National Strategy for Combatting Money Laundering, the Financing of Terrorism and the Financing of Proliferation of Weapons of Mass Destruction

Action Plan Progress Update

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September 2023

In September 2022, the Government of Jersey published its inaugural [National Strategy for Combatting Money Laundering, the Financing of Terrorism and the Financing of Proliferation of Weapons of Mass Destruction](#).

Jersey has had a long-term commitment to preventing and eliminating financial crime. The purpose of the National Strategy and Action Plan is to clearly document Jersey's position in supporting international efforts in the fight against all forms of financial crime and areas of focus to increase effectiveness. The National Strategy includes:

- • A Vision to provide a clear direction of travel as we combat financial crime together

- • The Strategic Priorities to ensure the FATF recommendations are fully implemented

- • A national Action Plan to deliver the Strategic Priorities

Within Chapter 9, the Action Plan sets out 33 individual actions, categorised along seven Strategic Priorities, which Government and competent authorities are committed to deliver against.

The progress of the Action Plan is continuously monitored by the Financial Crime Political Steering Group (PSG), Jersey's the highest governance body on financial crime matters. The PSG meets monthly, or on an ad-hoc basis if necessary, and is chaired by the Minister with responsibility for financial services.

This document provides a progress update on each of the individual actions, twelve months after the publication of the National Strategy.

Out of the 33 individual actions, 14 actions (42%) have already been completed so far, 17 actions (52%) are on track and only 2 (6%) are delayed. Government and other competent agencies remain committed to complete all outstanding actions as outlined in the updates provided below.

SUMMARY

9.1 Strategic Priority One: Understanding the Threat and Performance Metrics		
Action 9.1.1	Maintain the national strategy and national action plan for combatting financial crime and countering the financing of terrorism.	On Track
Action 9.1.2	Update the national risk appetite.	On Track
Action 9.1.3	Update existing, and conduct new, national risk assessments.	On Track
Action 9.1.4	Develop a fully operational performance system to measure what works in combatting financial crime – National Statistics Database.	On Track
Action 9.1.5	Improve data related to freezing, seizing and confiscation.	Complete
Action 9.1.6	Data to improve risk understanding.	On Track
Action 9.1.7	Review exemptions.	Complete
Action 9.1.8	Monitoring of jurisdictional risk at a national level.	Complete
Action 9.1.9	Coordinated approach to risk analysis for financial services for new jurisdictions.	On Track
9.2 Strategic Priority Two: Better Information Sharing and Coordination		
Action 9.2.1	FIU Industry engagement - Jersey Financial Information Network (JFIN).	Complete
Action 9.2.2	Undertake a cross-agency review of lessons learnt and best practice from the recent sanctions exercise.	Delayed
Action 9.2.3	Enhance domestic operational information sharing between key financial crime agencies.	Complete
Action 9.2.4	Develop international information sharing mechanisms.	Complete
Action 9.2.5	Enhance public private partnership approach.	On Track
9.3 Strategic Priority Three: Powers, Procedures, Preventative Measures and Tools		
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Action 9.3.2	Law Officers' Department policies and manuals	Complete
Action 9.3.3	Non-profit organisations	Complete
Action 9.3.4	Legal powers to prevent activity outside of national risk appetite	On Track
Action 9.3.5	Deferred prosecution agreement regime	Complete
9.4 Strategic Priority Four: Enhanced Capabilities of Law Enforcement, the Justice System and Private Sector		
Action 9.4.1	Develop a sustainable and long-term resourcing model for financial crime reform	Complete
Action 9.4.2	FIU strategic review	Delayed
Action 9.4.3	Training and succession planning	On Track
Action 9.4.4	Continue to disrupt fraudsters and reduce the number of people who become victims of fraud through the existing Private Public Partnerships of Jersey Fraud Prevention Forum (JFPF)	On Track
9.5 Strategic Priority Five: Risk-Based Supervision and Risk Management		
Action 9.5.1	Wire transfers	Complete
Action 9.5.2	Enhance JFSCs approach to risk-based supervision	On Track
Action 9.5.3	Support innovation in regulatory compliance for AML/CFT/CPF	On Track

Action 9.5.4	Adoption of Digital ID Systems	**On Track**
9.6 Strategic Priority Six: Transparency and Ownership		
Action 9.6.1	Local agencies direct access to beneficial ownership	**Complete**
Action 9.6.2	Beneficial ownership registers	**Complete**
Action 9.6.3	Timely access to trust information	**On Track**
9.7 Strategic Priority Seven: International Strategy		
Action 9.7.1	Awareness raising activities in respect of proliferation financing	**On Track**
Action 9.7.2	Seek international best practice	**On Track**
Action 9.7.3	The effectiveness of tax enforcement and cooperation	**On Track**

9.1 Strategic Priority One: Understanding the Threat and Performance Metrics

Action 9.1.1

Maintain the national strategy and national action plan for combatting financial crime and countering the financing of terrorism.

