



## Jersey Financial Services Commission

From the Office of the Director General

### 2<sup>nd</sup> Industry Survey – Executive Summary

#### General Comments

- The survey was conducted in March 2012 and was sent to 636 respondents compared to 450 for the first survey, carried out in November 2009.
- 163 responses were received (compared to 114 for November 2009) which equates to 26%.
- Overall, the majority of respondents again rated the Commission as excellent or good at effectively fulfilling its various roles.
- The need for an effective regulator has been acknowledged in order to maintain the Island's international reputation.
- With regard to international standards, the consensus is the same as in 2009, being that Jersey should meet them, but should aim not to "front run".
- The distinction between the role of the Jersey Financial Services Commission and the Joint Financial Crimes Unit remains unclear, despite efforts to address this issue. A document setting out the position is available at: [www.jerseyfsc.org](http://www.jerseyfsc.org)
- A number of respondents reported that the Commission is still slow in responding to enquiries. The Commission continues to address this issue and hopes that businesses that do have a complaint about the speed or quality of response will be able to assist with this work by providing information at the time when such a problem has occurred, preferably by letter or e-mail, so that possible causes can be examined and hopefully resolved.
- Respondents commented positively on the briefing seminars and workshops provided by the Commission and would like to see more organised throughout the year. The Commission is committed to increase the number of events and will continue to provide speakers at Finance Industry events arranged by other organisations.
- While generally the Commission scored highly in most areas, respondents indicated they would like to see further improvements in the Commission's communication in terms of quality and presentation of information. In particular respondents felt the Commission's website could be made more user-friendly. The Commission has already recognised that the website needs updating, and remedial work has begun.

- A number of respondents feel that the Commission does not sufficiently listen to the views of Industry, a comment also made in 2009. This may highlight a need for better communication and improved provision of information generally, or equally could simply be a manifestation of the inevitable divergence that is likely to exist between the regulator and the regulated on any given issue, for example the possible conflict between high standards of supervision/regulation and the perceived economic benefits to the Island. The current economic difficulties may have exacerbated this issue.
- In this second survey, some respondents have complained that small businesses receive greater scrutiny than larger ones, and that the Commission is not really in favour of SMEs. This comment is of concern to the Commission, because it does not believe that it takes such an approach. Nonetheless, efforts are being made, and will continue in the future, to clarify its position on this point.
- Also appearing in the second survey for the first time is a number of comments that there should be a single Channel Islands' regulator, to avoid regulatory arbitrage. The matter is more complicated than it may initially appear, involving both political and regulatory considerations that will continue to be debated and discussed by the wider Island authorities. Nevertheless, inter-island co-operation does already take place on a number of international regulatory issues, for example Basel III and AIFMD.

#### Successful action since the previous survey

- The Commission has produced information to explain how arrangements for the notification of amendments to the AML Handbook are publicised to Industry.
- The Commission continues to watch closely the debate between Government, Industry, consumer organisations and consumers about the regulation of *all* lending. The Commission is also mindful that the debate needs to take into account international practices and trends as well as the resourcing and cost implications of any widening of regulatory scope to include lending.
- The quarterly newsletter has been replaced by an electronic information system on the website.
- The disclaimer appended to all Commission emails has been amended following criticism that it was too long and could be improved.

**The full results of the survey are available on the Commission's website at:**

[www.jerseyfsc.org/the\\_commission/general\\_information/publications/industrysurvey.asp](http://www.jerseyfsc.org/the_commission/general_information/publications/industrysurvey.asp)