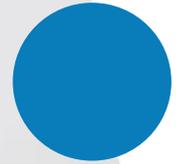




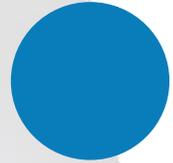
Jersey Financial
Services Commission

Combatting Financial Crime – the road to MONEYVAL and beyond

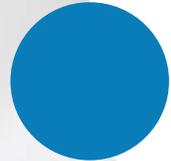
Agenda



JFSC Strategy



Overview of our FCPCP Programme



Engagement plan



Supervision update



Registry supervision update



JFSC Strategy

Our vision

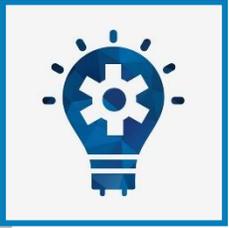
“to be a high performing regulator, building for the long-term success of Jersey”

Our top strategic priority

“Achieving sustainable, long term excellence in regulatory effectiveness and increased capability for the Island in combatting financial crime”



Strategic Anchors



Facilitate business integrity

We are not lowering our expectations of the standards we expect firms to meet, but we will provide clear, timely, high quality guidance to help them. When firms fail to meet expectations, we will take action.

Harness technology and influence the digitalisation of Financial Services

This starts with improving our own digital capability and how we use technology, through to how we influence, motivate, and support the adoption of technology across industry – for the good of Jersey.

Develop our people, systems and capabilities to be a high performing organisation

Our aim is to boost both productivity and engagement because staff will have the support, systems, equipment, training and structures they need to thrive and succeed.