We will:	• Review the 2022 - 2026 national strategy and national action plan for combatting money laundering, the financing of terrorism and the financing of proliferation of weapons of mass destruction (this document) every two years or as a result of a significant trigger event • Ensure after each review the strategy is endorsed by the highest levels of Government and regularly reviewed at PSG • Original version signed off at PSG September 2022 and then noted by the Council of Ministers and lodged as a report with the States Assembly.
We will do by:	• Added to PSG terms of reference to review regularly and refresh every two years • First refresh due September 2024.
We will measure our success by:	• The refreshed plan is approved at the highest political level (PSG) • Each refresh is published.
It will be led by:	Government
Status:	**On Track**
Update:	The action plan forms part of the national work programme, and the progress of the actions is monitored through regular reporting to the PSG. The National Strategy is due to be reviewed in 2024 and the revised version will be reviewed and endorsed by the PSG and the Minister and lodged as a report with the States Assembly. These requirements will also be incorporated into the next annual review of the PSG Terms of Reference, scheduled for March 2024.

Action 9.1.2

Update the national risk appetite.

We will:	• Update the national risk appetite which serves as a 'compass' for industry to help them determine their own business strategies and appetites. An initial National Risk Appetite Statement will be published and then a more detailed version will be published, in line with the metrics and data from research, particularly on activities of legal entities.
We will do by:	• Initial version H2 2022 • Detailed version H2 2023.
We will measure our success by:	• Approval of the plan at the PSG. It will then be published.
It will be led by:	Government
Status:	**On Track**
Update:	A revised version will be published in Q4 2023. The 2023 version will incorporate considerations regarding the findings from the 2023 ML NRA Refresh and the 2023 LPA NRA.

Action 9.1.3

Update existing, and conduct new, national risk assessments.

We will:	• Update NRAs and create new NRAs for strategically important areas • Expand risk assessment scope to include family offices, legal persons/arrangements, proliferation financing • Risk refresh: money laundering/terrorist financing quantitative data, wire transfer, high risk jurisdictions, threat, vulnerability, deposit-taking sector, funds sector, trust and corporate service providers sector, legal sector.
We will do by:	• All completed by December 2023.
We will measure our success by:	• Each NRA or refresh will be noted at PSG and then published to Industry. Where appropriate, explanatory sessions/videos will be arranged to help upskill Industry in the findings.
It will be led by:	Government
Status:	**On Track**
Update:	Jersey continues to focus on understanding and mitigating the risks associated with its products and services being used to launder money or to facilitate terrorist or proliferation financing. There is full appreciation that risks are not static and risk assessments are needed in strategically important areas. Progress has been achieved regarding completion of the first national risk assessments on proliferation financing and VASPs - both of which will be finished before the end of 2023. Risk assessment work continues with respect to family offices. During 2023 the significant risk assessment work resulted in the publication of: • An update report to the 2020 ML NRA with a focus on national threat, national vulnerability, deposit-taking, TCSPs, funds and legal sector. • An update report to the 2021 TF NRA. • The first legal persons/legal arrangements national risk assessment. • A series of risk information sheets regarding ML and TF risks associated with higher risk jurisdictions For each of the above publications a programme of outreach/engagement events has been delivered to industry and competent authorities.

Action 9.1.4

Develop a fully operational performance system to measure what works in combatting financial crime – National Statistics Database.

We will:	• To fully measure the efforts in the public and private sectors in disrupting financial crime, the government team will develop

	performance indicators from a National Statistics Database to monitor activities being undertaken to tackle financial crime • All competent authorities and industry are engaged • The programme will also look how to gather and present data back to governance forums such as PSG.
We will do by:	• June 2023.
We will measure our success by:	• Government to have central database that all agencies feed into, providing a holistic picture for Jersey.
It will be led by:	Government
Status:	**On Track**
Update:	The Government sought to implement a system to capture a national view of statistics which can be used to monitor activities being undertaken to tackle financial crime. All competent authorities have been engaged in the process to determine the statistical information to be captured. This system (National Financial Crime Statistics Database) has now been developed and in currently undergoing testing prior to launch in August 2023. Statistics have been collected from 01 January 2018 – 30 June 2023 which will be loaded to the system. System reporting is intended to be presented to FCARG in in September 2023 and onwards. Annual, and more frequent by exception, statistics submissions are to be received from each competent authority directly into the system so that progress can continually be monitored.

Action 9.1.5

Improve data related to freezing, seizing and confiscation.

We will:	• Develop reliable and reconciled national statistics on freezing, seizing and confiscation, regularly monitor national performance at appropriate governance forum, and take any corrective action that appears necessary. Confiscation statistics to include both amounts ordered, and amounts realised if available • Build ringfenced (for security reasons) section of database for investigations and prosecutions data.
We will do by:	• June 2023.
We will measure our success by:	• Builds on action 9.1.4
It will be led by:	Government
Status:	**Complete**
Update:	Following the cross-agency data collection exercise, conducted as part of the MER process, an agreed set of data was produced. As a result, each agency involved in freezing, seizing and confiscating criminal assets now submits data on a monthly basis to the Viscount's Department as the central data collection point. The staff at the Viscount's Department then cross-check the data for accuracy and to identify any duplication. The data is then held by the Viscount's Department for subsequent uploading to the National Statistics Database.

