10 SCREENING, AWARENESS AND TRAINING

10.1 Overview of section

1. An important control over the prevention and detection of *money laundering,* the *financing of terrorism and* the *financing of proliferation* is to ensure a supervised person can be confident that its *Employees*, *key persons* and *principal persons* are not criminals or associated with criminals.

2. Supervised persons must ensure those exercising significant influence and control are fit and proper persons and remain so; regular reference to a criminal record history is a way to evidence this.

3. Additionally, supervised persons need appropriately screened employees who are:

- alert to *money laundering*, *terrorist financing*, *and proliferation financing* risks; and
- well trained in the recognition of notable transactions or activity which may indicate *money laundering*, the *financing of terrorism*, or the *financing of proliferation* activity (see section 6 of *this Handbook*).

4. The effective application of even the best designed *systems and controls* (including *policies and procedures*) is compromised if *Employees* lack competence or integrity, or are unaware of, or fail to apply, *systems and controls* (including *policies and procedures*), or if *Employees* are not adequately trained.

5. It is essential that a *supervised person* takes action to make sure that *customer*-facing and other *Employees* are:

- competent and have integrity;
- aware of *policies and procedures* and their obligations under the *Anti-Money laundering and Counter-Terrorism Legislation* and the *AML/CFT/CPF Codes of Practice* issued under the *Supervisory Bodies Law;*
- trained in the recognition of notable transactions or activities (which may indicate *money laundering*, the *financing of terrorism*, or the *financing of proliferation*) or transactions and activity with *enhanced risk states* and/or *sanctioned persons.*

6. In particular, *customer*-facing Employees and those who handle, or are responsible for the handling of, *customers* and transactions will provide a *supervised person* with its strongest defence, or its weakest link.

7. As noted in the Glossary *of this Handbook*, for the purposes of *this Handbook* the term "*Employee*" should be understood to include officers of a *supervised person* and is not limited to individuals working under a contract of employment. It will include temporary and contract *Employees*, and the *Employee* of any external party fulfilling a function in relation to a *supervised person* under an outsourcing agreement or *Employee* of an *AMLSP* providing *AMLSP services* to the *supervised person* under an *AMLSP* agreement. For the purposes of this section, *employees* also include any agents acting as part of an *MVTS*' network, whereby an *MVTS* should treat employees of any agents as their own.

8. A *supervised person* should also encourage its *Employees* to maintain an active awareness of the risks of *money laundering,* the *financing of terrorism, or the financial of proliferation.*

Jersey Financial Services Commission

10.2 *Screening of Employees*

Statutory requirements (paraphrased wording)

9. *Article 11(1)(d) of the Money Laundering Order requires a relevant person to maintain appropriate and consistent policies and procedures relating to screening of employees.*

AML/CFT/CPF Codes of Practice

[COP89] A *supervised person* must screen the competence and probity of the following *Employees* at the time of recruitment and where there is a subsequent change in an *Employee's* role:

- *customer*-facing *Employees* and other *Employees* handling, or being responsible for the handling of, *business relationships* or *one-off transactions*;
- *Employees* directly supporting *customer*-facing *Employees* or other *Employees* handling or responsible for the handling of *business relationships* or *one-off transactions*, e.g., individuals processing and book-keeping *customer* transactions;
- the *MLRO* (and any *Deputy MLRO*) and *MLCO*; and
- the board and senior management.

Guidance notes

10. With reference to the *AML/CFT/CPF Codes of Practice* above, a *supervised person* may demonstrate that an *Employee* is screened where it does one or more of the following, as appropriate for the nature of the *Employee's* role and responsibilities:

- obtains and confirms references provided;
- obtains and confirms employment history and qualifications disclosed;
- obtains details of any regulatory action taken against the individual (or absence of such action);
- obtains and confirms details of any criminal convictions (or absence of such convictions).

11. Enquiries into an individual's criminal past are required to be subject to the Rehabilitation of Offenders (Jersey) Law 2001, which prevents a *supervised person* requesting information from its directors, senior managers and other *Employees* (and prospective directors, senior managers and other *Employees*) about *convictions that are "spent",* except where provided for by the Rehabilitation of Offenders (Exceptions) (Jersey) Regulations 2002.

