

# **Feedback on consultation No. 3 2026 – Amendments to the Civil Financial Penalties Methodology for Registered Persons**

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# 1 Executive summary

## 1.1 Overview

- 1.1.1 On 26 March 2026, we published [\*Consultation No. 3 2026 – Amendments to the Civil Financial Penalties Methodology for Registered Persons\*](#), seeking views on proposed updates to the methodology for determining civil financial penalties.
- 1.1.2 The consultation was principally prompted by the Financial Services Commission (Financial Penalties) (Jersey) Amendment Order 2026, which reintroduced monetary caps for Bands 1, 2 and 2A for registered persons. We also used the consultation to propose targeted amendments to the methodology based on operational experience.
- 1.1.3 The proposed amendments included changes to reflect the revised statutory maximum penalties, and targeted guidance on voluntary reporting, rectification and prevention of recurrence, settlement discounts, clearer allocation of certain matters to dedicated steps, and the reference to the guiding principle of having regard to the best economic interests of Jersey at Step 11.
- 1.1.4 Respondents generally recognised the need to update the methodology to reflect the amended legislative framework, and generally supported including reference to the guiding principle of having regard to the best economic interests of Jersey at Step 11. Some respondents also made suggestions or requested further clarity on aspects of the draft methodology. In particular, some raised concerns that certain proposed amendments could be interpreted as signalling a more prescriptive or stringent approach, including in relation to the availability or practical effect of mitigation.
- 1.1.5 Having considered the feedback, we have made targeted amendments to improve clarity and support a flexible and proportionate approach. The revised methodology remains a guideline framework, not a checklist. It will continue to be applied flexibly and proportionately by reference to the circumstances of each case.

## 1.2 Feedback received

- 1.2.1 We received 10 substantive responses from a range of respondents, including registered persons, industry and professional bodies, professional advisers and other stakeholders. Some responses were submitted by representative bodies or included collated industry feedback.
- 1.2.2 Responses were submitted both through the consultation response form and directly to us. Responses included comments on the specific consultation questions and comments on other aspects of the draft methodology. We have considered both. Section 2 of this paper presents a detailed summary of the substantive comments received and our response.
- 1.2.3 The main themes raised included:
  - 1.2.3.1 the operation and impact of monetary caps
  - 1.2.3.2 overall complexity and calibration, and a concern that there may be a more prescriptive or stringent methodology
  - 1.2.3.3 the treatment of voluntary reporting, rectification, prevention of recurrence and mitigation
  - 1.2.3.4 the proposed Step 5 adjustment range and other aggravating and mitigating factors

- 1.2.3.5 consistency with penalties imposed by the JFSC in other cases, including the role of Step 7
- 1.2.3.6 the guiding principle of having regard to the best economic interests of Jersey
- 1.2.3.7 settlement discounts
- 1.2.3.8 broader enforcement process matters
- 1.2.4 We are grateful for the detailed and constructive engagement. The feedback has been carefully considered and has informed clarifications and drafting amendments to the methodology. This paper will be published alongside the revised methodology and made available to respondents.

### 1.3 Key changes made following feedback

- 1.3.1 Following consultation, we have:
  - 1.3.1.1 clarified the application of the statutory maximum penalty, including any monetary caps, at Step 9
  - 1.3.1.2 preserved continuity of the Step 1 seriousness terminology and clarified the reference to single contraventions
  - 1.3.1.3 clarified the treatment of voluntary reporting, rectification and prevention of recurrence, including prompt and comprehensive reporting, staged reporting, case-specific assessment and the non-exhaustive nature of the relevant factors
  - 1.3.1.4 retained the existing  $\pm 50\%$  Step 5 adjustment range, rather than proceeding with the proposed reduction to  $\pm 25\%$
  - 1.3.1.5 clarified the application of Step 7, including its role as a consistency check by reference to penalties imposed by the JFSC in other relevant and reasonably comparable cases
  - 1.3.1.6 clarified the application of the guiding principle of having regard to the best economic interests of Jersey at Step 11, including public-interest and jurisdiction-level considerations
  - 1.3.1.7 clarified how settlement discounts may be applied in practice, including the relevance of settlement efficiencies and the fact that the maximum available discount within a stage is not applied automatically
  - 1.3.1.8 retained a worked example of a penalty within the methodology