Action 9.1.6

Data to improve risk understanding.

We will:	• Improve processes for collection of data and information to determine:
	    ◦ asset classes, origin of investors and geographical location of funds managed out of Jersey
	    ◦ the volume and extent of ownership/intermediary chains.

We will do by:	• Q4 2022 (NRA data and information, effectiveness review framework (ERF) monitoring) • Q4 2023 (digital by design regulatory submissions).
We will measure our success by:	• Use of data and information collected through the NRA of Legal Persons and Arrangements (Q4 2022) to enhance understanding of products, services and regulated service providers • Developing regulatory submissions so that they are 100% 'digital by design' by January 2024 • Ongoing monitoring by JFSC ERF overseen by internal Regulatory Effectiveness Committee.
It will be led by:	JFSC
Status:	**On Track**
Update:	JFSC's approach to data collection continues to evolve and includes both ongoing annual and ad-hoc data collections to update and enhance our understanding of ML/TF risk. Notable areas in 2022 / 2023 where data collected has provided a deeper understanding of ML/TF risk (and is driving focused supervisory activity) is in relation to Non-Profit Organisations (NPO's), Legal Persons and Arrangements (LPA's) and Virtual Asset Service Providers (VASP's), with their corresponding NRA's published in 2022 or due to be published in 2023. From a governance and oversight perspective, JFSC's Supervision Data Collection Forum considers (on an ongoing basis) the suitability of data being collected including any changes required. The JFSC Financial Crime Regulatory Effectiveness Committee provides strategic oversight regarding JFSC's ongoing effectiveness. Work is underway to enhance regulatory submissions such that they become 100% digital by design. Whilst good progress has been made, this work will likely conclude by the end of 2024.

Action 9.1.7

Review exemptions.

We will:	• Review the existing legal provisions granting exemptions from the AML/CFT requirements and determine whether they can be substantiated based on existing low risks • Document the risk assessments where exemptions are maintained.
We will do by:	• December 2022.

We will measure our success by:	• The delivery of updated legislation and associated guidance.
It will be led by:	JFSC
Status:	**Complete**
Update:	During the course of the work to create the 2020 Money Laundering National Risk Assessment, it was determined that it was not possible to evidence that persons benefiting from the registration/notification exemptions (the AML/CFT scope exemptions) met the FATF criteria of provide low risk or occasional or very limited activity. On 30 January 2023, schedule 2 to the Proceeds of Crime (Jersey) Law (POCL) was amended, removing all legal provisions granting exemptions from AML/CFT requirements. As a result, all persons undertaking an activity, as a business, that falls within the FATF definition of a Financial Institution, Designated Non-Financial Business and Profession, and Virtual Asset Service Provider, are now required to register or notify that activity to the JFSC.

Action 9.1.8

Monitoring of jurisdictional risk at a national level.

We will:	• Government will establish a group to coordinate monitoring of jurisdictional risk at a national level and implementation of proportionate responses to Government's international strategies.
We will do by:	• Q4 2022 and tri-annual thereafter.
We will measure our success by:	• Establishment of group terms of reference and 2022 strategic jurisdictions.
It will be led by:	Government
Status:	**Complete**
Update:	Jersey previously had several separate agencies and groups which considered jurisdictional risk. This was considered by the Government (in the context of Strategy and NRAs), the JFSC (in the context of the Sound Business Practice Policy and the publication of Appendix D2) and the FIU (in the context of their international work). The Government has now co-ordinated its own consideration of jurisdictional risk in the Financial Services Jurisdictional Risk Group who have met multiple times in 2023 The group is a technical expert group considering risk factors from reliable sources who look to make information available to the Government and the wider industry for ML/TF risk management.

Action 9.1.9

Coordinated approach to risk analysis for financial services for new jurisdictions.

We will:	• Prior to promoting Jersey in new jurisdictions, JFL will engage with all key stakeholders, to help understand the risks associated with a new jurisdiction.
We will do by:	• Each time a new jurisdiction is considered.

We will measure our success by:	• A risk analysis will have been completed for each potential new jurisdiction. This analysis can then link to any refresh or the national risk appetite statement.
It will be led by:	Government (previously allocated to Jersey Finance Limited (JFL)
Status:	**On Track**
Update:	Government has now established the Financial Services Jurisdictional Risk Group, a technical expert group considering risk factors from reliable sources to coordinate a cohesive risk view across Government and communicate this to relevant departments, organisations and the wider industry. The Group has met multiple times throughout 2023 and monitors jurisdictions which are a strategic priority to Jersey or are recognised as presenting a higher risk by FATF and in September 2023 published a series of risk information to industry on the ML and TF risk presented at a jurisdictional level.

9.2 Strategic Priority Two: Better Information Sharing and Coordination

Action 9.2.1

FIU Industry engagement - Jersey Financial Information Network (JFIN).

