



Jersey Financial
Services Commission

GUIDANCE NOTE:

ON ASPECTS OF THE ACCOUNTS ORDERS FOR:

- **FUND SERVICES BUSINESS;**
- **GENERAL INSURANCE MEDIATION BUSINESS;**
- **INVESTMENT BUSINESS; AND**
- **TRUST COMPANY BUSINESS.**

GLOSSARY

AML/CFT Handbook	Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism for Financial Services Businesses Regulated under the Regulatory Laws
Commission	Jersey Financial Services Commission
FS(J)L	Financial Services (Jersey) Law 1998, as amended
FSB	Fund Services Business
FSB Accounts Order	Financial Services (Fund Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007
FSB Codes	Codes of Practice for Fund Services Business
GIMB	General Insurance Mediation Business
GIMB Accounts and Solvency Order	Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005
GIMB Codes	Codes of Practice for General Insurance Mediation Business
IB	Investment Business
TCB	Trust Company Business
TCB - IB Accounts Order	Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007

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1 Objective and scope

- 1.1 This Guidance Note is applicable to a registered person, being a person that has been registered by the Commission to undertake at least one of the following activities under the Financial Services (Jersey) Law 1998, as amended (the “**FS(J)L**”):
 - 1.1.1 Investment Business (“**IB**”) as defined by Article 2(2) of the FS(J)L;
 - 1.1.2 Trust Company Business (“**TCB**”) as defined by Article 2(3) to 2(6) of the FS(J)L;
 - 1.1.3 General Insurance Mediation Business (“**GIMB**”) as defined by Article 2(7) of the FS(J)L; or
 - 1.1.4 Fund Services Business (“**FSB**”) as defined by Article 2(10) of the FS(J)L.
- 1.2 The Jersey Financial Services Commission (the “**Commission**”) is issuing this Guidance Note in respect of:
 - 1.2.1 the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005 (the “**GIMB Accounts and Solvency Order**”), effective from 17 February 2005;
 - 1.2.2 the Financial Services (Fund Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007 (the “**FSB Accounts Order**”), effective from 14 November 2007; and
 - 1.2.3 the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007 (the “**TCB - IB Accounts Order**”), effective from 31 December 2007.
- 1.3 Where a registered person carries on multiple types of financial service business and consequently one of more of the Orders listed in 1.2 is applicable, the registered person, and the registered person’s auditor, will need to meet the requirements of each applicable Order individually.
- 1.4 This guidance note aims to provide guidance to both registered persons and their auditors in respect of the registered person’s annual declaration and the auditor’s report on that declaration. This guidance note does not address the obligation placed on auditors, accountants and others to communicate with the Commission in circumstances as set out in Article 10 of the GIMB Accounts and Solvency Order, Article 11 of the FSB Accounts Order and Article 15 of the TCB - IB Accounts Order.

2 Registered person undertaking Trust Company Business or Investment Business

Requirement to complete a declaration

- 2.1 Article 5(1) of the TCB - IB Accounts Order requires:
- 2.1.1 a registered person, that is a company or partnership, to prepare a declaration in respect of each accounting period; and
 - 2.1.2 that the declaration shall be signed by a director, if a company, and a partner, if a partnership.
- 2.2 Consequently, where a registered person is a TCB sole trader this guidance note does not apply, rather the registered person that is a sole trader should refer to the guidance note and Information Update Questionnaire available from the Commission Website¹.
- 2.3 Article 5(2) of the TCB - IB Accounts Order clarifies who may sign the declaration where the registered person operates in Jersey as a “branch”. It permits that the declaration be signed by an employee of the company approved, by the company in respect of that branch, instead of by a director.
- 2.4 Article 5(3) of the TCB - IB Accounts Order defines the three areas against which the registered person is required to make the declaration of compliance. The three areas are:
- 2.4.1 compliance with the FS(J)L², as well as any Orders and Codes of Practice made under the FS(J)L that apply to the registered person;
 - 2.4.2 maintenance of proper accounting records and adequate systems to comply with 2.4.1; and
 - 2.4.3 compliance with all relevant legislation and guidance to counter money laundering and the financing of terrorism.
- 2.5 For the avoidance of doubt, when considering compliance matters for the purposes of making the declaration a registered person must consider compliance with the Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism for Financial Services Businesses Regulated under the Regulatory Laws (the “**AML/CFT Handbook**”).
- 2.6 Article 5(4) of the TCB - IB Accounts Order provides details of the information that a registered person shall include in its declaration where it is unable to ascertain compliance in the areas noted in 2.4. The declaration must:

¹ Guidance note:

http://www.jerseyfsc.org/pdf/Guidance_Note-Natural_persons_carrying_on_a_single_class_of_TCB_Feb_2009.pdf

Information Update Questionnaire:

http://www.jerseyfsc.org/word/Information_Update_Questionnaire_for_Natural_persons_single_class_of_tcb_Feb_09.doc

² Includes compliance with any conditions or directions issued under the FS(J)L.