### 1.4 Next steps

- 1.4.1 We have finalised the revised methodology in light of the feedback received.
- 1.4.2 The revised methodology is published alongside this feedback paper and will apply from 19 June 2026.
- 1.4.3 We will continue to keep the methodology under review, including in light of operational experience, legislative change and relevant stakeholder feedback.
- 1.4.4 The consultation related only to the methodology for registered persons. We will consider the natural persons methodology separately.
- 1.4.5 Any queries should be directed to [enforcement@jerseyfsc.org](mailto:enforcement@jerseyfsc.org).

## 2 Summary of consultation responses

### 2.1 Feedback received

- 2.1.1 This section summarises the key themes raised by respondents and our response.
- 2.1.2 While not all individual comments are reproduced, the most significant and commonly raised issues are addressed. We have considered comments made in response to the specific consultation questions, as well as comments on other aspects of the draft methodology.
- 2.1.3 In finalising the revised methodology, we have considered the consultation responses received and taken them into account in the exercise of our statutory functions.

### 2.2 Approach, structure and overall framework

- 2.2.1 A number of respondents supported updating the methodology to reflect the amended legislative framework and provide greater clarity and guidance.
- 2.2.2 Several respondents raised concerns that the proposed amendments could be interpreted as signalling a more aggressive enforcement approach, affecting the availability or practical effect of mitigation, increasing complexity, or introducing a more prescriptive or stringent framework. Some respondents also raised concerns about potential implications for penalty calibration and consistency. These concerns were linked by some respondents to wider government and JFSC messaging on competitiveness, proportionality and simplification.

#### **Our response**

The amendments are not intended to signal a more aggressive enforcement approach or a general recalibration of penalty levels. They are intended to provide clearer guidance on how the methodology may be applied in practice, including how aggravating and mitigating factors may be assessed, and where particular matters are most appropriately considered within the methodology.

Targeted changes have been made to improve clarity and reinforce that the methodology remains flexible, proportionate and case-specific.

Where the methodology sets out factors or considerations to which the JFSC may have regard in applying a step, those factors and considerations are non-exhaustive. Their relevance and weight will depend on the circumstances of the case. They will not all be relevant in every case, and are not intended to operate as mandatory prerequisites or to be applied automatically or in a predetermined way. The methodology provides a framework for case-specific consideration, not a checklist.

We recognise the importance of competitiveness and maintaining Jersey's position as a well-regulated international finance centre. A clear penalty methodology, applied through a structured and case-specific approach, supports this by promoting transparency, consistency, proportionality and confidence in the regulatory framework. Supporting competitiveness does not imply lowering regulatory standards; high, consistently applied standards, together with proportionate enforcement outcomes, are central to Jersey's long-term competitiveness.

## 2.3 Application of statutory monetary caps

- 2.3.1 Respondents generally recognised the need to update the methodology to reflect the reintroduced monetary caps for Bands 1, 2 and 2A. Some respondents sought clarity on how those caps would operate within the calculation framework.
- 2.3.2 One respondent also asked for clearer guidance on the use of Band 3 penalties, noting that Band 3 is not subject to a statutory monetary cap.

### Our response

Under the revised methodology, the Step 1 figure will be calculated by reference to the turnover-based reference amount for the relevant penalty band. The statutory maximum penalty, including any applicable monetary cap, will then be applied at Step 9. This provides a consistent calculation approach across all penalty bands.

