurance that guidance will be applied proportionately in supervisory work and not treated as mandatory. Minor formatting and typographical issues were also identified. One respondent welcomed the opportunity for follow-on consultation and suggested similar approaches where future drafts change significantly.

Our response

1. **Market alignment:** we recognise your concerns about the cumulative regulatory burden and the risk of narrow interpretations. In response to your feedback, and to support consistent supervisory application, we have emphasised that our guidance assists you in applying existing standards. It is not intended to create new obligations. The revisions aim to deliver outcomes consistent with MONEYVAL and the Financial Action Task Force (**FATF**) — particularly on access to adequate, accurate and up-to-date beneficial ownership information—while remaining proportionate and workable across sectors. The final draft reflects your input (including through workshops) and seeks to balance effectiveness with Jersey’s competitiveness and market access.

2. **Formatting and typos:** we have corrected typos and formatting issues. We are exploring wider improvements to the Handbook's usability.
3. **Engagement approach:** we recognise the value of targeted follow-on engagement where drafts change materially and will consider this in future consultations.

3 Next steps

- 3.1.1 We have included the revised sections 4.8 and 7.8 in this feedback paper:

Updated sections
Link to Section 4.8
Link Section 7.8

- 3.1.2 These updated sections 4.8 and 7.8 **replace** the corresponding sections in the draft consolidated AML/CFT/CPF handbook and is scheduled to go live on 31 May 2026.
- 3.1.3 Thank you to everyone who engaged with us and submitted responses to this consultation. [Contact our policy team](#) if you have any further comments or questions.

Glossary

Defined terms are indicated throughout this document as follows:

AML	anti-money laundering
CDD	customer due diligence
CFT	countering the financing of terrorism
Codes of Practice/COP	AML/CFT/CPF Codes of Practice set out in the Handbook
consultation/CP	this consultation paper
CPF	countering proliferation financing
CRA	Customer risk assessment
EDD	enhanced due diligence
FATF	The Financial Action Task Force
financing of proliferation or proliferation financing	For the purposes of this consultation, this term means: Conduct which creates the risk of non-implementation, breaching, circumvention, or evasion of the Targeted financial sanctions related to proliferation of weapons of mass destruction and its financing, effective in Jersey. Persons involved in the financing of proliferation are sometimes described as proliferators or proliferation financiers
financing of terrorism or terrorist financing	<ul style="list-style-type: none"> › conduct which is an offence under any provision of Articles 15, 16 and 16A of the Terrorism Law › conduct outside Jersey which, if occurring in Jersey, would be an offence under Articles 15, 16 and 16A of the Terrorism Law › conduct which is an offence under any provision of Article 21 of the Terrorism Law › conduct which is an offence under any provision of Parts 3, 4 and 6 of the Sanctions and Asset-Freezing Law › persons involved in the financing of terrorism are sometimes described as terrorist financiers
Handbook	Handbook for the detection and prevention of money laundering, the countering of terrorist financing and countering of proliferation financing. Also known as the AML/CFT/CPF Handbook.
JATCo	Jersey Association of Trust Companies
JFA	Jersey Funds Association
JFSC/we/us	Jersey Financial Services Commission
MER	Fifth Round MONEYVAL Mutual Evaluation Report of Jersey
money laundering	For the purposes of this consultation, means: <ul style="list-style-type: none"> › conduct which is an offence under any provision of Articles 30 and 31 of the Proceeds of Crime Law › conduct which is an offence under any provision of Articles 34A and 34D of the Proceeds of Crime Law › conduct which is an offence under any provision of the Sanctions and Asset-Freezing Law or any provision of an Order under Article 3 of that Law

	› conduct which falls within the definition of financing of terrorism set out in this consultation
MONEYVAL	the committee of experts on the evaluation of anti-money laundering measures and the financing of terrorism
MLO	Money Laundering (Jersey) Order 2008
Proceeds of Crime Law	Proceeds of Crime (Jersey) Law 1999
Recommended Actions/ MONEYVAL Recommended Actions	actions set out in the MER for Jersey to take, which, in the view of the MONEYVAL assessment team, would strengthen Jersey's financial crime framework
SAR	Suspicious activity report
supervised person	Has the meaning given in Article 1 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008. Also referred to as RE's, namely reporting entities in the Recommended Actions.
UBO	ultimate beneficial owner or controller