- 2.6.1 contain details of all material failures; and
 - 2.6.2 specify any measures taken or to be taken to ensure failures are not repeated.
- 2.7 With respect to 2.6.1, when determining what matter represents a “material failure” the registered person should consider its particular circumstances. Consequently, a matter may be material to one registered person but not another. Breaches of legislation and relevant Codes of Practice (including the AML/CFT Handbook) would generally be considered material and, when assessing materiality, the registered person should consider:
- 2.7.1 the risks presented by the failure.;
 - 2.7.2 whether the failure is indicative of wider weaknesses in their systems and controls; and
 - 2.7.3 whether the Commission would be likely to consider the failure to be material.
- 2.8 In addition to providing details in respect of all material failures, in line with 2.6, where the registered person has failures that are determined as non-material, the declaration should contain a statement to the effect that the registered person has considered all matters and those not specified in the declaration are not material. The Commission does not expect to receive detailed information on the non-material items but would welcome cross-reference, such as to a management letter, board minutes or a complaints breaches register where the items are detailed.

Consolidated declaration

- 2.9 The Commission recognises that the corporate structure of many financial institutions is becoming increasingly complex and institutions continue to diversify into other areas of financial service business.
- 2.10 As a result, Article 12(2) of the TCB - IB Accounts Order permits registered persons, which meet certain criteria, to apply jointly to the Commission for approval to submit a single consolidated declaration for those registered persons in place of individual declarations for each registered person.
- 2.11 Article 12(1) of the TCB - IB Accounts Order provides the criteria for a consolidated declaration as:
- 2.11.1 the registered person must be a member of a group, each member of which is registered under the Law; and
 - 2.11.2 the accounting standards adopted by the registered person for the preparation of their financial statements must allow for the production of consolidated financial statements in respect of the members of the group.
- 2.12 Following application by the registered persons, and the Commission’s determination of the application, Article 12(4) of the TCB - IB Accounts Order provides the Commission with the power to grant, or refuse to grant, permission for the applicant

registered persons to submit a consolidated declaration. Article 12(6) provides that the Commission may attach conditions to its approval.

- 2.13 The TCB - IB Accounts Order is silent as to who should sign a consolidated declaration. It is the Commission's opinion that the consolidated declaration should, as the case requires, be signed by one or more directors as are necessary to sign on behalf of all registered persons covered by the consolidated declaration. In the case of a TCB, the Commission expects this to be a director or partner of the affiliation leader, and in the case of an IB guidance will be provided by the Commission as approval to submit a consolidated declaration is provided.
- 2.14 Whilst the Commission cannot initiate submission of a consolidated declaration by registered persons, once the approval has been granted, it and any conditions attaching to it, may be amended either:
- 2.14.1 by the Commission following receipt and determination of an application from the registered persons; or
 - 2.14.2 by the Commission, at its own initiative, following provision of a written notice to the registered persons.
- 2.15 It is important to note that Article 12(8) of the TCB - IB Accounts Order **requires** a registered person to submit a consolidated declaration in place of its individual declaration if the Commission has approved submission of a consolidated declaration. Submission of individual declarations by the registered persons will **NOT** achieve compliance with Articles 7(1)(c) and 11(1)(a) of the TCB - IB Accounts Order.

Auditor's function with respect to the declaration

- 2.16 Article 7(1)(c) of the TCB - IB Accounts Order requires that the declaration (either individual or consolidated) be provided to the registered person's auditor as soon as practicable after the end of the relevant accounting period.
- 2.17 Article 8(1)(c) of the TCB - IB Accounts Order requires the auditor to prepare a report in respect of the declaration provided. Article 8(7) requires the auditor to sign the report and Article 8(2) requires that the report be provided to the registered person.
- 2.18 Article 8(6) of the TCB - IB Accounts Order prescribes the nature of the auditor's report relating to the declaration in that the report shall contain a statement to the effect that while conducting its audit of the financial statements, either the auditor:
- 2.18.1 became aware of nothing that could be taken to indicate that a statement made in the declaration was incorrect; or
 - 2.18.2 became aware of a matter that could indicate that a statement in the declaration was incorrect.
- 2.19 In the circumstances identified in 2.18.2, Article 8(6)(b) of the TCB - IB Accounts Order requires the auditor to state:
- 2.19.1 the matter identified; and

- 2.19.2 why the auditor is of the opinion that the matter may indicate that a statement in the declaration was incorrect.

Audit report on branches

- 2.20 The Commission is aware that in the majority of instances where the registered person operates as a branch of a parent based outside of Jersey a full audit of the Jersey operations will not be completed. Unlike the position outlined in 2.3, which sets out who should sign the declaration when a registered person operates in Jersey through a "branch", the TCB - IB Accounts Order is silent regarding the form of words to be used by the auditor in their report on the declaration.
- 2.21 In these circumstances the auditor should consider their letter of engagement or terms of reference for the registered person and apply appropriate wording to the auditor's report to reflect the work they have undertaken in respect of the registered person.