This reflects the structure of the methodology. Steps 1 to 8, in summary, assess seriousness, knowledge, reporting, remediation, aggravating and mitigating factors, and other relevant matters. Step 9 then ensures that the penalty does not exceed the statutory maximum permitted under the Order.

This approach allows the methodology to reflect the seriousness of the contravention, the scale of the registered person, and the impact of aggravating, mitigating and other relevant considerations before the statutory maximum is applied. It also avoids any applicable monetary cap constraining the assessment at an earlier stage and promotes transparency by identifying the calculated penalty before application of the statutory maximum.

Band 3 contraventions are not subject to a statutory monetary cap, but remain subject to the statutory maximum for the band. The same calculation approach therefore applies to Band 3, and penalties remain guided by seriousness, proportionality and fairness.

We consider this to be a clarification of how the methodology operates within the legislative framework, rather than a substantive change requiring further consultation. It does not alter the statutory maxima, penalty bands or scope of the regime. The methodology has been updated to clarify that the statutory maximum penalty, including any applicable monetary cap, is applied at Step 9.

## 2.4 Impact of monetary caps on deterrence and proportionality

- 2.4.1 Some respondents commented on the potential impact of fixed monetary caps on deterrence and proportionality, including whether the caps could reduce the dissuasive effect of penalties for very high-turnover firms or have a disproportionate relative impact on smaller firms.
- 2.4.2 One respondent suggested reducing the Band 2 cap to provide a clearer distinction between Bands 2 and 2A, which share the same monetary cap.

### Our response

The maximum financial penalties are prescribed by the Financial Services Commission (Financial Penalties) (Jersey) Order 2015. We cannot amend statutory maxima through our methodology. Any change to the level or structure of the statutory monetary caps would be a matter for legislative amendment.

As explained in section 2.3, the methodology assesses seriousness, scale and other relevant factors before applying the statutory maximum, including any applicable monetary cap, at Step 9.

Within the statutory framework, we will continue to apply the methodology so that penalties are effective, proportionate and dissuasive.

## 2.5 Step 1 seriousness and drafting clarifications

- 2.5.1 A number of respondents raised concerns regarding the potential effect of Step 1 proposed amendments, including whether the slightly revised terminology for judging the impact on the guiding principles could alter seriousness thresholds. Respondents also commented on the proposed reference to single contraventions. Some recognised that a single contravention may be serious in appropriate cases, but concerns were raised that the wording could be read as applying too broadly to isolated issues or incidents.
- 2.5.2 One respondent also queried the approach to considering reputational impact and the need to counter financial crime, including how financial crime risk is reflected in the methodology.

### **Our response**

#### **Step 1 terminology**

The proposed amendments to the terminology on the scale for judging the impact on the guiding principles were intended to simplify drafting, rather than to change the thresholds for assessing seriousness. However, to preserve continuity and clarity, the original terminology has been retained in the final methodology.

#### **Single contraventions**

Respondents noted that a contravention identified through a single event, transaction, customer file or relationship may, in some circumstances, be serious and justify regulatory sanction. Concerns were also raised about how the wording might apply to isolated issues or incidents.

The methodology wording has been refined to clarify that the reference to single contraventions is not intended to signal a more aggressive approach to isolated issues or incidents. The reference is clarificatory and does not lower the threshold for enforcement action.

A civil financial penalty may be imposed only where a contravention is significant and material; the methodology does not apply to trivial or immaterial matters. The assessment of seriousness depends on the circumstances of the case, not simply on the number of events or instances through which an issue is identified.

There is no presumption that a contravention identified through a single instance will be treated as serious. A contravention may nevertheless be serious and meet the significant and material threshold, even if identified through a single instance, where, for example, the nature, cause, risk or impact of the issue is significant, or where it indicates wider systems, controls, governance or cultural weaknesses.

Seriousness will continue to be assessed on a risk-based and proportionate basis, having regard to the facts and circumstances of each case.