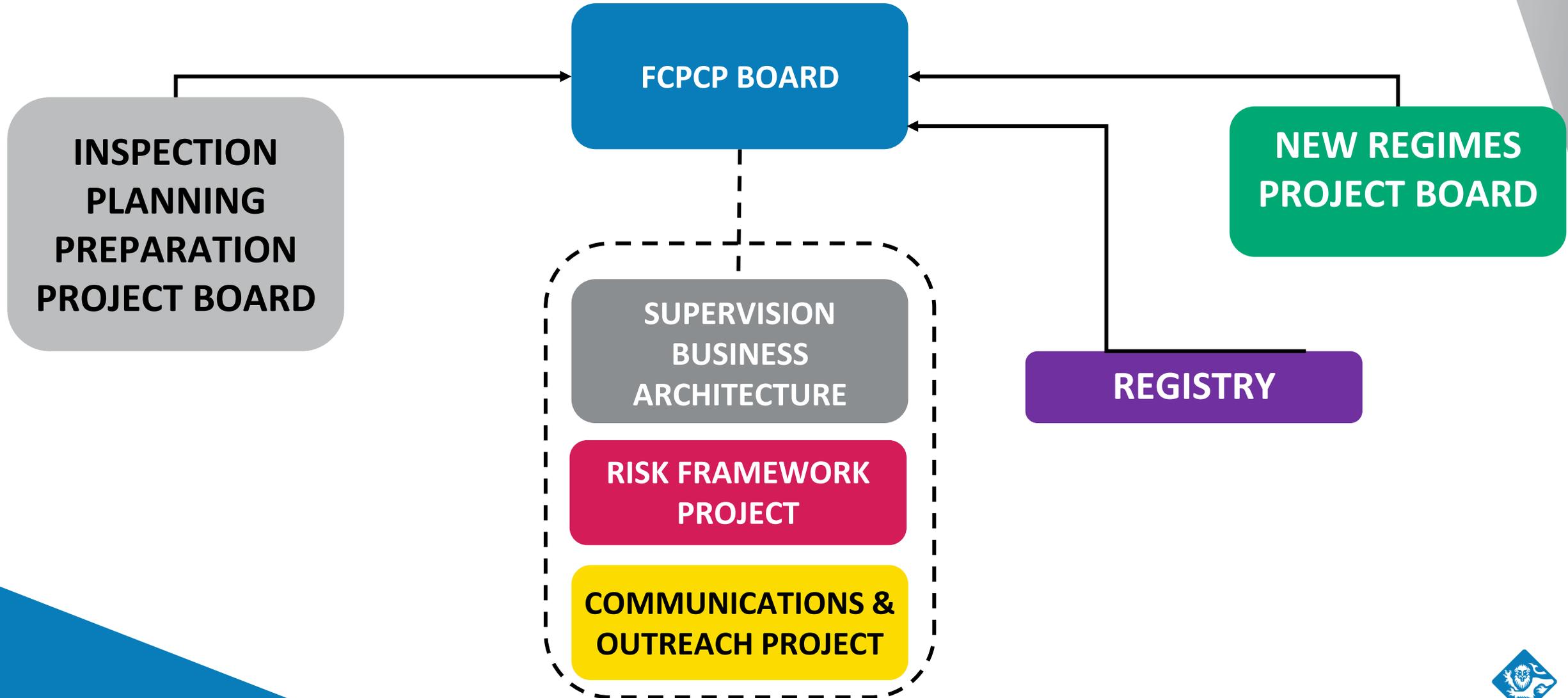


Immediate Outcomes

Immediate Outcome	Lead	JFSC Impact
1 – Risk, Policy and Coordination	Government	High
2 – International cooperation	Government	Medium
3 – Supervision	JFSC	High
4 – Preventative Measures	Government	High
5 – Legal persons and arrangements	Government	High
6 – Financial intelligence	States of Jersey Police	Low
7 – Money laundering investigation & prosecution	Law Offices Department	Low
8 – Confiscation	Law Offices Department	Low
9 – Terrorist financing investigation & prosecution	Law Offices Department	Low
10 – Terrorist financing preventive measures & financial sanctions	Government	High
11 – Proliferation financial sanctions	Government	Medium



Overview of our Financial Crime Prevention Capability Programme



Progress so far

- ✓ Detailed project plans developed
- ✓ Mock FTA technical compliance annex assessment complete
- ✓ Preparation of data and documentation to support assessment
- ✓ Registry supervision operational
- ✓ MLO Reform Law into force
- ✓ Proliferation Financing guidance published
- ✓ NPO Terrorist Financing NRA published
- ✓ Consolidated AML/CFT Handbook published
- ✓ Exemptions primary legislation lodged
- ✓ VASP risk report published by Government of Jersey