We will:	• The Financial Investigation Unit must intensify its engagement with the private sector to attune it to Jersey's money laundering/terrorist financing/proliferation financing risks as identified in its NRAs, and to generate more and better-quality SARs, including environmental crimes. This includes the development by the Jersey authorities, in consultation with the private sector, of practical, locally based guidance and money laundering indicators, which address the risks Jersey faces and the particular types/typologies of laundering within Jersey to which FIs and DNFBPs need to be alert (and to report as SARs).
We will do by:	• December 2022.
We will measure our success by:	• Creation of a Jersey equivalent JFIN to the UK JMLIT partnership.
It will be led by:	FIU
Status:	**Complete**
Update:	The Director of the FIU has established the Jersey Financial Intelligence network (JFIN). The JFIN membership is limited to the commercial/high street banks initially. JFIN has met a number of times to discuss and agree matters relating to the operation of JFIN; thematic areas for information gathering; and potential expansion to other business sectors in the future.

Action 9.2.2

Undertake a cross-agency review of lessons learnt and best practice from the recent sanctions exercise.

We will:	• Undertake a PPP review of lessons learnt, positives from the creation of the taskforce and embed best practice for future approach to recent sanctions threats, focussing on geographies and sectors at a national level, where threats are imported into Jersey from the cross-border nature of being an IFC • Use to inform the trigger event process for the national strategy, as recorded in this document.
We will do by:	• Q1 2023.
We will measure our success by:	• A review of lessons learnt shared with PSG.
It will be led by:	Government
Status:	**Delayed**
Update:	This action was reallocated and has been recast. A summary document setting out lessons learned in respect of sanctions implementation and any potential follow-up actions will be produced by end of Q1 2024, seeking input across relevant agencies.

Action 9.2.3

Enhance domestic operational information sharing between key financial crime agencies.

We will:	• Review and develop the effectiveness of domestic information sharing between FIU, ECCU and JFCU Operational Unit at the regular Tripartite Group meeting • Look to consider protocols for information sharing with all authorities more generally and measure the effectiveness of that information sharing.
We will do by:	• Q3 2023.
We will measure our success by:	• Policies, procedures and protocols produced. Case metrics measures.
It will be led by:	All agencies
Status:	**Complete**
Update:	The Tripartite process has been reviewed and adjusted in terms of its purpose and scope. Tripartite is no longer an operational meeting at which specific cases are discussed but rather a strategic level forum for financial crime agencies to share information and to highlight potential cross-cutting issues. There are also specific operational level multi-agency working groups for both TF and PF. These working groups meet on an alternate basis to discuss and exchange typologies, and to conduct work streams, such as the revision of the High-Risk Jurisdiction List.

Action 9.2.4

Develop international information sharing mechanisms.

We will:	• Further develop international information sharing mechanisms, particularly developing outgoing MLA requests, FIU exchanges of intelligence, law enforcement relationships and regulator to regulator. This should be accompanied by metrics measuring exchange and its effectiveness and also be linked to risk identified.
We will do by:	• Q4 2023.
We will measure our success by:	• Metrics on information exchange, links to risk work, development of new relationships for exchanging information.
It will be led by:	All agencies
Status:	**Complete**
Update:	Jersey authorities have continued to develop the scope of its membership of international information sharing networks to improve and enhance both formal and international cooperation. Specifically, ECCU joined GlobE Network (unodc.org). The Global Operational Network of Anti-Corruption Law Enforcement Authorities offers a platform for information exchange between frontline anti-corruption law enforcement practitioners in all countries across the globe. The Viscount's Department joined the BAMIN network (Balkan Asset Management Interagency Network BAMIN (bamin-network.org)). BAMIN is an informal network of Asset Management practitioners. In addition, the FIU has updated its membership of the

	Egmont Group of FIUs ([Home - Egmont Group](#)) following the change of "model" from law enforcement to administrative FIU.

Action 9.2.5

Enhance public private partnership approach.

We will:	• Enhance the working relationship between the public and private sectors building on international best practice • Establish Jersey's own PPP structure and decide which cells to develop, in conjunction with the proposed JFIN approach (action 9.2.1) • Build and publish an ongoing outreach programme managed by the Government and JFSC, to include consultations ahead of relevant changes in legislation, roadshows and the continued use of working groups comprising subject matter experts from the public and private sectors • The approach will be enhanced by the creation of an online facility acting as the central point for all useful information in the prevention of money laundering, terrorist financing and proliferation financing. There will also continue to be recorded webinars to provide additional contextual support to impending changes • Continue use of regulatory colleges where information on regulated entities is shared.
We will do by:	• H1 2023.
We will measure our success by:	• Assessment of the number and type of cells developed through this framework • Accountability and objectivity assessment set by each cell and overseen by the PPP Operational Board (Monitored by the PSG/CDG process) • Assessment of interest through both web-based activity and face-to-face contributions • Ability to horizon scan and use external information to assist in the direction of travel.
It will be led by:	Government
Status:	<mark style="background-color:green;color:white">**On Track**</mark>
Update:	The Director of the FIU has established the Jersey Financial Intelligence network (JFIN). The JFIN membership is limited to the commercial/high street banks initially. JFIN has met a number of times to discuss and agree matters relating to the operation of JFIN; thematic areas for information gathering; and potential expansion to other business sectors in the future (see 9.2.1).