#### **Approach to the guiding principles**

Regarding the approach to considering reputational impact and the need to counter financial crime, there were no changes proposed to this element of the methodology. The existing approach, which assesses seriousness by reference to the impact of the contravention on the relevant guiding principles, has been retained.

The final methodology therefore retains the established seriousness framework, clarifies the reference to single contraventions, and confirms that the assessment remains risk-based, proportionate and case-specific.

## 2.6 Knowledge of the contravention (Step 2)

- 2.6.1 Some respondents supported the enhanced guidance or had no comments on Step 2. Others were concerned that the guidance could be read as requiring firms to monitor and assess every JFSC publication, including publications directed at other sectors. Respondents also raised concerns that feedback papers, public statements or similar publications could be treated as if they gave rise to additional enforceable obligations.
- 2.6.2 One respondent queried how knowledge should be attributed to the registered person, including where a contravention may have been concealed from the registered person or resulted from employee conduct. The respondent also emphasised that firms must be able to place reasonable reliance on employees and internal controls. One respondent also queried how broader resourcing considerations would be assessed, where the wording was no longer confined to the compliance function.

### Our response

#### Purpose of Step 2

Step 2 concerns whether the registered person knew, or ought to have known, of the contravention. The final methodology provides further guidance on matters that may be relevant to that assessment, including internal procedures, resourcing, governance, systems and controls, available risk indicators, internal recommendations, concealment, and relevant JFSC guidance or publications. The assessment remains case-specific and proportionate.

#### JFSC guidance and publications

The final methodology has been refined from the consultation draft to place clearer emphasis on reasonable relevance and context.

JFSC guidance, including guidance or lessons contained in feedback papers, public statements or other publications, may be relevant to Step 2 where it had a reasonable connection to the registered person's business activities, risk profile and circumstances at the relevant time. Factors such as the publication's accessibility, status, timing and applicability may inform that assessment. Publications directed at another sector may be relevant where the underlying guidance or lessons are clearly transferable. Material with no reasonable connection to the registered person's business is unlikely to be relevant.

Guidance and lessons contained in JFSC feedback papers, public statements and other publications do not, of themselves, impose additional requirements beyond applicable legal, Code or regulatory requirements. They may, however, be relevant for Step 2 purposes when assessing what a reasonable registered person ought to have understood or known in the circumstances.

#### Resourcing

Resourcing may be considered where relevant to whether the registered person knew, or ought to have known, of the contravention. The relevant question is whether inadequate resourcing, including of the compliance function where relevant, was a contributory factor in the registered person not detecting the contravention.

### **Attribution of knowledge and reliance on controls**

The final methodology does not introduce additional monitoring, systems or controls requirements. The matters listed under Step 2 are factors we may consider when applying the statutory question of whether the registered person knew, or ought to have known, of the contravention.

The assessment remains case-specific, including where a contravention was concealed from the registered person or involved employee conduct. In such cases, we will consider what was reasonably foreseeable or detectable in the circumstances.

## **2.7 Voluntary reporting and rectification and prevention of recurrence (Steps 3 and 4)**

- 2.7.1 Some respondents recognised the purpose of providing fuller guidance on voluntary reporting, rectification and prevention of recurrence. Several nevertheless raised concerns that the Step 3 and Step 4 guidance could be read as setting too high a threshold for mitigation, or giving insufficient practical weight to reporting and rectification as statutory factors.
- 2.7.2 In relation to Step 3, respondents raised concerns that the guidance could be read as reducing incentives for voluntary reporting, creating tension between prompt and comprehensive reporting, or discouraging early engagement if firms felt they needed to complete root cause analysis, impact assessment or other internal reviews before reporting. One respondent suggested staged reporting should be taken into account where further information is provided as it becomes reasonably available.
- 2.7.3 In relation to Step 4, some respondents acknowledged that registered persons are expected to comply with regulatory obligations and remediate contraventions. However, several were concerned that the guidance could be read as reducing credit for remediation, or as suggesting that remediation required to restore compliance would receive little or no practical weight in the calculation. Respondents also raised concerns that the guidance could weaken incentives to remediate or imply that independent assurance or external consultants are required to obtain credit. One respondent said the Step 4 approach should take account of new, complex or changing requirements, and another referred to the relevance of the JFSC's Remediation Action Plan guidance.