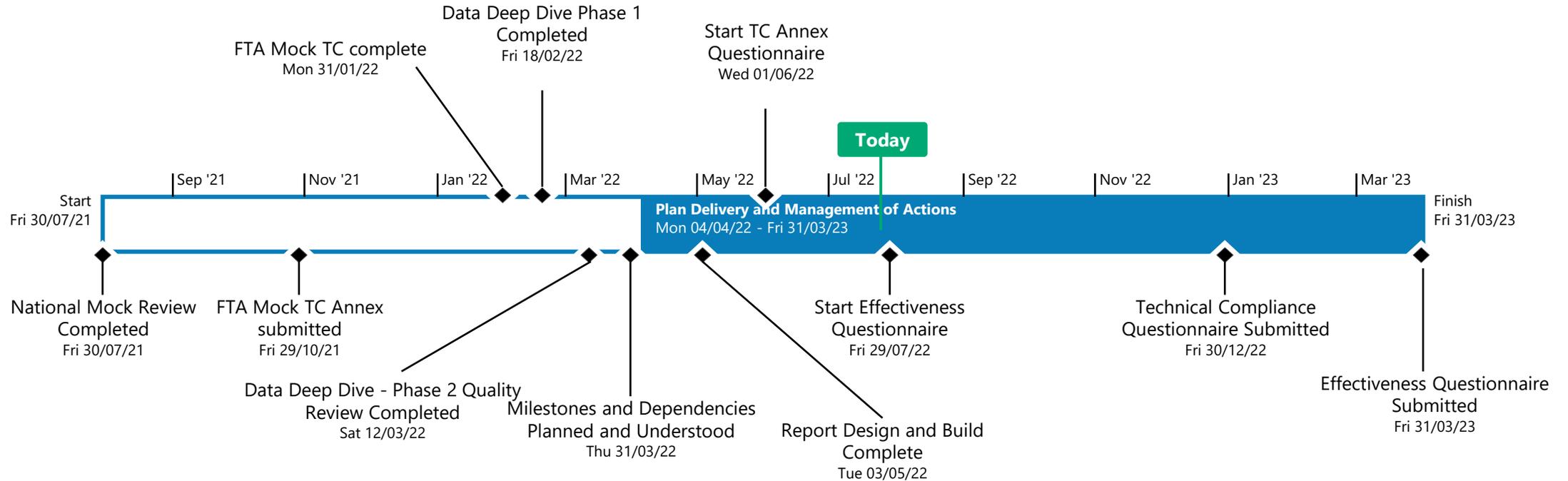


Key focus and deliverables for remainder of 2022

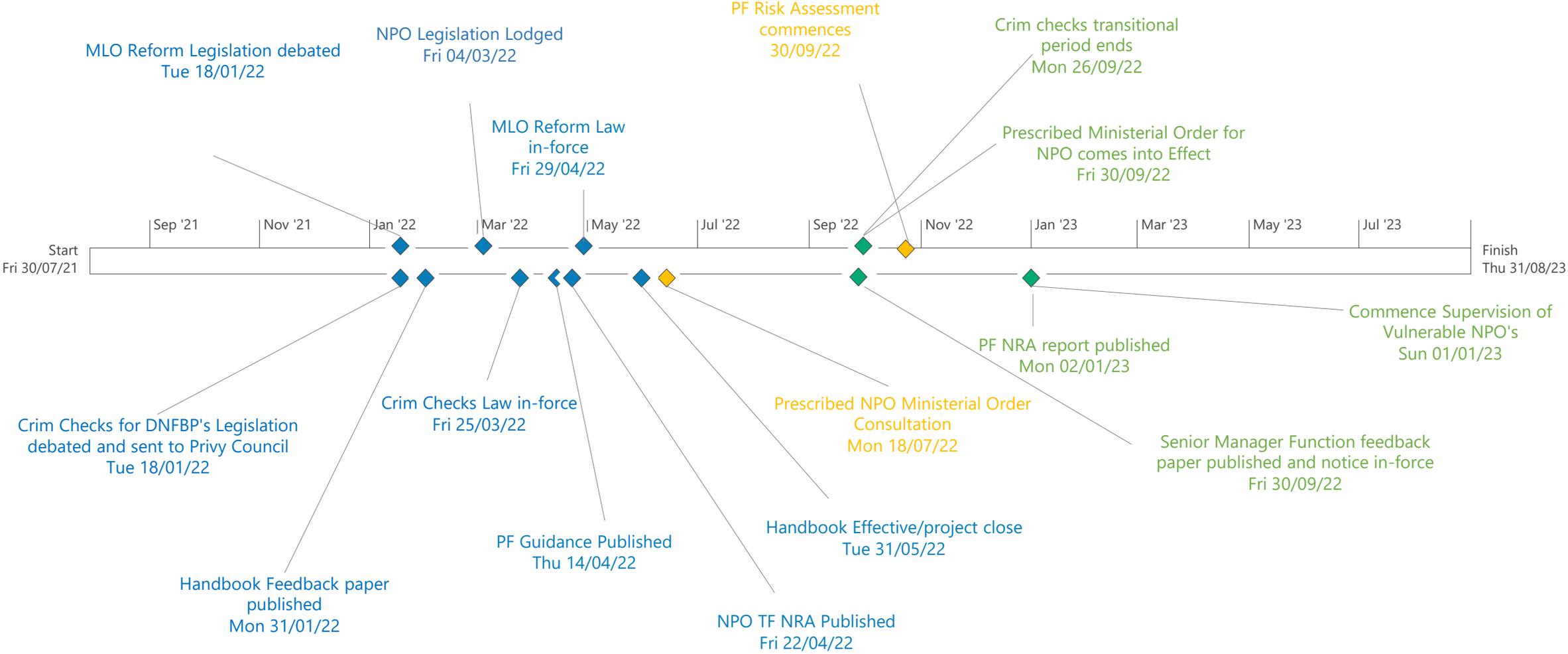
- › Technical Compliance questionnaire completion and submission
- › Begin Mutual Evaluation questionnaire completion
- › Criminality checks transitional period
- › Proliferation financing risk assessment
- › Senior Managers function feedback and notice in-force
- › Enhanced vetting functionality
- › VASP/MVTS Handbook amendments
- › Non-profit organisation Order comes into effect
- › Recruitment & on-boarding of new members of staff
- › Transitional period for NPO Supervision
- › Transitional period for VASP/MVTS Supervision