9.3 Strategic Priority Three: Powers, Procedures, Preventative Measures and Tools

Action 9.3.1
Prosecutions

We will:	• Develop a strategy to focus appropriate efforts towards the key money laundering threats as identified in the NRAs • Produce operational guidance on the effective investigation of money laundering, terrorist financing and other types of financial crime.
We will do by:	• Q1 2023.
We will measure our success by:	• Carrying out regular quantitative and qualitative reviews of money laundering investigations and prosecutions through the effectiveness data reporting. Reviews used to develop the strategy and consider appropriate allocation of resources.
It will be led by:	LOD
Status:	**Complete**
Update:	ECCU's take on criteria and prioritisation of work was amended to reflect the priority principle which links its caseload to the NRA, as well as significant improvements to corporate governance and process mapping. ECCU's cases match the key risks for Jersey in the National Risk Assessment, in that they are international and concern corruption, tax evasion and fraud predicates as well as money laundering offences, including stand-alone money laundering. Since the National Strategy was published in September 2022, ECCU has achieved: • Conviction of one defendant for fraud and money laundering (counts against two other defendants are scheduled for trial in October 2023); • Obtained a significant saisie judiciaire for several billion dollars; • Four non-conviction based civil forfeiture orders (Useni, Miner, Fragoso and Latchford) where assets totalling over £2.8 million and US$12 million have been forfeited; • In Useni, the AG won in the Court of Appeal, defeating challenges based on access to justice grounds to the refusal of consent regime as well as successfully arguing for indemnity costs against the appellant and resisting the bank's claims for its costs on the indemnity basis from the forfeited funds; • In addition, in the case of Tantular all three appeals were won by the AG in the Judicial Committee of the Privy Council which resulted in the final registration and enforcement of confiscation orders of the Indonesian courts against a Jersey trust on which the proceeds of fraud and money laundering offences had been settled. ECCU is nearing its full complement of staff with one Legal Adviser post remaining to be filled. Operational Guidance and Manuals on the effective investigation of money laundering, terrorist financing and other types of financial crime have been produced as per the separate report for 9.3.2.

Law Officers' Department policies and manuals

We will:	• Enhance clarity for the relevant teams by creating and embedding policies/manuals that ensure the following are in place:
	    o Parallel investigations in financial crime cases policy
	    o Investigations and prosecution manual
	    o MLA manual
	    o Terrorist financing manual.

We will do by:	• December 2022.
We will measure our success by:	• Policies/manuals signed off.
It will be led by:	LOD
Status:	**Complete**
Update:	LOD Money Laundering Investigation and Prosecution Manual completed and issued 18 November 2022; revised and reissued 24 February 2023 and 18 April 2023. ECCU Operations Manual completed and issued 31 January 2023. AG's Guidance concerning Parallel Financial Investigations completed 28 June 2022. Mutual Legal Assistance Policies and Procedurals Manual completed 25 May 2022. Mutual Legal Assistance Work Areas Manual completed 15 March 2023. AG's Guidance to Investigators and Prosecutors concerning Terrorist Finance completed 30 November 2022. Issued 5 December 2022. Revised and reissued 15-17 May 2023. Further revised version awaiting reissue. All Manuals and Guidance documents are iterative and will be updated as appropriate.

Action 9.3.3

Non-profit organisations

We will:	• Expand the obligations imposed on NPOs which are at a higher risk of being abused for terrorist financing purposes and designate the JFSC with the full range of powers and mandate of an NPO supervisor.
We will do by:	• December 2022.
We will measure our success by:	• Legislative amendments in force.
It will be led by:	Government
Status:	**Complete**
Update:	From 1 January 2023 Prescribed NPOs (i.e., the sub-sector of NPOs at heightened risk for TF abuse) fall within scope of the JFSC's enhanced supervisory regime. This was facilitated through enhancements to the

	legislative and regulatory regime. Significant outreach and engagement efforts have occurred to enhance awareness in the non-profit sector and amongst its stakeholders (e.g. the donor community and TCSPs). A number of supervisory examinations have taken place in 2023. Enhanced guidance has been published on the JFSC's and Government of Jersey websites. A memorandum of understanding has been signed between the JFSC and the Charity Commissioner. NPOs were included in the 2023 TF NRA update.

Action 9.3.4

Legal powers to prevent activity outside of national risk appetite

We will:	• Create legal powers to prevent any prescribed activity that occurs which is defined as outside of the National Risk Appetite.
We will do by:	• Post H1 2023 when the detailed version of the national risk appetite is published.
We will measure our success by:	• All necessary powers are tabled for approval as reported to PSG.
It will be led by:	Government
Status:	**On Track**
Update:	Law drafting instructions regarding legal powers for Government to prevent activities considered to be outside of the national risk appetite or which could undermine Jersey's national security are being developed.