Reports on consolidated submissions

- 2.22 Where a registered person is approved to submit to the Commission consolidated financial statements and a consolidated declaration then the TCB-IB Accounts Order requires:
- 2.22.1 Article 13(1): that the directors' report relates to all members of the group of which the registered person is a member;
- 2.22.2 Article 13(3): that the auditor report on the consolidated financial statements; and
- 2.22.3 Article 13(4): that the auditor report on the consolidated declaration.
- 2.23 Where a consolidated directors' report is submitted it must contain the information set out in Article 6(2) of the TCB - IB Accounts Order in respect of every company to which the consolidated directors' report relates.

Documents to be delivered to the Commission

- 2.24 Articles 11(1)(a) and 11(1)(c) of the TCB - IB Accounts Order require the registered person to submit the declaration and auditor's report on the declaration to the Commission with the financial statements. For the avoidance of doubt, the Commission expects the declaration to be addressed to the "Jersey Financial Services Commission" and the auditor's report to be addressed to the registered person.
- 2.25 In accordance with Article 9(4) of the TCB - IB Accounts Order the financial statements must be submitted to the Commission within 4 months of the end of the registered person's accounting period - unless the Commission has given consent to an extended submission period using the powers provided by Article 9(4)(b).
- 2.26 The Commission does not expect to receive a copy of the consolidated documents (financial statements, directors' report, declaration and auditor's reports) from every registered person subject to an Article 10(4) (consolidated financial statements) and Article 12(4) (consolidated declaration) approval. Rather, the Commission anticipates

receiving one package of documents in the case of a TCB (most often submitted by an affiliation leader) and in the case of an IB will be provided by the Commission as approval to submit a consolidated declaration is provided.

Commission templates for the declaration and auditor's report on the declaration

2.27 The Commission has attached templates to this guidance note which are designed to assist both registered persons and their auditors comply with their requirements as set out in the TCB - IB Accounts Order and summarised above. The templates are as follows:

- 2.27.1 Appendix A: TCB/IB single entity declaration;
- 2.27.2 Appendix B: TCB/IB consolidated declaration;
- 2.27.3 Appendix C: Auditor's report on TCB/IB single entity declaration; and
- 2.27.4 Appendix D: Auditor's report on TCB/IB consolidated declaration.

3 Registered person undertaking Fund Services Business

- 3.1 The FSB Accounts Order came into force on 14 November 2007 as part of the transfer of the regulation of the majority of fund functionaries from the Collective Investment Funds (Jersey) Law 1988 to the FS(J)L.
- 3.2 It is important to note that whilst the FSB Accounts Order, the TCB - IB Accounts Order and the GIMB Accounts and Solvency Order are not identically constructed there are many similarities of requirement.

Requirement to complete a declaration

- 3.3 The FSB Accounts Order does not have an Article that directly correlates with Article 5(1) of the TCB - IB Accounts Order however Article 5(1) of the FSB Accounts Order requires that a registered person provide a declaration to their auditor, as soon as practicable after the end of an accounting period, and Article 6(1) of the FSB Accounts Order requires that the declaration include statements as to whether the registered person has:
 - 3.3.1 complied with the Law³,
 - 3.3.2 complied with any Orders and Codes of Practice made under the FS(J)L that apply to the registered person;
 - 3.3.3 maintained both proper accounting records and adequate systems that enable the maintenance of proper accounting records; and

³ Includes compliance with any conditions or directions issued under the FS(J)L.

- 3.3.4 complied with the requirements of all relevant laws relating to money laundering.
- 3.4 For the avoidance of doubt, when considering compliance matters for the purposes of making the declaration a registered person must consider compliance with the AML/CFT Handbook. Compliance with the AML/CFT Handbook is a requirement of the Codes of Practice for Fund Services Business (“**FSB Codes**”).
- 3.5 The FSB Accounts Order does not specify who should sign the declaration however the Commission expects the declaration to be appropriately signed as determined by the governing body of the registered person.
- 3.6 Article 6(2) of the FSB Accounts Order provides details of the information that a registered person shall include in its declaration where it is unable to ascertain compliance in the areas noted in 3.3. The declaration must:
- 3.6.1 contain details of all material failures; and
 - 3.6.2 specify any measures taken or to be taken to ensure failures are not repeated.
- 3.7 With respect to 3.6.1, when determining what matter represents a “material failure” the registered person should consider its particular circumstances. Consequently, a matter may be material to one registered person but not another. Breaches of legislation and relevant Codes of Practice (including the AML/CFT Handbook) would generally be considered material and, when assessing materiality, the registered person should consider:
- 3.7.1 the risks presented by the failure.;
 - 3.7.2 whether the failure is indicative of wider weaknesses in their systems and controls; and
 - 3.7.3 whether the Commission would be likely to consider the failure to be material.
- 3.8 In addition to providing details in respect of all material failures, in line with 3.6, where the registered person has failures that are determined as non-material, the declaration should contain a statement to the effect that the registered person has considered all matters and those not specified in the declaration are not material. The Commission does not expect to receive detailed information on the non-material items but would welcome cross-reference, such as to a management letter, board minutes or a complaints breaches register where the items are detailed.

