

The Strategy Manager
Economic Development Department
3rd Floor
Liberation Place
St Helier
Jersey JE1 1BB

11 April 2011

Our Ref: JSCCA/WD

Dear Sir

**FINANCIAL SERVICES OMBUDSMAN SCHEME FOR JERSEY AND
GUERNSEY
CONSULTATION DOCUMENT**

I am writing on behalf of members of the Jersey Society of Chartered and Certified Accountants ("JSCCA"). Membership of the JSCCA is made up of individuals who are qualified Chartered or Certified Accountants, and individuals with an equivalent overseas qualification. Our membership includes accountants in professional practice who broadly provide audit, advisory and taxation services, and accountants working in industry. This response is principally written on behalf of members in professional practice on the basis that other interested parties will be making representations on behalf of financial services industry businesses.

Professional services firms operating in the island include local practices of the "Big 4" (KPMG, PwC, E&Y and Deloitte) and of medium sized firms (BDO, Grant Thornton), and local sole traders and partnerships. The range of services provided may include audit, non-audit assurance, tax compliance, tax consultancy, advisory, liquidations and regulatory consulting. Typically the professional services firms operating in the island do not provide investment advice and do not carry out regulated activities, although some firms are affiliated to trust and corporate service providers. The sector is now regulated by the JFSC in two respects. Firstly, the JFSC oversee AML compliance, and secondly they provide oversight of the audit of market traded companies. However, we do not expect that these would fall within the scope of the regulated activities covered by the scheme.

It is our expectation that the Financial Services Ombudsman Scheme is not designed to cover any of the services listed above. Our services are not provided to the general public. The accounting profession already has in place a tried and

tested procedure for dealing with complaints, through the individual firms and as a last resort to the professional body of which the individual is a member.

Furthermore, if any professional services business in the island were to apply for an investment business licence, or a licence to carry out other regulated financial services activities, we would expect that the scheme would apply to that business only to the extent of the regulated financial services activity carried out.

The scope of services framework as set out in Section 3 of the Consultation Document is widely drawn. We would request that when the scheme is put in place, the scope will be clearly defined to exclude the activities of professional services firms as outlined above.

It would follow from this that, unless a professional services firm holds a licence to carry out an in-scope regulated activity, it should not be expected to contribute to the costs of the scheme.

Clarity on the scope of the scheme is particularly important in view of the proposed requirement for providers of financial services to register with the ombudsman scheme with penalty for non-compliance.

We are grateful for the opportunity to comment on the proposals.

Yours faithfully



Wendy Dorman
President