### **Our response**

When considering whether to impose a penalty and its amount, Article 21B requires us to have regard, where applicable, to whether the person voluntarily reported the contravention and whether steps have been taken to rectify the contravention and prevent its recurrence. The current methodology already involves case-specific assessments at Steps 3 and 4, with guidance noting that relevant considerations include how prompt and comprehensive a report was, and whether remedial steps were prompt, comprehensive and likely to prevent recurrence.

The final methodology continues to provide for case-specific consideration of reporting and remedial steps, distinguishing between taking those matters into account and concluding that they justify a reduction in penalty. The consultation draft sought to distinguish between reporting or remedial action that does no more than meet required or ordinarily expected standards, and action whose timing, quality and circumstances may justify mitigation. In that context, "neutral" language was used to describe the impact on the penalty amount of ordinary or expected reporting or remediation. The intention was to convey that such action would be considered, but that action which does no more than meet required or ordinarily expected standards would not ordinarily affect

the penalty amount. It was not intended to suggest that voluntary reporting, or steps taken to rectify a contravention and prevent recurrence, would be ignored.

To avoid any unintended interpretation, the final wording avoids the term “neutral” and instead explains that any reduction is not automatic and will depend on the circumstances and features of the reporting or remedial steps.

In summary, the final methodology:

- › confirms that reporting and remedial steps will be considered under Steps 3 and 4
- › confirms that any reduction is not automatic and will depend on the circumstances
- › clarifies the factors that may be relevant to the timing, transparency and overall quality of reporting, while retaining the substance of the current methodology’s prompt and comprehensive reporting assessment
- › clarifies the factors that may be relevant to the timing, scope, quality and likely effectiveness of remedial steps, while retaining the substance of the current methodology’s assessment of whether remedial steps were prompt, comprehensive and likely to prevent recurrence
- › clarifies that an initial report may be followed by further information or updates as matters become better understood
- › clarifies that review, challenge or assurance may be relevant where proportionate, but external assurance or external consultants are not required in every case

We do not consider that the requirement to have regard to these matters requires a reduction to be applied whenever reporting or remediation has occurred. Whether any reduction is justified, and the amount of any reduction, will depend on the circumstances. The continued availability of reductions of up to 25% under each of Steps 3 and 4 recognises, where justified by the circumstances, timely, good-quality reporting and remedial steps to rectify the contravention and prevent recurrence.

The factors set out under Steps 3 and 4 are not exhaustive. They do not operate as a checklist, create additional reporting or remediation requirements, or require every factor to be present before a reduction may be considered. The relevance and weight of any factor will depend on the circumstances of the case.

The civil financial penalty methodology serves a distinct purpose from the JFSC’s Remediation Action Plan guidance. That guidance provides practical good-practice guidance for planning and delivering remediation, while Step 4 concerns whether steps taken to rectify the contravention and prevent recurrence justify a reduction in penalty. Compliance with supervisory expectations may be relevant under Step 4, with any reduction depending on the circumstances.

Overall, the updates are intended to improve clarity and transparency while preserving a flexible and proportionate approach.

## 2.8 Other aggravating and mitigating factors and penalties in other cases (Steps 5 and 7)

- 2.8.1 Several respondents commented on the proposed reduction of the Step 5 adjustment range from  $\pm 50\%$  to  $\pm 25\%$ . Some were concerned that reducing the range could limit flexibility, particularly in exceptional cases, and reduce the potential impact of mitigating factors. Some respondents also expressed concern that the proposed reduction, when viewed alongside other proposed amendments and the clearer allocation of certain matters to dedicated steps, could be perceived as reducing the credit available for positive action taken by registered persons. Respondents also queried how Step 5 would operate alongside matters addressed

more expressly elsewhere in the methodology, including whether there was a risk of overlap or of factors being applied differently.