Action 9.3.5

Deferred prosecution agreement regime

We will:	Introduce a new Deferred Prosecution Agreement Law.
We will do by:	Q1 2023.
We will measure our success by:	Legislation passed.
It will be led by:	Government
Status:	**Complete**
Update:	The Criminal Justice (Deferred Prosecution Agreements) (Jersey) Law 2023 was adopted by the States Assembly on 16 December 2022 and came into force on 3 March 2023. The Attorney General's Guidance on DPAs, which outlines the process and the requirements to the general public was also published on 3 March 2023.

9.4 Strategic Priority Four: Enhanced Capabilities of Law Enforcement, the Justice System and Private Sector

Action 9.4.1

Develop a sustainable and long-term resourcing model for financial crime reform

We will:	• Conduct, on the national level, a resource benchmarking exercise for financial crime to determine the balance between the materiality and complexity of Jersey as an IFC • Initially create a methodology to assess resources and then undertake an annual benchmarking exercise by the agencies to ensure any resourcing requirements can be added into the governmental annual resourcing plans.
We will do by:	• Q4 2022.
We will measure our success by:	• Annual review process presented to PSG.
It will be led by:	Government
Status:	**Complete**
Update:	Through the National Structure for Financial Crime Risk, Strategy and Policy, Jersey created a model to ensure long-term resourcing for financial crime. This model is supported by the July 2023 Financial Crime MOU on Investigations, Prosecutions and Asset Recovery which creates the Financial Crime Agencies Review Group ("FCARG"). The FCARG is designed to consider matters of effectiveness of financial crime agencies including statistics from the National Financial Crime Statistics database. This model is already delivering tangible results and has resulted in requests for additional resources for the development of the Financial Intelligence Unit (FIU) and also for continued investment in areas of financial crime investigation by the Law Officers' Department by investment into staffing in the Mutual Legal Assistance Department through growth bids in the Government Plan 2024.

Action 9.4.2

FIU strategic review

We will:	• Undertake a strategic review of operational independence of reporting lines, seniority, and resourcing of the FIU as well as development of IT system.
We will do by:	• H1 2023.
We will measure our success by:	• New head of FIU appointed. Regular updates on wider FIU plan reported to PSG.
It will be led by:	Government
Status:	**Delayed**
Update:	Not commenced. This action is dependent upon funding being available. The FIU budget is still being finalised following its separation from the SoJP. A Strategic Review will be planned once the final budget review has been completed.

Training and succession planning

We will:	• As documented in the Financial Services Policy Framework, the priority is to deepen and broaden the skills and expertise of Jersey's workforce • Jersey will invest in creating a local workforce with the skills for the future through a collaborative programme between government, the JFSC and industry that identifies the skills needed, and seeks to attract, retain, and develop the professionals required.
We will do by:	• Timescales available once plan written.
We will measure our success by:	• To be taken from the plan once written.
It will be led by:	Government
Status:	**On Track**
Update:	In the originally published National Strategy, this was erroneously allocated to Jersey Finance Limited (JFL) as an action in the summary table. In all parts, this should have been allocated to the Government of Jersey in its function as the national co-ordination body. This remains an ongoing action in the Financial Services Policy Framework, the priority is to deepen and broaden the skills and expertise of Jersey's workforce by investing in creating a local workforce with the skills for the future through a collaborative programme between government, the JFSC and industry that identifies the skills needed, and seeks to attract, retain, and develop the professionals required. This action is ongoing.

Action 9.4.4

Continue to disrupt fraudsters and reduce the number of people who become victims of fraud through the existing Private Public Partnerships of Jersey Fraud Prevention Forum (JFPF)

We will:	• Build on the existing Jersey Fraud Prevention Forum (JFPF) strategy and broaden its activities across the Island, co-ordinate activity and enhance all aspects of the preventative work and engagement with the public. Seek increased funding to enhance and widen the existing work undertaken.
We will do by:	• Q4 2023 before existing funding runs out.
We will measure our success by:	• Number of people annually who are victims of fraud vs prior years (use UK as comparative measure) • Amount of losses in £s vs prior years (use UK as comparative measure).
It will be led by:	States of Jersey Police and JFPF
Status:	**On Track**
Update:	Reported fraud continues to be investigated by the SOJP in conjunction with its local and international partners. Officers and staff within the organisation take the opportunity to offer crime prevention / reduction advice as crimes are reported. The Jersey Fraud Prevention Forum continues to support islanders via advice and guidance on its website, regular press announcements,

| | physical presence as some community events and its bi-annual newsletter that is delivered to every home on the Island. |
| | The Forum is supported by a wide cross-section of relevant government and private agencies / companies. The Forum meets regularly and can communicate early warning messages to the public in a number of different ways, maximising the reach that each member has within its own area of community engagement. |

9.5 Strategic Priority Five: Risk-Based Supervision and Risk Management

Action 9.5.1

Wire transfers

We will:	• Complete the analysis of the financial flows with the 21 jurisdictions (where there is an incomplete understanding of the reasons for transfers from/to Jersey).
We will do by:	• Q1 2023.
We will measure our success by:	• An understanding obtained of payments to the 21 jurisdictions.
It will be led by:	Government
Status:	**Complete**
Update:	At the beginning of 2023, to improve our national risk understanding, several Banks and MSBs providing additional information and data to the JFSC, collaborating with the Government of Jersey. Engagement was also extended to the JBA. The analysis was conducted with the assistance of a commissioned third-party consultant in relation to fund-flows (volume and value), and the rationale for those amounts flowing to and from several higher risk jurisdictions for TF. It formed the basis for a section in the 2023 TF NRA update. Further industry engagement and data gathering is anticipated to put in place a uniformed reporting standard of payment categories for centralised funds flow reporting.

