



Jersey

DRAFT FINANCIAL SERVICES (CONSUMER CREDIT BUSINESS – EXEMPTIONS) (JERSEY) ORDER 202-

Contents

Article

1	Interpretation	2
2	Limited exemption for certain persons and transactions.....	2
3	Citation and commencement	3

SCHEDULE 4

EXEMPT PERSONS AND TRANSACTIONS		4
1	Charities	4
2	Buy now, pay later	4
3	Certain credit broking without fee, charge, commission, benefit or remuneration	4
4	Certain credit broking ancillary to main business	4
5	Certain credit broking by small credit broking businesses	5
6	Other hiring or letting arrangements	5
7	Security over primary residence for business credit	5
8	Retail credit facility	5
9	Consumer credit agreement linked with supply of goods and services	5



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DRAFT FINANCIAL SERVICES (CONSUMER CREDIT BUSINESS – EXEMPTIONS) (JERSEY) ORDER 202-

Made [date to be inserted]

Coming into force [date to be inserted]

THE MINISTER FOR EXTERNAL RELATIONS makes this Order under Articles 4(1)(a), 7(2) and 42 of the [Financial Services \(Jersey\) Law 1998](#) on the recommendation of the Jersey Financial Services Commission –

1 Interpretation

In this Order –

“borrower” has the meaning given in paragraph 1 of Schedule 1A of the Law;

“conditional sale agreement” has the meaning given in paragraph 1 of Schedule 1A of the Law;

“consumer credit business” has the meaning given in Article 1(1) of the Law;

“credit broking by introducing, presenting or assisting” means an activity described in any of paragraph 5(1)(a) to (d) of Schedule 1A of the Law;

“fixed-sum credit” means credit of a fixed amount (whether given in 1 amount or by instalments) that changes only when the borrower repays any part of it;

“hire-purchase agreement” has the meaning given in paragraph 1 of Schedule 1A of the Law;

“Law” means the [Financial Services \(Jersey\) Law 1998](#);

“lender” has the meaning given in paragraph 1 of Schedule 1A of the Law.

2 Limited exemption for certain persons and transactions

(1) The Schedule prescribes the following for the purposes of Article 7(2)(a)(ii) and (b) of the Law –

(a) persons (an “exempt person”); and

(b) transactions (an “exempt transaction”).

(2) The exemptions conferred by those provisions on the activity of an exempt person, or on an exempt transaction, are amended so that the Law does not apply to the activity or transaction but only as if the activity or transaction were not consumer credit business.

- (3) The exemption of a person or transaction is subject to any conditions or restrictions specified for it in the Schedule.

3 Citation and commencement

This Order may be cited as the Financial Services (Consumer Credit Business – Exemptions) (Jersey) Order 202- and comes into force 7 days after it is made.

SCHEDULE

(Article 2)

EXEMPT PERSONS AND TRANSACTIONS

1 Charities

A person is exempt if they are a registered charity under the [Charities \(Jersey\) Law 2014](#).

2 Buy now, pay later

A transaction is exempt if it relates to a consumer credit agreement –

- (a) for fixed-sum credit that is provided –
 - (i) to buy goods or services; and
 - (ii) without interest or other charges; and
- (b) that requires the borrower to repay the lender –
 - (i) 12 or fewer times; and
 - (ii) within 12 months or less after the agreement starts.

3 Certain credit broking without fee, charge, commission, benefit or remuneration

A person is exempt in respect of their credit broking by introducing, presenting or assisting if they do not receive any kind of fee, charge, commission, benefit or remuneration from it.

4 Certain credit broking ancillary to main business

- (1) A person is exempt in respect of their credit broking by introducing, presenting or assisting if that credit broking –
 - (a) is additional but secondary to their main business or profession (for example, their main business of selling motor vehicles);
 - (b) is for fixed-sum credit that, including interest, commission and other charges, is to be fully repaid in equal instalments at regular intervals over a fixed term;
 - (c) is not for credit that is provided for the purchase of goods and that gives the borrower ownership of the goods only if they choose to pay an additional final amount (often called a balloon payment, which is also a feature of the type of hire-purchase known as a personal contract purchase); and
 - (d) is carried on for no more than 3 regulated lenders at the same time, but ignoring a regulated lender proposed by a borrower themselves.
- (2) In this paragraph, “regulated lender” means a lender who carries on consumer credit business by an activity described in paragraph 2 or 3(1) of Schedule 1A of the Law.

5 Certain credit broking by small credit broking businesses

A person is exempt in respect of their credit broking by introducing, presenting or assisting in a particular calendar year if that credit broking –

- (a) is part of their main business or profession; and
- (b) earned them gross income of less than £500,000 in the previous calendar year.

6 Other hiring or letting arrangements

A transaction is exempt if it relates to an arrangement –

- (a) for the hiring or letting, and not for the purchase, of goods; and
- (b) that is not a hire-purchase agreement.

7 Security over primary residence for business credit

(1) A transaction is exempt if it relates to security given by a person –

- (a) for repayment of credit granted to them as a non-consumer (“business credit”); and
- (b) against immovable property, or against shares or securities giving a right to occupy immovable property, that is their primary residence in Jersey.

(2) This exemption is merely for clarity.

8 Retail credit facility

A transaction is exempt if it relates to a consumer credit agreement under which –

- (a) the lender is a person with a retail business (the “retailer”) or another person acting for the retailer;
- (b) the credit is provided to the borrower only for the purchase of goods or services at the retail stores of the retailer or their affiliates; and
- (c) the credit is provided by way of a credit account, store card, instalment plan or otherwise.

9 Consumer credit agreement linked with supply of goods and services

A transaction is exempt if –

- (a) it relates to a consumer credit agreement for fixed-sum credit that requires the borrower to repay the lender within 24 months or less after the agreement starts;
- (b) as provided in the consumer credit agreement, the borrower also enters into another agreement to purchase goods or services; and
- (c) the lender and the supplier of the goods or services are connected by common ownership or by agreement.