Consolidated declaration

- 3.9 Article 9 of the FSB Accounts Order provides for the submission of consolidated financial statements by registered persons to both their auditor and the Commission, providing the registered persons meet the requirements of paragraph 1 of Article 9. This includes the requirement that each registered person is an affiliated member of a Jersey based group, each of which has been registered by the Commission as a member of the same affiliation.

- 3.10 Article 9(5) provides that where consolidated financial statements are provided to the auditor they should be accompanied by individual declarations in respect of the members of the group but the auditor should prepare a single auditor report in respect of the individual declarations.
- 3.11 Article 9 does not provide for the provision of a consolidated declaration to the auditor or the Commission. Should an FSB wish to provide a consolidated declaration, to the Commission, each impacted registered person must apply to the Commission for an exemption, under Article 10 of the FSB Accounts Order, from preparing a declaration. The Commission would consider the exemption applications and, if satisfied that no client is likely to be prejudiced by the granting of the exemption, may grant the exemption with a condition that in lieu of an individual declaration the registered person may be party to a consolidated declaration.

Branches

- 3.12 The FSB Accounts Order is silent with respect to who may sign the declaration where the registered person operates in Jersey as a “branch”. Consequently, in circumstances where no director or partner of the FSB is present in Jersey, the Commission will accept a declaration that is signed by an employee of the company approved, by the company, in respect of that branch, instead of by a director or partner.
- 3.13 The Commission is aware that in the majority of instances where the FSB operates as a branch of a parent based outside Jersey a full audit of the Jersey operations will not be completed. The FSB Accounts Order is silent regarding the form of words to be used by the auditor in their report on the declaration. In these circumstances the auditor should consider their letter of engagement or terms of reference for the FSB and apply appropriate wording to the auditor’s report to reflect the work they have undertaken in respect of the registered person.

Auditor’s function with respect to the declaration

- 3.14 As noted in 3.3, Article 5(1) of the FSB Accounts Order requires that a declaration be provided to the auditor of the registered person as soon as practicable after the end of the relevant accounting period.
- 3.15 Article 5(2) of the FSB Accounts Order requires the auditor to:
- 3.15.1 prepare a report in respect of the declaration; and
 - 3.15.2 provide the report to the registered person.
- 3.16 Article 7(3) of the FSB Accounts Order prescribes the nature of the auditor’s report relating to the declaration in that the report shall contain a statement to the effect that while conducting its audit of the financial statements, either the auditor:
- 3.16.1 became aware of no matter that could be taken as indicating that a statement in the declaration was incorrect; or
 - 3.16.2 became aware of a matter that could indicate that a statement in the declaration was incorrect.

- 3.17 In the circumstances identified in 3.16.2, Article 7(3)(b) of the FSB Accounts Order requires the auditor to specify the matter identified that could indicate a statement in the declaration was incorrect.

Documents to be delivered to the Commission

- 3.18 Articles 8(3)(a) and 8(3)(b) of the FSB Accounts Order requires the registered person to submit the declaration and auditor's report on the declaration to the Commission with the financial statements. For the avoidance of doubt, the Commission expects the declaration to be addressed to the "Jersey Financial Services Commission" and the auditor's report to be addressed to the registered person.
- 3.19 In accordance with Article 8(2) of the FSB Accounts Order the financial statements must be submitted to the Commission within 4 months of the end of the registered person's accounting period, unless the Commission has given consent to an extended submission period using the powers provided by Article 8(2)(b).
- 3.20 However, Article 12(4) provides transitional relief for all registered persons, except as described in 3.21, regarding the submission timeframe for financial statements. For financial statements relating to accounting periods ending between 14 November 2007 and 1 December 2009 the submission deadline is extended to 10 months.
- 3.21 The exception to 3.20 is where the FSB undertakes a regulated activity which has a deadline for the submission of financial statements and associated documents shorter than 10 months⁴ for a private company. In these circumstances the declaration in respect of the fund services business should be submitted with the financial statements. For example, if the registered person also conducts trust company business and is consequently required to submit their accounts within 4 months of the accounting period end then the registered person should submit the FSB declaration at this time.

Commission templates for the declaration and auditor's report on the declaration

- 3.22 The Commission has attached templates to this guidance note which are designed to assist both registered persons and their auditors to comply with their requirements as set out in the FSB Accounts Order and summarised above. The templates are as follows:
- 3.22.1 Appendix E: FSB accounting period starting on or after 14 November 2007 and the FSB is following the FSB Codes in full;
 - 3.22.2 Appendix F: FSB that is a Managed Entity that is not following the FSB Codes in full
 - 3.22.3 Appendix G: Auditor's report on FSB declaration

⁴ Submission deadlines for Jersey Companies are contained in Article 104 of the Companies (Jersey) Law 1991.