10.3 Obligations to promote awareness and to train

Overview

12. The *Money Laundering Order* requirements concerning both the promotion of awareness and the provision of training apply to *Employees* whose duties relate to the provision of a *supervised business* (defined in the Glossary *of this Handbook* as "*relevant employees*"). They do not apply to all *Employees* of a *supervised person*. However, *money laundering,* the *financing of terrorism, or* the *financing of proliferation* offences established in the *Proceeds of Crime Law Terrorism Law* and other legislation are wider in scope, therefore all *Employees* will need to have a basic understanding of *money laundering,* the *financing of terrorism,* or the *financing of proliferation* and how they may manifest themselves. All *Employees* must also know and apply internal reporting procedures and know the identity of the *MLRO* (and, if applicable, the *Deputy MLRO*) and know how to contact them.

13. *Relevant employees* will include, among others, relationship managers, accounting and book-keeping staff, and stockbrokers.

Statutory requirements (paraphrased wording)

14. *Articles 11(9), (10), (10A), (11) and (12) of the Money Laundering Order require that a relevant person must, in relation to employees whose duties relate to the provision of a financial services business:*

- *take appropriate measures from time to time for the purposes of making them aware of:*
  - *the CDD, record-keeping, reporting and other policies and procedures for the purposes of preventing and detecting money laundering and the financing of terrorism;*
  - *the enactments in Jersey relating to money laundering and the financing of terrorism and any relevant Code of Practice.*
- *provide those employees from time-to-time with training in the recognition and handling of:*
  - *transactions carried out by or on behalf of any person who is or appears to be engaged in money laundering or the financing of terrorism;*
  - *other conduct that indicates that a person is or appears to be engaged in money laundering or the financing of terrorism.*

  Such training to include the provision of information on current money laundering techniques, methods and trends and on the financing of terrorism;
- *establish and maintain procedures that monitor and test the effectiveness of the relevant person's policies and procedures, employees' awareness and the training provided to employees, such testing having regard to the risk of money laundering that exist in respect of the relevant person's business and matters that may have an impact on that risk (e.g. size, nature and structure).*

AML/CFT/CPF Codes of Practice

[COP90] A supervised person must:

- provide Employees who are not relevant employees with a written explanation of the supervised person's and employees' obligations and potential criminal liability under the Anti-Money laundering and Counter-Terrorism Legislation, including the implications of failing to make an internal SAR;

- require such Employees to acknowledge that they understand the supervised person's written explanation and its procedures for making internal SARs.

[COP91] In the case of a supervised person who is a sole trader, that person must be aware of the enactments in Jersey relating to money laundering, the financing of terrorism, or the financing of proliferation and the AML/CFT/CPF Codes of Practice.

[COP92] In the case of a supervised person who is a sole trader, that person must be able to recognise and be aware of their obligations surrounding:

- transactions carried out by, or on behalf of, a person who is, or appears to be, engaged in money laundering, the financing of terrorism, or the financing of proliferation;
- other conduct that indicates a person is, or appears to be, engaged in money laundering, the financing of terrorism, or the financing of proliferation.

Guidance notes

15. A *supervised person* may demonstrate that it has satisfied awareness raising and training obligations that apply to *relevant employees* where it includes:

- *customer*-facing *Employees* and other *Employees* handling, or being responsible for the handling of, *business relationships* or *one-off transactions*;
- *Employees* directly supporting *customer*-facing *Employees* or other *Employees* handling, or being responsible for the handling of, *business relationships* or *one-off transactions*, e.g., individuals processing, book-keeping and accounting for *customer* transactions
- the *MLRO* (and any *Deputy MLRO*) and *MLCO*;
- the board and senior management.

16. A *supervised person* who is a *sole trader* may demonstrate that they are aware of relevant enactments and are able to recognise and are aware of their obligations surrounding transactions and other conduct (under paragraph COP90 above) where they have received formal training or through self-study.

10.4 Awareness of *relevant employees*

Overview

17. With the passage of time between training initiatives, the level of *Employee* awareness of the risk of *money laundering,* the *financing of terrorism,* or the *financing of proliferation* decreases. The utilisation of techniques to maintain a high level of awareness can greatly enhance the effectiveness of a *supervised person's* defences against *money laundering, financing of terrorism, or financing of proliferation* risk.

Guidance notes

18. A *supervised person* may demonstrate that it has appropriate awareness measures in place to make *relevant employees* aware of *policies and procedures* where it:

- provides them with a written explanation of its *BRA*, in order to provide context for those *policies and procedures*;

- provides them with case studies illustrating how products or services provided by the *supervised person* may be abused, in order to provide context for the application of *policies and procedures*;
- provides ready access to its *policies and procedures*.