- 2.8.2 On Step 7, respondents were concerned that the draft wording could be read as limiting consideration to seriousness and not fully reflecting the statutory requirement to have regard, where applicable, to penalties imposed by the JFSC in other cases. Some respondents also queried wording suggesting that quantum would not be considered.

### **Our response**

#### **Step 5**

The proposed reduction to  $\pm 25\%$  was intended to support clearer and more predictable application of the methodology, recognising that certain matters were being addressed more expressly within dedicated parts of the methodology and that Step 5 would therefore operate more clearly as a residual adjustment.

Having considered the feedback, we have decided not to proceed with the proposed reduction. Step 5 will retain the existing  $\pm 50\%$  adjustment range.

Retaining the existing range better preserves flexibility for unusual or exceptional aggravating or mitigating circumstances. Adjustments at the higher end of the range are expected to be exceptional and will require clear justification.

The clearer allocation of matters to dedicated steps is intended to improve transparency by identifying where particular matters are most appropriately assessed within the methodology. It is not intended to require any factor to be applied automatically or in a predetermined way. The relevance and weight of any factor will continue to depend on the circumstances of the case and the step under which it is assessed.

Step 5 will continue to operate as a residual adjustment and will address other aggravating or mitigating factors. The final methodology clarifies that Step 5 will not take into account factors already taken into account in other steps of the methodology.

For example, where a matter is more specifically addressed under another step, such as remedial action under Step 4, it will be considered under that step rather than duplicated under Step 5.

#### **Step 7**

Step 7 has been refined to reflect the wording in Article 21B to have regard, where applicable, to the penalties imposed by the JFSC in other cases.

In having regard to penalties imposed in other cases, we will consider relevant and reasonably comparable JFSC cases, where applicable. This includes consideration of the penalty imposed in those cases and the way in which that outcome was reached, but not by way of a direct monetary comparison.

Previous penalties are not treated as binding precedents or as a tariff. Penalty amounts will differ because of case-specific factors, including the facts of the contravention, seriousness, turnover, aggravating and mitigating factors, statutory maxima, monetary caps, and any settlement discount.

Step 7 therefore operates as a consistency check, having regard to relevant and reasonably comparable JFSC cases, where applicable, while preserving the case-specific application of the methodology.

## 2.9 Financial benefit and profit from contraventions (Step 6)

- 2.9.1 One respondent commented on the existing Step 6 wording concerning the use of gross fees as a possible proxy for profit. The respondent suggested that revenue or fees charged will not necessarily equate to profit, and that sectoral margins or other relevant evidence should be considered where a profit figure is required.

### Our response

The purpose of Step 6 is to apply the statutory principle that a person cannot expect to profit from a contravention. We recognise that revenue or fees charged will not necessarily equate to profit in every case.

We have amended the Step 6 wording to clarify that we may use a gross amount, such as fees charged, as a proxy for profit where we consider that approach to be reasonable and proportionate in the circumstances, unless the registered person provides persuasive evidence supporting the use of a different amount. Relevant evidence may include costs, margins, sectoral benchmarks, accounting information or other information supporting a different measure.

The approach will be applied proportionately and by reference to the circumstances of the case.

## 2.10 Best economic interests of Jersey (Step 11)

- 2.10.1 Respondents generally supported including express reference to the guiding principle of having regard to the best economic interests of Jersey at Step 11. Some respondents sought broader recognition of public-interest, competitiveness and jurisdiction level considerations, while others emphasised the need to avoid preferential treatment for large, locally significant or systemically important firms.
- 2.10.2 Concerns were also raised about perceived conflicts of interest relating to penalty proceeds.