4 Registered person undertaking General Insurance Mediation Business

Requirement to complete a declaration

- 4.1 Similar to the FSB Accounts Order the GIMB Accounts and Solvency Order does not have an Article that directly correlates to Article 5(1) of the TCB-IB Accounts Order. However, Article 5(1) of the GIMB Accounts and Solvency Order requires a registered person to provide a declaration to their auditor, as soon as practicable after the end of an accounting period, and Article 6(1) of the GIMB Accounts and Solvency Order requires that the declaration include statements as to whether the registered person has:
- 4.1.1 complied with the FS(J)L⁵, as well as any Orders and Codes of Practice made under the FS(J)L that apply to the registered person;
 - 4.1.2 maintained proper accounting records and adequate systems to comply with 4.1.1; and
 - 4.1.3 complied with all relevant legislation relating to money laundering.
- 4.2 For the avoidance of doubt, compliance with the AML/CFT Handbook is **not** a requirement of the Codes of Practice for General Insurance Mediation Business (“**GIMB Codes**”). However, where a registered person has chosen to appoint a Money Laundering Reporting Officer (paragraph 3.3.6 of the GIMB Codes) it would be appropriate to give consideration to compliance with the AML/CFT Handbook, for the purposes of making the declaration.
- 4.3 The GIMB Accounts and Solvency Order does not specify who should sign the declaration however the Commission expects the declaration to be appropriately signed as determined by the governing body of the registered person.
- 4.4 Article 6(2) of the GIMB Accounts and Solvency Order provides details of the information that a registered person shall include in its declaration where it is unable to ascertain compliance in the areas noted in 4.1. The declaration must:
- 4.4.1 contain details of all material failures; and
 - 4.4.2 specify any measures taken or to be taken to ensure failures are not repeated.
- 4.5 With respect to 4.4.1, when determining what matter represents a “material failure” the registered person should consider its particular circumstances. Consequently, a matter may be material to one registered person but not another. Breaches of legislation and relevant Codes of Practice would generally be considered material and, when assessing materiality, the registered person should consider:
- 4.5.1 the risks presented by the failure.;

⁵ Includes compliance with any conditions or directions issued under the FS(J)L.

- 4.5.2 whether the failure is indicative of wider weaknesses in their systems and controls; and
- 4.5.3 whether the Commission would be likely to consider the failure to be material.
- 4.6 In addition to providing details in respect of all material failures, in line with 4.4, where the registered person has failures that are determined as non-material the declaration should contain a statement to the effect that the registered person has considered all matters and those not specified in the declaration are not material. The Commission does not expect to receive detailed information on the non-material items but would welcome cross-reference, such as to a management letter, board minutes or a complaints breaches register where the items are detailed.

Consolidated declaration

- 4.7 Article 9 of the GIMB Accounts and Solvency Order provides for the submission of consolidated financial statements by registered persons to both their auditor and the Commission, providing the registered persons meet the requirements of paragraph 1 of Article 9.
- 4.8 Article 9(4) provides that where consolidated financial statements are provided to the auditor they should be accompanied by individual declarations in respect of the members of the group but the auditor should prepare a single audit report in respect of the individual declarations.
- 4.9 Article 9 does not provide for the provision of a consolidated declaration to the auditor or the Commission. Should a GIMB wish to provide a consolidated declaration, to the Commission, each impacted registered person must apply to the Commission for an exemption, under Article 11 of the GIMB Accounts and Solvency Order, from preparing a declaration. The Commission would consider the exemption applications and, if satisfied that no client is likely to be prejudiced by the granting of the exemption, may grant the exemption with a condition that in lieu of an individual declaration the registered person may be party to a consolidated declaration.

Branches

- 4.10 The GIMB Accounts and Solvency Order is silent with respect to who may sign the declaration where the registered person operates in Jersey as a “branch”. Consequently, in circumstances where no director or partner of the GIMB is present in Jersey, the Commission will accept a declaration that is signed by an employee of the company approved, by the company, in respect of that branch, instead of by a director or partner.
- 4.11 The Commission is aware that in the majority of instances where the registered person operates as a branch of a parent based outside Jersey a full audit of the Jersey operations will not be completed. The GIMB Accounts and Solvency Order is silent regarding the form of words to be used by the auditor in their report on the declaration. In these circumstances the auditor should consider their letter of engagement or terms of reference for the GIMB and apply appropriate wording to the auditor’s report to reflect the work they have undertaken in respect of the registered person.

Auditor's function with respect to the declaration

- 4.12 As noted in 4.1, Article 5(1) of the GIMB Accounts and Solvency Order requires that a declaration be provided to the auditor of the registered person as soon as practicable after the end of the relevant accounting period.
- 4.13 Article 5(2) of the GIMB Accounts and Solvency Order requires the auditor to:
- 4.13.1 prepare a report in respect of the declaration; and
 - 4.13.2 provide the report to the registered person.
- 4.14 Article 7(1) of the GIMB Accounts and Solvency Order requires the auditor to utilise the Auditing Standards issued by the Auditing Practices Board in the completion of their audit and subsequent report.
- 4.15 Article 7(3) of the GIMB Accounts and Solvency Order prescribes the nature of the auditor's report relating to the declaration in that the report shall contain a statement to the effect that while conducting its audit of the financial statements, either the auditor:
- 4.15.1 has not become aware of anything that could be taken to indicate that a statement made in the declaration was incorrect; and
 - 4.15.2 has become aware of a matter that could indicate that a statement in the declaration was incorrect.
- 4.16 In the circumstances identified in 4.15.2, Article 7(3)(b) of the GIMB Accounts and Solvency Order requires the auditor to specify the matter identified that could indicate a statement in the declaration was incorrect.