19. A *supervised person* may demonstrate that it takes appropriate measures to make *relevant employees* aware of enactments in Jersey relating to *money laundering,* the *financing of terrorism,* or the *financing of proliferation* where it:

- provides *relevant employees* with a written explanation of the *supervised person's* and *Employee's* obligations and potential criminal liability under the *Proceeds of Crime Law Terrorism Law Directions Law, and the Targeted Financial Sanctions Measures,* including the implications of failing to make an internal *SAR*;
- provides *relevant employees* with a written explanation of the disciplinary measures that may be applied for failing to report knowledge, suspicion, or reasonable grounds for knowledge or suspicion, without reasonable excuse, or as soon as practicable;
- requires such *employees* to acknowledge that they understand the *supervised person's* written explanations and procedures for making internal *SARs*;
- reminds *Employees* of their obligations from time-to-time and the need to remain vigilant;
- circulates relevant material, e.g., material that is published by the *JFSC* or *FIU*, *FATF*, or *EU*, in order to provide context for enactments in Jersey;
- circulates relevant media reports, to provide context for enactments in Jersey.

20. A *supervised person* may demonstrate that it takes appropriate measures to make *relevant employees* who are officers (e.g., directors and equivalent) aware of enactments in Jersey relating to *money laundering,* the *financing of terrorism,* or the *financing of proliferation*, where the *supervised person* also explains how officers may be held personally liable for an offence committed by the *supervised person*.

10.4.1 Monitoring and testing effectiveness

Guidance notes

21. A *supervised person* may demonstrate that it maintains procedures for monitoring and testing the effectiveness of awareness-raising where it periodically tests *Employees'* awareness of:

- risks and *policies and procedures*; and
- statutory obligations;

and takes appropriate action where awareness is insufficient.

22. An *MVTS supervised person* may demonstrate the provision of training to or by agents as part of that *MVTS*'s network by conducting audits of the training delivered and being provided with assurances by that agent that any training delivered within the relevant period is appropriate and in conjunction with the requirements of *this Handbook*.

10.4.2 Technological developments

AML/CFT/CPF Codes of Practice

[COP93] Where a *supervised person* has identified a risk that may arise in relation to new products, services, business practices or technology, including where developed at group level or by outside developers (in Jersey and elsewhere), a *supervised person* must take steps to ensure that those involved in their development have a basic awareness of *money laundering,* the *financing of terrorism,* or the *financing of proliferation,* and of current *money laundering* techniques, methods and trends.

Guidance notes

23. A *supervised person* may demonstrate that developers have a basic awareness *of money laundering,* the *financing of terrorism,* or the *financing of proliferation,* and of current techniques, methods and trends where it:

- provides them with a written explanation of its *BRA*, in order to provide context for development work;
- provides case studies illustrating how new products, services, business practices and technology may be abused;
- circulates any relevant material, e.g., material that is published by the *JFSC* or *FIU*, the *FATF*, or the *EU*; and
- circulates relevant media reports.

24. A *supervised person* may also demonstrate that developers have a basic awareness of *money laundering,* the *financing of terrorism,* or the *financing of proliferation* and of current techniques, methods

10.5 Training of *Employees*

Overview

25. The guiding principle for all *AML/CFT/CPF* training should be to encourage *Employees*, irrespective of their level of seniority, to understand and accept their responsibility to contribute to the protection of the *supervised person* against the threat of *money laundering,* the *financing of terrorism,* or the *financing of proliferation*.

26. There can be a risk that more junior *Employees*, non-*customer* facing *Employees* and support *Employees* consider that their role is less crucial than, or secondary to, that of more senior or *customer*-facing colleagues. This can lead to failures to report important information because of assumptions that the information will have already been identified and dealt with by other colleagues. A *supervised person* should be aware of this risk and take steps to address it through the training provided.

AML/CFT/CPF Codes of Practice

[COP94] A *supervised person* must provide *Employees* with adequate training at appropriate frequencies. Such training must:

- be tailored to the supervised person and be relevant to the Employees to whom it is delivered;

- highlight to Employees the importance of the contribution that they can individually make to the prevention and detection of money laundering, the countering of terrorist financing, and the countering of proliferation financing;
- cover key aspects of legislation to prevent and detect money laundering, to counter terrorist financing, and to counter proliferation financing.