### Our response

We have considered these comments. Step 11 concerns the statutory requirement to have regard, where applicable, to the potential financial consequences to the registered person and to third parties, including customers and creditors, of imposing the penalty.

The methodology has been refined to provide clearer guidance on the types of financial consequences that may be relevant under Step 11. In particular, when considering potential financial consequences to third parties, the methodology explains that we may have regard to whether those consequences are relevant to the guiding principle of having regard to the best economic interests of Jersey, including by reference to wider public-interest and jurisdiction-level impacts. This may include whether the penalty amount under consideration would give rise to material and reasonably foreseeable disruption to service continuity, wider financial exclusion, market instability, or impairment of the provision of a public function or other essential service.

The methodology explains that any such consequence or risk should be evidenced and causally linked to the penalty, rather than speculative. Step 11 will be applied case by case, having regard to the evidence available and the potential financial consequences of imposing the penalty. The assessment will focus on evidenced consequences of the penalty, rather than general assertions about economic importance.

We will have regard to any such consequences in a manner that is consistent with the need for civil financial penalties to be effective, proportionate and dissuasive. Those consequences will be

balanced with our guiding principles and other relevant statutory factors, and will not be considered in isolation.

We will not take account of any actual or perceived fiscal benefit to the States or to the JFSC from penalty proceeds when determining whether to impose a penalty or the amount of any penalty.

## 2.11 Settlement discounts (Step 13)

- 2.11.1 Some respondents were concerned that the proposed guidance on how discounts are assessed within the relevant stage could reduce certainty, discourage early settlement, or give the JFSC too much discretion. Respondents also queried how the discount would be affected where timing, changes in scope or other process-related matters may be outside the registered person's control, and whether the Step 13 considerations could duplicate matters already assessed elsewhere in the penalty calculation.

### Our response

The settlement policy is intended to support early, constructive and efficient resolution, while preserving discretion to reflect the circumstances of each case, including case complexity, timing, cooperation and settlement efficiencies. The staged "up to" discounts remain unchanged and continue to provide a meaningful incentive for early settlement.

The enhanced guidance at Step 13 provides clarity on how, in civil financial penalty cases involving registered persons resolved by settlement, the appropriate level of discount may be determined in practice. The methodology already referred to the existing "up to" framework, under which the maximum available discount is not applied automatically. Step 13 has been refined to explain that substantive efficiencies achieved through settlement will typically support a discount at or close to the maximum available within the relevant stage, while confirming that the maximum available discount is not applied automatically.

The final wording focuses Step 13 on settlement efficiencies, rather than re-assessing matters otherwise reflected in the penalty calculation. In applying Step 13, the JFSC may have regard to the timing, overall quality and practical impact of the registered person's engagement, including where disclosure, admissions and engagement supported the efficient progression and resolution of the matter.

The final wording also clarifies that the considerations are not exhaustive and will not all be relevant in every case. The appropriate discount will continue to be determined within the relevant stage by reference to the circumstances of the case.

## 2.12 Other comments

### Worked examples

- 2.12.1 Some respondents said that worked examples should be retained because they assist transparency, predictability and practical understanding of how the methodology operates.
- 2.12.2 Having considered the feedback, we decided to retain an updated worked example. It will remain illustrative only and will not operate as a tariff or binding precedent.

### Wider enforcement process comments

- 2.12.3 Some respondents raised broader comments about the enforcement process, including the length of investigations, uncertainty around outcomes, settlement

meeting arrangements, changes in scope, and the interaction between enforcement process and competitiveness.

- 2.12.4 This consultation was focused on the methodology for determining the amount of a civil financial penalty on a registered person. Comments received on broader enforcement matters fall outside the scope of this consultation, but will be considered, where relevant, as part of our ongoing work on enforcement, decision-making processes and stakeholder engagement.