Documents to be delivered to the Commission

- 4.17 Article 8(3)(a) and 8(3)(b) of the GIMB Accounts and Solvency Order require the registered person to submit the declaration and auditor's report in respect of the financial statements and the declaration to the Commission with the financial statements. For the avoidance of doubt, the Commission expects the declaration to be addressed to the "Jersey Financial Services Commission" and the auditor's report to be addressed to the registered person.
- 4.18 In accordance with Article 8(2) of the GIMB Accounts and Solvency Order the financial statements must be submitted to the Commission within 4 months of the end of the registered person's accounting period, unless the Commission has given consent to an extended submission period using the powers provided by Article 8(2)(b).

Commission templates for the declaration and audit report on the declaration

- 4.19 The Commission has attached templates to this guidance note which are designed to assist both registered persons and their auditors to comply with their requirements as set out in the GIMB Accounts and Solvency Order and summarised above. The templates are as follows:

4.19.1 Appendix H: GIMB single entity declaration; and

4.19.2 Appendix I: Auditor's report on GIMB declaration.

Appendix A: TCB/IB single entity declaration

Declaration under Article 5(1) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007

In accordance with Article 5(1) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007, *[I/we]* confirm that, throughout the *[year/period]* ended *[date]*, *[name of registered person]* has complied with the requirements of:

- the Financial Services (Jersey) Law 1998 (the “**Law**”), and with the requirements of the applicable Orders and Codes of Practice made or issued under the Law (not being a requirement the Commission has waived) that apply to the registered person, and has maintained proper accounting records and adequate systems to enable *[name of registered person]* to comply with those requirements *[except as set out below]*; and
- all relevant legislation and guidance to counter money laundering and the financing of terrorism *[except as set out below]*.

[Provide details of all material failures and specify any measures taken or to be taken to ensure that the failures are not repeated.]

[Where there are exceptions, which are not material, then the above statement should be qualified to state that there has not been full compliance but that failures have not been material.]

Yours faithfully

[Director/Partner]

(In the case of a branch, an employee approved in line with Article 5(2) of the TCB - IB Accounts Order)

Dated:

Appendix B: TCB/IB consolidated declaration

Consolidated declaration under Article 5(1) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007

In accordance with Article 5(1) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007, *[I/we]* confirm that, throughout the *[year/period]* ended *[relevant accounting period]*, the registered persons listed in the attached appendix have complied with the requirements of:

- the Financial Services (Jersey) Law 1998 (the “**Law**”), and with the requirements of the applicable Orders and Codes of Practice made or issued under the Law (not being a requirement the Commission has waived) that apply to the registered persons, and have maintained proper accounting records and adequate systems to enable the registered persons to comply with those requirements *[except as set out below]*; and
- all relevant legislation and guidance to counter money laundering and the financing of terrorism *[except as set out below]*.

[Provide details of all material failures and specify any measures taken or to be taken to ensure that the failures are not repeated.]

[Where there are exceptions, which are not material, then the above statement should be qualified to state that there has not been full compliance but that failures have not been material.]

This consolidated declaration has been submitted in accordance with the Commission’s approval granted under Article 12(4) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007.

Yours faithfully

[Director/Partner]

For and on behalf of those Registered Persons listed in the attached appendix

Dated:

Appendix C: Auditor's report on TCB/IB single entity declaration

Report on the declaration under Article 5(1) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007

In accordance with Article 8(1)(c) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007, we have reviewed the attached declaration prepared by *[name of registered person]* under Article 5(1) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007. The declaration is the responsibility of, and has been approved by, the *[directors/partners]* of *[name of registered person]*. It is our responsibility to report on the declaration, based on our audit of *[name of registered person]*'s financial statements.

We have audited the financial statements of *[name of registered person]* for the *[year/period]* ended *[date]* in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board *[where use of a different set of auditing standards has been agreed with the Commission the preceding should be reworded accordingly]* ("**Auditing Standards**"), and in our report to the *[members/partners]* dated *[date]*, we set out the basis for our audit opinion. While conducting our audit for the purpose of reporting on the financial statements, we have become aware of *[nothing that could be taken as indicating that a statement in the attached declaration is incorrect/the following matters that prevent us from confirming that a statement in the attached declaration is correct]*.

Except for the requirements set out in the Auditing Standards and in Article 8 of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007, our audit was not planned or conducted for the purpose of determining whether the registered person has complied with the requirements of the Financial Services (Jersey) Law 1998 (the "**Law**"), any Orders and Codes of Practice made or issued under the Law or the relevant legislation and guidance to counter money laundering and the financing of terrorism. We accept no duty or responsibility to any third party including the Jersey Financial Services Commission (the "**Commission**") in this regard.