10.5.1 All relevant employees

Guidance notes

27. A *supervised person* may demonstrate the provision of adequate training to *relevant employees* where it addresses:

- the *supervised person* and *employees'* obligations under the *Proceeds of Crime Law, Terrorism Law, Directions Law, the Targeted Financial Sanctions Measures, Money Laundering Order* and *AML/CFT/CPF Codes of Practice* issued under the *Supervisory Bodies Law;*
- vulnerabilities of products and services offered by the *supervised person* (based on the *supervised person*'s *BRA*), and subsequent *money laundering*, *terrorist financing*, or *proliferation financing* risk;
- *policies and procedures*, and *Employees'* responsibilities under the same;
- application of risk-based *CDD policies and procedures*;
- recognition and examination of notable transactions and activity, such as activity outside of expected patterns, unusual settlements, abnormal payment or delivery instructions and changes in the patterns of *business relationships*;
- *money laundering, financing of terrorism*, or *proliferation financing* developments, including techniques, methods, trends and typologies (having regard for reports published by relevant Jersey authorities, *FATF* and *FSRBs)*;
- management of *business relationships* or *one-off transactions* subject to an internal *SAR*, e.g., risk of committing the offence of tipping off, and dealing with questions from such *customer*s, and/or their advisers.

10.5.2 The board or equivalents

Guidance notes

28. A *supervised person* may demonstrate the provision of adequate training to board members where (in addition to training for *relevant employees*) it addresses:

- conducting and recording a *BRA*;
- establishing a formal strategy to counter *money laundering*, the *financing of terrorism*, or the *financing of proliferation*; and
- assessing the effectiveness of, and compliance with, *systems and controls* (including *policies and procedures*).

10.5.3 The *MLCO*

Guidance notes

29. A *supervised person* may demonstrate the provision of adequate training to the *MLCO* where, in addition to training for *relevant employees*, it addresses the monitoring and testing of compliance with *systems and controls* (including *policies and procedures*) in place to counter *money laundering*, the *financing of terrorism*, or the *financing of proliferation.*

10.5.4 The MLRO and Deputy MLRO(s)

Guidance notes

30. A *supervised person* may demonstrate the provision of adequate training to the *MLRO* (and, if applicable, *Deputy MLROs*) where, in addition to training for *relevant employees*, it addresses:

- the handling and validation of internal *SARs*;
- liaising with the *JFSC*, *FIU* and law enforcement;
- management of the risk of tipping off; and
- the handling of production and restraint orders.

10.5.5 Non-relevant employees

Guidance notes

31. A *supervised person* may demonstrate the provision of adequate training to *Employees* who are not *relevant employees* where it addresses:

- the threat of *money laundering*, the *financing of terrorism,* or the *financing of proliferation*; and
- procedures for making internal *SARs*.

10.5.6 Timing and frequency of training

Guidance notes

32. A *supervised person* may demonstrate the provision of training at appropriate frequencies by:

- providing all *Employees* with induction training **within 10 working days** of the commencement of employment and, when necessary, where there is a subsequent change in an *employee's* role; and
- delivering training to all *Employees* at least once every two years, and otherwise determining the frequency of training for *relevant employees* based on risk, with more frequent training delivered where appropriate.

10.5.7 Monitoring the effectiveness of screening, awareness, and training

Overview

33. Monitoring and testing the effectiveness of *policies and procedures*, awareness-raising measures and of training provided is a function of the *MLCO*, further detail of which is set out at Section 2.6 of *this Handbook*.

34. Such monitoring and testing should also be considered in the context of the board's periodic check that *systems and controls* (including *policies and procedures*) are operating effectively, as set out at section 2.4.1 of *this Handbook*.

10.6 Screening of key persons and principal persons

Overview

35. Where a key person or a principal person is also an *Employee* of the supervised person, the screening of that person will be in terms of this section. The attention of supervised persons is drawn to paragraph 11 above.

36. The Supervisory Bodies Law sets the expectation that key persons and principal persons be, at all times, fit and proper persons due to their heightened responsibilities and obligations.

37. A supervised person must regularly consider whether the criminal background of a key person or principal person is inconsistent with them being fit and proper to hold a key person or principal person roles.

38. Key persons and principal persons must be transparent when declaring their criminal history.

39. If there is a conflict between Section 10.6, and other parts of Section 10, the instructions and guidance in section 10.6 will prevail in situations concerning key persons and principal persons.