#### **Drafting, natural persons methodology and consultation process**

- 2.12.5 Respondents made a number of drafting comments, including comments on terminology, consistency, accessibility and the summary of the statutory matters in section 3 of the methodology. We have reviewed the methodology and made drafting amendments to improve clarity and consistency.
- 2.12.6 This consultation related to the methodology for registered persons. We will consider the natural persons methodology separately.
- 2.12.7 Respondents also commented on the consultation process, including timing, the response form, and the way some drafting changes were highlighted. We considered all responses received, including comments submitted outside the response form and after the deadline. Although the consultation questions focused on the principal proposals, we considered comments on all aspects of the draft methodology. This included comments on proposed updates that were not the subject of standalone questions. We will consider the process feedback as part of our approach to future consultations.

## **3 Next steps**

- 3.1.1 Having considered the consultation responses, we have finalised the revised methodology with targeted amendments.
- 3.1.2 The revised methodology incorporates the consequential changes required to reflect the Financial Services Commission (Financial Penalties) (Jersey) Amendment Order 2026. It also recognises the guiding principle of having regard to the best economic interests of Jersey through Step 11, where relevant.
- 3.1.3 In response to feedback, we have made changes to the consulted draft. These include clarifying that Step 1 will be calculated by reference to the turnover-based reference amount for the relevant penalty band, with any applicable statutory monetary cap applied at Step 9; clarifying the reference to single contraventions; refining the wording on JFSC publications at Step 2; clarifying voluntary reporting at Step 3, including prompt and comprehensive reporting, staged disclosures and follow-up updates; clarifying rectification and prevention of recurrence at Step 4, including proportionate review, challenge or assurance; retaining the existing  $\pm 50\%$  adjustment range at Step 5; clarifying Step 7 as a consistency check against relevant and reasonably comparable JFSC cases; clarifying the application of Step 11, including how potential financial consequences and the guiding principle of having regard to the best economic interests of Jersey may be considered; clarifying how settlement discounts may be assessed at Step 13; and retaining an updated worked example.
- 3.1.4 The revised methodology is published alongside this feedback paper [and will apply from 19 June 2026](#).

- 3.1.5 This consultation related only to the methodology for registered persons. The natural persons methodology will be considered separately.
- 3.1.6 We will keep the methodology under review in light of operational experience, legislative change and relevant stakeholder feedback.
- 3.1.7 We are grateful to all stakeholders who engaged and submitted responses to this consultation. A copy of this paper will be made available to respondents. Any further comments or queries should be directed to [enforcement@jerseyfsc.org](mailto:enforcement@jerseyfsc.org).

## Glossary

Defined terms are indicated throughout this document as follows:

Commission Law	Financial Services Commission (Jersey) Law 1998
Amendment Order	Financial Services Commission (Financial Penalties) (Jersey) Amendment Order 2026
JFSC	Jersey Financial Services Commission
registered person	<p>Has the meaning in Article 1 of the Commission Law, namely</p> <ul style="list-style-type: none"> <li>(a) a registered person within the meaning of the Banking Business (Jersey) Law 1991;</li> <li>(b) a permit holder within the meaning of the Insurance Business (Jersey) Law 1996 other than the holder of a Category A permit (within the meaning of Article 5(2) of that Law);</li> <li>(c) a registered person within the meaning of the Financial Services (Jersey) Law 1998, other than a person registered under that Law to conduct general insurance mediation business falling within Class R or Class S as set out in the Schedule to the Financial Services (Financial Service Business) (Jersey) Order 2009;</li> <li>(d) a service provider within the meaning of Regulation 2 of the Alternative Investment Funds (Jersey) Regulations 2012;</li> <li>(e) a supervised person as defined in Article 1(1) of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008;</li> <li>(f) a certificate holder as defined in Article 1(1) of the Collective Investment Funds (Jersey) Law 1988;</li> <li>(g) a person required to be a registered person, permit holder, service provider, supervised person or certificate holder under any of the Laws referred to in paragraph (a), (b), (c), (d), (e) or (f).</li> </ul>