We consent to a copy of this report being attached to the declaration, which has been signed by us for identification purposes only, and being provided to the Commission in its capacity as regulator under the Law. Our report should not be disclosed to any other party or otherwise quoted or referred to without our prior written consent; and we accept no responsibility to any third party in relation to it.

Yours faithfully

[Auditor]

Dated:

Appendix D: Auditor's report on TCB/IB consolidated declaration

Report on the consolidated declaration under Article 5(1) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007

In accordance with Article 8(1)(c) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007, we have reviewed the attached consolidated declaration prepared under Article 5(1) of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007. The declaration is the responsibility of, and has been approved by, the *[directors/partners]* of *[insert name of entity to which the signatories belong]*. It is our responsibility to report on the declaration, based on our audit of the consolidated financial statements of *[insert name of group]*.

We have audited the consolidated financial statements of *[insert name of group]* for the *[year/period]* ended *[date]* in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board *[where use of a different set of auditing standards has been agreed with the Commission the preceding should be reworded accordingly]* ("**Auditing Standards**"), and in our report to the *[members/partners]* dated *[date]*, we set out the basis for our audit opinion. While conducting our audit for the purpose of reporting on the consolidated financial statements, we have become aware of *[nothing that could be taken as indicating that a statement in the attached declaration is incorrect/the following matters that prevent us from confirming that a statement in the attached declaration is correct]*.

Except for the requirements set out in the Auditing Standards and in Article 8 of the Financial Services (Trust Company and Investment Business (Accounts, Audits and Reports)) (Jersey) Order 2007, our audit was not planned or conducted for the purpose of determining whether the *[insert name of group]* have complied with the requirements of the Financial Services (Jersey) Law 1998 (the "**Law**"), any Orders and Codes of Practice made or issued under the Law or the relevant legislation and guidance to counter money laundering and the financing of terrorism. We accept no duty or responsibility to any third party including the Jersey Financial Services Commission (the "**Commission**") in this regard.

We consent to a copy of this report being attached to the declaration, which has been signed by us for identification purposes only, and being provided to the Commission in its capacity as regulator under the Law. Our report should not be disclosed to any other party or otherwise quoted or referred to without our prior written consent; and we accept no responsibility to any third party in relation to it.

Yours faithfully,

[Auditor]

Dated:

Appendix E: FSB accounting period starting on or after 14 November 2007 and the FSB is following the FSB Codes in full

Declaration under Articles 5(1) and 6(1) of the Financial Services (Fund Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007

In accordance with Articles 5(1) and 6(1) of the Financial Services (Fund Services Business (Accounts, Audit and Reports)) (Jersey) Order 2007, *[I/we]* declare that throughout the *[year/period]* ended *[date]*, *[name of registered person]* has complied with the requirements of:

- the Financial Services (Jersey) Law 1998 (the “**Law**”), and with the requirements of the applicable Orders and Codes of Practice made or issued under the Law (not being a requirement the Commission has waived) that apply to *[name of registered person]* *[except as set out below]*, and has maintained proper accounting records and adequate systems to enable *[name of registered person]* to maintain proper accounting records *[except as set out below]*;
- all laws relating to money laundering with which *[name of registered person]* is required to comply *[except as set out below]*.

[Provide details of all material failures and specify any measures taken or to be taken to ensure that the failures are not repeated.]

[Where there are exceptions, which are not material, then the above statement should be qualified to state that there has not been full compliance but that failures have not been material.]

Yours faithfully

[Enter position of the person signing on behalf of the registered person]

Dated:

Appendix F: FSB that is a Managed Entity that is not following the FSB Codes in full

Declaration under Articles 5(1) and 6(1) of the Financial Services (Fund Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007

In accordance with Articles 5(1) and 6(1) of the Financial Services (Fund Services Business (Accounts, Audit and Reports)) (Jersey) Order 2007, [I/we] declare that throughout the period ended [date], [name of registered person] has complied with the requirements of:

- the Financial Services (Jersey) Law 1998 (the “**Law**”) [except as set out below];
- the applicable Orders made under the Financial Services (Jersey) Law 1998 that apply to [name of registered person] [except as set out below];
- with respect to the Codes of Practice⁶, [name of registered person] has
 1. conducted its business with integrity
 2. had due regard for the interests of the Fund
 3. organised and controlled its affairs effectively for the proper performance of its business activities and has been able to demonstrate the existence of adequate risk management systems
 4. been transparent in its business arrangements with the Fund
 5. maintained, and is able to demonstrate the existence of, both adequate financial resources and adequate insurance
 6. dealt with the Commission and other authorities in Jersey in an open and co-operative manner
 7. not made statements that are misleading, false or deceptive [except as set out below]

and throughout the [year/period] ended [end date of relevant accounting period] has

- maintained proper accounting records and adequate systems to enable [name of registered person] to maintain proper accounting records [except as set out below];
- complied with the requirements, of all laws relating to money laundering with which [name of registered person] is required to comply [except as set out below].

[Provide details of all material failures and specify any measures taken or to be taken to ensure that the failures are not repeated.]

⁶ See Guidance Note for Persons Acting as Manager of a Managed Entity (MoME) published on the Commission Website:

http://www.jerseyfsc.org/funds_securities_issues/policy_statements_and_guidance_notes/index.asp.