40. All references in this section to criminal record certificates mean a DBS check (or foreign equivalent).

Statutory requirements (paraphrased wording)

41. *Article 8(1) of the Supervisory Bodies Law gives the JFSC broad powers to carry out its supervisory duties. These include conducting examinations and requiring information from supervised persons.*

42. *Article 14(3) of the Supervisory Bodies Law permits the JFSC to refuse registration where an Applicant, Principal Person(s) or Key Person(s) are not fit and proper persons.*

43. *Article 14(4) of the Supervisory Bodies Law states that a person is not a fit and proper person, if they have been convicted of offences related to: money laundering; terrorist financing; proliferation financing; fraud; dishonesty; financial services laws; or are otherwise deemed unsuitable due to money laundering or terrorist financing risks.*

44. *Article 18(1)(d) of the Supervisory Bodies Law allows the JFSC to revoke the supervised person's registration if the applicant, principal persons or key persons of a supervised person are not fit and proper persons.*

45. *Article 34(2) of the Supervisory Bodies Law requires a registered person to promptly notify their supervisory body of any changes to key or principal persons, including if they cease their role or are convicted of relevant offences—unless the key person was appointed by an anti-money laundering services provider.*

AML/CFT/CPF Codes of Practice

[COP95] A supervised person must take reasonable steps to ensure that persons holding key persons and principal persons roles are at all times fit and proper in accordance with the applicable legislation and policies.

[COP96] Supervised persons must obtain a basic DBS check (or foreign equivalent) for key persons and principal persons for:

- new or additional principal person / key person roles;
- existing principal persons / key persons whenever there is a change of control;
- on an ongoing basis using a risk-based approach to ensure that these individuals continue to be fit and proper to hold these positions.

[COP97] Supervised persons must be able to provide the JFSC, upon request, documents supporting their assessment of the fitness and propriety of the key or principal person. This must include criminal record certificates, a summary of the checks conducted, and any relevant findings.

- Where an individual has not previously been authorised by the JFSC as a *principal or key persons* before 31 May 2026, the *supervised person* should obtain a criminal record certificate for:
  - i) the individual's current jurisdiction of residence; and
  - ii) each jurisdiction in which the individual has lived or worked for six months or more within the 10 years prior to the application.
- The criminal record certificate should be dated within six months of the date the application is submitted.

[COP98] A supervised person must notify the JFSC if there is any material change in relation to its key persons or principal persons that may impact their fitness and propriety.

Guidance notes

Generally

46. A supervised person may demonstrate that it has obtained a basic DBS check (or foreign equivalent) for key and principal persons on an ongoing basis by undertaking:

i) Periodic checks and renewals of criminal records at intervals using a risk-based approach. A supervised person can consider the frequency that is proportionate to the individual's risk profile, the nature of their role, and the size and complexity of the entity.

ii) This approach may result in more or less frequent criminal records checks for the key persons and principal persons depending on the level of risk associated with their roles or entities; risk profile of the jurisdiction or sector; and any history of non-compliance.

47. A supervised person may demonstrate that its key persons and principal persons remain fit and proper persons and suitable to hold their respective roles by regularly and proactively requiring the key and principal persons to confirm whether there has been any change in any relevant circumstances, concerning their criminal records history.

Definition of Principal Persons

48. For the purposes of criminal record certificates checks, principal persons shall be defined in terms of the Supervisory Bodies Law. For clarity:

i) Criminal records certificates will not be required for: passive investors of fund structures; limited partners for limited partnerships; unit holders for unit trusts; or vested beneficiaries, the settlor, objects of a power for trusts.

ii) Where the partnership is a legal person (Separate Liability Partnerships (SLPs), Incorporated Liability Partnerships (ILPs) or Limited Liability Partnerships (LLPs)), criminal records checks are required for beneficial owners with a holding of 10% or greater.

Previously Authorised Individuals

49. For individuals who were authorised as a *key or principal persons* before 31 May 2026:

i) On the first application submitted after 31 May 2026, the Supervised Person should obtain criminal record certificates covering all jurisdictions where the individual has lived or worked from the 31st of May 2026 to the date of the application.

ii) For any subsequent applications for new or different principal or key person roles, the supervised person should check whether the most recent criminal record certificate is dated within the last 12 months.

iii) If the certificate is dated within 12 months, a new one is not required. However, the individual must still:

- notify the JFSC of any change in role through the usual channels.

50. **New Certificate** If the most recent criminal record certificate is more than 12 months old at the time of a new application, the supervised persons should obtain a new criminal record certificate for:

- the current jurisdiction of residence; and
- each jurisdiction where the individual has lived or worked for six months or more since the date of the previous certificate.

51. The new certificate should be dated within six months of the application date.

52. In exceptional circumstances where a criminal record certificate cannot be obtained within the six-month period, and if doing so would unnecessarily interrupt the normal conduct of business or time to market is critical, the supervised person should:

- Document the reasons why a current certificate was not obtained or available.
- Obtain a certificate as soon as reasonably practicable thereafter.

53. Pending receipt of the refreshed certificate, the supervised person should take appropriate interim steps to satisfy itself that the individual is fit and proper.