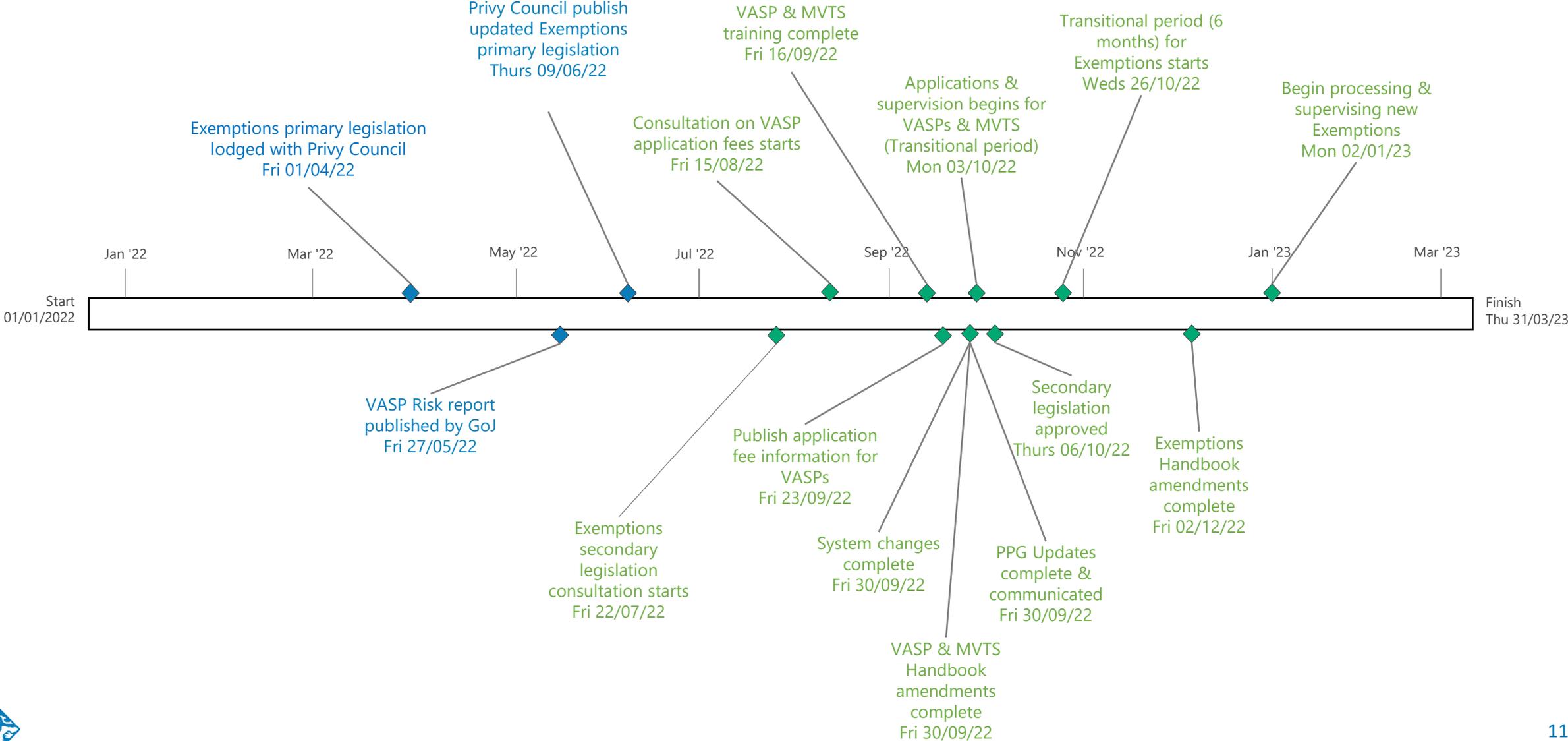
Inspection prep high level plan



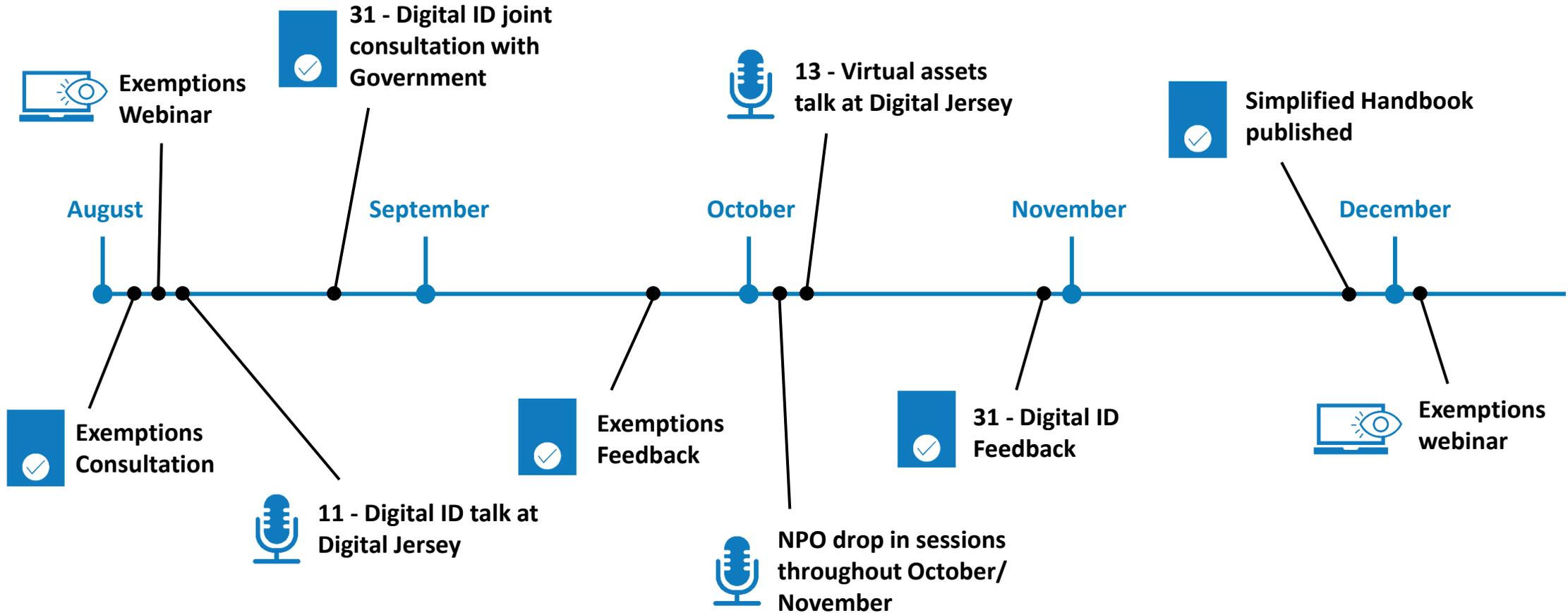
New Regimes 1 high level plan



New Regimes 2 high-level plan



Timetable and content of our engagement plan



Timetable and content of our engagement plan

Other activities

- › **Industry survey**
- › **Engagement and Outreach Working Group**
- › **Joint events with Government**
- › **Sign up to our newsletters on our website to keep up to date.**



Supervision update - General

- › Risk Model
 - › Enhancements being made to risk calculation methodology
 - › Inclusion of new regimes
 - › Sectorial Risk Assessments
- › 2021 Supervisory Risk Data Collection Exercise
 - › Update and evaluation of entity risk profiles – 2022 entity plans
- › Sanctions
 - › Work continues with government agencies and industry
- › Funds and SPVs with exposure to Virtual Assets Application guidance to be published
- › Supervision Operating Model and Supervision Manual



Supervision update – Examinations H2-22

› **Supervision Examination Unit**

- › MLCO Thematic
- › Beneficial Owner and Controller Thematic
- › Business Risk Assessment and Strategy – Feedback Paper

› **Financial Crime Examination Unit**

- › Financial Crime Exams
- › Sanctions Onsite
- › Customer Screening Tools Thematic



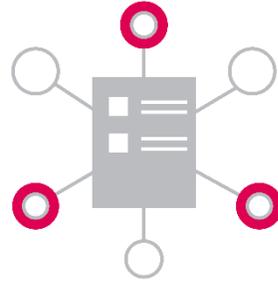
Supervision update – New Regimes

- › Criminality checks for DNFBPs – six month transitional period commenced 26 March
- › VASPS / MVTs – six month transitional period for new applications and supervision commences 3 October
- › Exemptions - six month transitional period commences 26 October for new applications and supervision
- › Supervision of vulnerable NPOs commences 1 January 2023
- › Recruitment for additional resources in Supervision and Enforcement is in course



Registry Supervision Update

180 Companies struck off May 2022



50 Identified for inspection

1,500 Regulation 4 applications



1,400 Companies to be struck off



1,100 Companies without a Nominated Person



21 Identified inaccurate information



25 Inspections completed



Total: 4,276

All contribute to timeliness, accuracy and integrity of Jersey registers