[Where there are exceptions, which are not material, then the above statement should be qualified to state that there has not been full compliance but that failures have not been material.]

Yours faithfully

[Enter position of the person signing on behalf of the registered person]

Dated:

Appendix G: Auditor's report on FSB declaration

Report on the declaration under Articles 5(1) and 6(1) of the Financial Services (Fund Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007

In accordance with Article 5(2) of the Financial Services (Fund Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007 we have reviewed the attached declaration prepared by *[name of registered person]* under Articles 5(1) and 6(1) of the Financial Services (Fund Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007. The declaration is the responsibility of, and has been approved by, the *[directors/partners]* of *[name of registered person]*. It is our responsibility to report on the declaration, based on our audit of *[name of registered person]*'s financial statements.

We have audited the financial statements of *[name of registered person]* for the *[year/period]* ended *[date]* in accordance with *[name relevant auditing standards]* issued by the *[name relevant standards issuing body]* ("**Auditing Standards**"), and in our report to the *[members/partners]* dated *[date]*, we set out the basis for our audit opinion. While conducting our audit for the purpose of reporting on the financial statements, we have become aware of *[nothing that could be taken as indicating that a statement in the attached declaration is incorrect/the following matters that prevent us from confirming that a statement in the attached declaration is correct]*.

Except for the requirements set out in the Auditing Standards and in Article 7 of the Financial Services (Fund Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007, our audit was not planned or conducted for the purpose of determining whether the registered person has complied with the requirements of the Financial Services (Jersey) Law 1998 (the "**Law**"), any Orders and Codes of Practice made or issued under the Law or the relevant legislation to counter money laundering. We accept no duty or responsibility to any third party including the Jersey Financial Services Commission (the "**Commission**") in this regard.

We consent to a copy of this report being attached to the declaration, which has been signed by us for identification purposes only, and being provided to the Commission in its capacity as regulator under the Law. Our report should not be disclosed to any other party or otherwise quoted or referred to without our prior written consent; and we accept no responsibility to any third party in relation to it.

Yours faithfully

[Auditor]

Dated

Appendix H: GIMB single entity declaration

Declaration under Articles 5(1) and 6(1) of the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005

In accordance with Articles 5(1) and 6(1) of the Financial Services (General Insurance Mediation Business (Accounts, Audit, Reports and Solvency)) (Jersey) Order 2005, *[I/we]* confirm that, throughout the *[year/period]* ended *[date]*, *[name of registered person]* has complied with the requirements of:

- the Financial Services (Jersey) Law 1998 (the “**Law**”), and with the requirements of the applicable Orders and Codes of Practice made or issued under the Law (not being a requirement the Commission has waived) that apply to the registered person, and has maintained proper accounting records and adequate systems to enable *[name of registered person]* to comply with those requirements *[except as set out below]*; and
- all relevant legislation relating to money laundering *[except as set out below]*.

[Provide details of all material failures and specify any measures taken or to be taken to ensure that the failures are not repeated.]

[Where there are exceptions, which are not material, then the above statement should be qualified to state that there has not been full compliance but that failures have not been material.]

Yours faithfully

[Enter position of the person signing on behalf of the registered person]

Appendix I: Auditor's report on GIMB declaration

Report on the declaration under Articles 5(1) and 6(1) of the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005

In accordance with Article 5(2) of the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005 we have reviewed the attached declaration prepared by *[name of registered person]* under Articles 5(1) and 6(1) of the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005. The declaration is the responsibility of, and has been approved by, the *[directors/partners]* of *[name of registered person]*. It is our responsibility to report on the declaration, based on our audit of *[name of registered person]*'s financial statements.

We have audited the financial statements of *[name of registered person]* for the *[year/period]* ended *[date]* in accordance with the auditing standards issued by the UK Auditing Practice Board ("**Auditing Standards**"), and in our report to the *[members/partners]* dated *[date]*, we set out the basis for our audit opinion. While conducting our audit for the purpose of reporting on the financial statements, we have become aware of *[nothing that could be taken as indicating that a statement in the attached declaration is incorrect/the following matters that prevent us from confirming that a statement in the attached declaration is correct]*.

Except for the requirements set out in the Auditing Standards and in Article 7 of the Financial Services (General Insurance Mediation Business (Accounts, Audits, Reports and Solvency)) (Jersey) Order 2005, our audit was not planned or conducted for the purpose of determining whether the registered person has complied with the requirements of the Financial Services (Jersey) Law 1998 (the "**Law**"), any Orders and Codes of Practice made or issued under the Law or the relevant legislation to counter money laundering. We accept no duty or responsibility to any third party including the Jersey Financial Services Commission (the "**Commission**") in this regard.

We consent to a copy of this report being attached to the declaration, which has been signed by us for identification purposes only, and being provided to the Commission in its capacity as regulator under the Law. Our report should not be disclosed to any other party or otherwise quoted or referred to without our prior written consent; and we accept no responsibility to any third party in relation to it.

Yours faithfully

[Auditor]

Dated