Action 9.5.2

Enhance JFSCs approach to risk-based supervision

We will:	• The JFSC will continue to enhance its risk-based approach to AML/CFT/CPF supervision. This includes using data and information to focus its work on activities that have the greatest impact across the range of firms it supervises. This will be achieved through greater use of intelligence and data, including through the fuller use of the information collected from Industry annually.
We will do by:	• H2 2023.
We will measure our success by:	• Ultimately reported via the JFSC annual report and business plan.
It will be led by:	JFSC
Status:	**On Track**
Update:	The approach to AML/CFT/CPF supervision has evolved alongside an increasing understanding of ML/TF risk. In 2023, this included a revised structure delivering a developed risk-based approach centred on the assessment of ML/TF risk provided by the latest iteration of the risk model. The approach uses a supervisory engagement model to draw on the JFSC's understanding of ML/TF risk across each sector to produce sectoral strategies. The supervisory engagement model delivers a sectoral activity planning framework, graduated according to ML/TF risk. It determines at a high level based on risk ratings which activities (examinations, reviews, analytics projects, and guidance) will be applied

| | to any Supervised Persons within a sector, and the frequency that they will be applied.

The above revised approach to risk-based supervision was tabled with the JFSC Board of Commissioners at its meeting in December 2022. |
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Action 9.5.3

Support innovation in regulatory compliance for AML/CFT/CPF

We will:	• The JFSC will actively support the adoption of regulatory technology (RegTech) by the private sector particularly where it improves Jersey's AML/CFT/CPF capabilities[1]. This will include:
	  o developing regulatory submissions so that they are 100% 'digital by design' by January 2024
	  o providing greater clarity on our regulatory expectations through expanded outreach and engagement
	  o collaborating with other agencies on skills development to support enlarged capability for the JFSC, government and industry
	  o clarifying and simplifying the regulatory framework to enable the digitalisation of regulatory content.

We will do by:	• 2024.
We will measure our success by:	• The JFSC will implement the actions and recommendations from the RegTech Associates "RegTech in Jersey: Closing the gap between ambition and reality" report of July 2022[2]. Delivery will be demonstrated in our annual reports, business plans, and through the JFSC's Innovation Hub.
It will be led by:	JFSC
Status:	**On Track**
Update:	The JFSC continues to actively support the adoption of regulatory technology by the financial services industry both generally and more specifically where it improves Jersey's AML/CFT/CPF capabilities.

Following the amendment to Article 3 of the Money Laundering (Jersey) Order 2008 (the Order), section 4 of the AML/CFT/CPF Handbook was amended to make it clearer that digital ID systems are acceptable for the purposes of meeting the AML/CFT/CPF requirements of the Order.

Alongside those amendments, the JFSC, in conjunction with Government, have hosted and participated in several industry engagement events to provide greater clarity on regulatory expectations in this area. Further engagement is scheduled throughout the remainder of 2023 to include, a demo day and the publication of a Guidance document relating to RegTech and Financial Crime (anticipated publication of August/September).

Work is underway to enhance regulatory submissions such that they become 100% digital by design. Due to the intrinsic role played by |

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[1] Growing RegTech adoption in Jersey — Jersey Financial Services Commission (jerseyfsc.org)
[2] Regtech RT Associates Report — Jersey Financial Services Commission (jerseyfsc.org)

industry in ensuring success of this initiative, there has been and will continue to be significant engagement with industry in all stages of the process. Whilst good progress has been made, this work will likely conclude by the end of 2024.

Action 9.5.4

Adoption of Digital ID Systems

We will:	• Government and JFSC are consulting on supporting a step change in regulated businesses making greater use of digital ID systems to satisfy the identification and verification element of their KYC obligations thereby:
	    ○ lowering the cost of transactions compared to multiple paper-based checks
	    ○ improving the customer experience by avoiding unnecessary duplication of such checks
	    ○ improving the accuracy and reliability of KYC processing within Jersey
	    ○ improving efficiency for regulated businesses leaving them freer to divert human resources to other more bespoke tasks, such as risk analysis work.

We will do by:	• Consultation issued and Industry views provided by Q4 2022
We will measure our success by:	• Increase in usage of digital ID.
It will be led by:	Government
Status:	**On Track**
Update:	In 2022, Government and the JFSC consulted on supporting a step change in regulated businesses making greater use of Digital ID Systems to satisfy the identification and verification element of their KYC obligations. Following consultation, the Government and JFSC have co-ordinated and published a response to assist in the facilitation of adoption rates. As part of this response, Government has amended Article 3 of the Money Laundering Order (Jersey) 2008 to make it clear that digital ID systems are acceptable for the purposes of meeting obligations under the MLO by adopting FATF Guidance on Digital ID Systems into legislation. In doing so, Government has also provided information on technical guidance and standards to those making use of these systems. In addition, the JFSC has made some amends to s.4 of its AML/CFT/CPF Handbook to give greater clarity for regulated businesses. Alongside these amends to legislation and the AML/CFT/CPF Handbook, the Government and JFSC have hosted and participated in several industry engagement events to promote the use of Digital ID Systems and RegTech more generally.

9.6 Strategic Priority Six: Transparency and Ownership

Action 9.6.1

Local agencies direct access to beneficial ownership

We will:	• Grant FIU, Revenue Jersey and the Attorney General the capacity to obtain beneficial owner information directly from the registry.
We will do by:	• Q4 2022.
We will measure our success by:	• Statistics on how often the facility is used.
It will be led by:	JFSC
Status:	**Complete**
Update:	The above-mentioned agencies have been provided with the technical equipment and appropriate access rights to obtain beneficial owner information directly from the registry.

Action 9.6.2

Beneficial ownership registers

We will:	• Following on from previous announcements[3] and commitment to further increase transparency and accessibility (while maintaining high standards of accurate, up to date, verified information) continue to deliver access in line with political commitments and developing international standards.
We will do by:	• Continue to deliver measures in line with commitments.
We will measure our success by:	• Delivery of political commitments.
It will be led by:	Government
Status:	**On Track**
Update:	On 22nd December 2022, the Government published its most recent position on beneficial ownership information: Consultation response published – access to beneficial ownership information on legal entities (gov.je) The Government is currently obtaining expert legal advice on access to information and intends to act on that legal advice when received. The Government's commitment to further increase transparency and accessibility in line with international standards therefore remains on track.

Action 9.6.3

Timely access to trust information

We will:	• Create a plan based on the outputs of the legal persons/arrangements NRA to address timely access to trust information.
We will do by:	• Initiate the plan in 2023.
We will measure our success by:	• To be built as part of the plan.

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[3] Beneficial ownership registers (gov.je)

It will be led by:	Government
Status:	**Complete**
Update:	The Legal Persons and Arrangements risk assessment was published in July 2023 - Legal Persons and Legal Arrangements National Risk Assessment, July 2023.pdf (gov.je). The LPA risk assessment identified no significant issues around timely access to trust information and therefore this action is considered complete. Access to trust information by competent authorities will continue to be monitored as part of the national structure.

9.7 Strategic Priority Seven: International Strategy

Action 9.7.1

Awareness raising activities in respect of proliferation financing

We will:	• Expand upon April 2022 communications by the JFSC and create a suite of communications for industry building their knowledge and expanding upon the JFSC guidance.
We will do by:	• Ongoing updates.
We will measure our success by:	• Financial Crime website updated.
It will be led by:	JFSC
Status:	**On Track**
Update:	The JFSC and the Government of Jersey have continued to update guidance on their websites related to countering PF. In February 2023 a TF/PF focused half-day conference was held to industry with a third-party speaker from RUSI, described as UK's leading defence and security think-tank. Videos with the speaker explaining PF risks are available on the JFSC's and Government of Jersey websites. To further support industry, the JFSC has continued to maintain, in its Appendix D2 of the AML/CFT/CPF Handbook, (i) Source 1 - countries for which FATF call for action, and (ii) an enhanced red-flag column identifying PF exposure; as well as specific TFS related to PF pages concerning DPRK and Iran. The Government of Jersey has engaged a third-party to undertake an initial review of Jersey's PF risks, working alongside Jersey competent authorities. It is anticipated that a summary will be published in H2 2023 to raise awareness and to inform a future PF NRA.

Action 9.7.2

Seek international best practice

We will:	• Create a workstream to engage with other IFCs and jurisdictions processes to seek out best practice and collectively solve common problems.
We will do by:	• Q3 2023.
We will measure our success by:	• Plan approved.
It will be led by:	Government
Status:	**On Track**
Update:	The Government and agencies continue to develop joint working with other IFCs. This extends from the work done Government to Government with other IFCs thorough to work conducted between FIUs in the Quad Island forum, through to LEA to LEA engagement with other IFCs. A more formalised plan is on-track to be documented and delivered to document cross-agency work in this regard and plan for the future.

The effectiveness of tax enforcement and cooperation

We will:	• Further develop our understanding of the potential residual risk of money laundering from foreign tax crime (as identified in the 2020 Money Laundering NRA) and consider this alongside the effectiveness of tax enforcement and cooperation.
We will do by:	• Q4 2023.
We will measure our success by:	• Plan approved.
It will be led by:	Government
Status:	**On Track**
Update:	Since this residual risk was identified in the 2020 ML NRA, the island authorities have engaged with industry and independent experts and have completed research and analysis to further understand the risk of predicate tax offences overseas and the effectiveness of the islands mitigation measures. The initial work has been considered by the island authorities, along with a series of potential recommended policy proposals, which based on the risk level established, will be considered in 2024 along with any further work concerning policy in this area.