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Industry Briefing 2023

Financial Services Update

Slido: #FS2023





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Hannah Shellswell

Host

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Ministerial Welcome

Deputy Elaine Millar

Assistant Chief Minister
with Responsibility for Financial Services

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Overview

Financial Services Update

Helen De La Cour

Director of Financial Services

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Combating Financial Crime

Post-MONEYVAL onsite visit

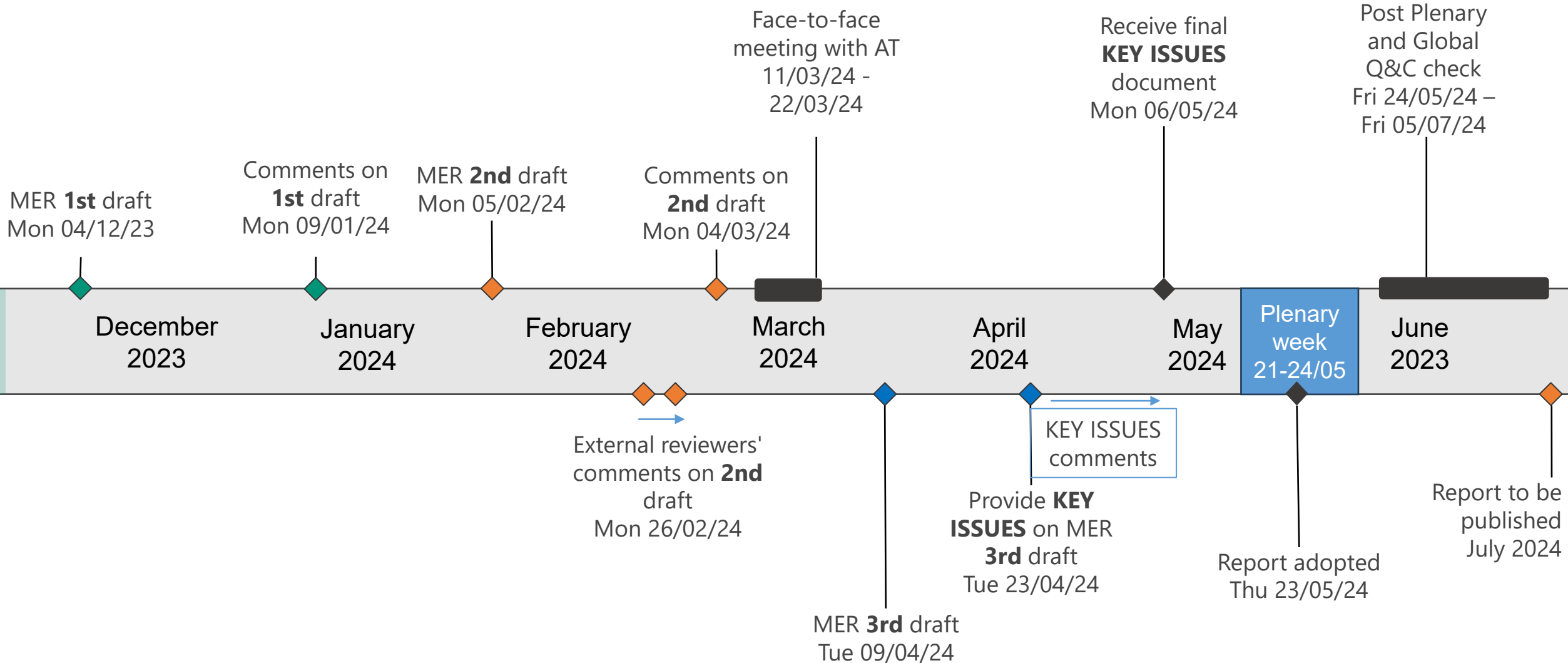
Richard Pedley
Director of Financial Services

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Timeline Post On-site





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National Risk Assessment

Anti Money Laundering Update



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National Risk Assessments



What did we learn from the 2023 ML NRA update?



- National Threat
 - Position remains medium-high and predominately international rather than domestic.
 - There is now a more developed approach to determining which are the higher risk jurisdictions with whom we do business.
 - Funds from corruption, fraud and tax crimes committed overseas remain the most common predicate offences leading to investigations.
- National Vulnerability
 - Reduced to **medium** compared to borderline medium-high in 2020.
 - The recent work to amend the regulatory framework addressing vulnerabilities has strengthened our ability to combat ML.
- Four industry sectors
 - Risk remains unchanged, although there have been amendments to some inherent and control vulnerabilities.

1. Quality of AML Policy and Strategy	2. Effectiveness of ML Crime Definition	3. Comprehensiveness of Asset Forfeiture Laws	4. Quality of FIU Intelligence Gathering and Processing
2023 refresh: 0.8	2023 refresh: 0.9	2023 refresh: 0.7	2023 refresh: 0.6
2020 original: 0.4	2020 original: 0.9	2020 original: 0.7	2020 original: 0.4
5. Capacity and Resources for Financial Crime Investigations	6. Integrity and Independence of Financial Crime Investigators	7. Capacity and Resources for Financial Crime Prosecutions (including Asset Forfeiture)	8. Integrity and Independence of Financial Crime Prosecutors
2023 refresh: 0.6	2023 refresh: 0.9	2023 refresh: 0.7	2023 refresh: 0.9
2020 original: 0.5	2020 original: 0.9	2020 original: 0.7	2020 original: 0.9
9. Capacity and Resources for Judicial Processes (including Asset Forfeiture)	10. Integrity and Independence of Judges (including Asset Forfeiture)	11. Quality of Border Controls	12. Comprehensiveness of Customs Regime on Cash and Similar Instruments
2023 refresh: 0.7	2023 refresh: 0.9	2023 refresh: 0.8	2023 refresh: 0.7
2020 original: 0.7	2020 original: 0.9	2020 original: 0.8	2020 original: 0.7

13. Effectiveness of Customs Controls on Cash and Similar Instruments

2023 refresh: 0.6

2020 original: 0.6

17. Level of Financial Integrity

2023 refresh: 0.8

2020 original: 0.8

21. Availability of Independent Info Sources

2023 refresh: 0.6

2020 original: 0.6

14. Effectiveness of Domestic Cooperation

2023 refresh: 0.7

2020 original: 0.6

18. Effectiveness of Tax Enforcement

2023 refresh: 0.6

2020 original: 0.5

22. Availability and Access to Beneficial Ownership Info

2023 refresh: 0.8

2020 original: 0.7

15. Effectiveness of International Cooperation

2023 refresh: 0.7

2020 original: 0.5

19. Formalization Level of Economy

2023 refresh: 0.9

2020 original: 0.9

16. Availability of Independent Audit

2023 refresh: 0.7

2020 original: 0.7

20. Availability of Reliable Identification Infrastructure

2023 refresh: 0.8

2020 original: 0.8

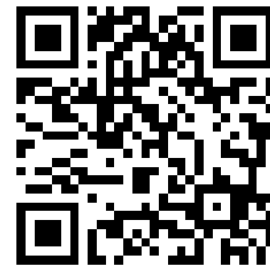


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Thank you

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Panel Discussion

Private Wealth

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Louise Richardson

Associate Director of Financial Services (GoJ)

Helen De La Cour

Director of Financial Services (GoJ)

Tom McKenna

Sustainable Finance Lead, Jersey Finance



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Consumer Credit Regime Update

Julie Keir

Associate Director of Financial Services

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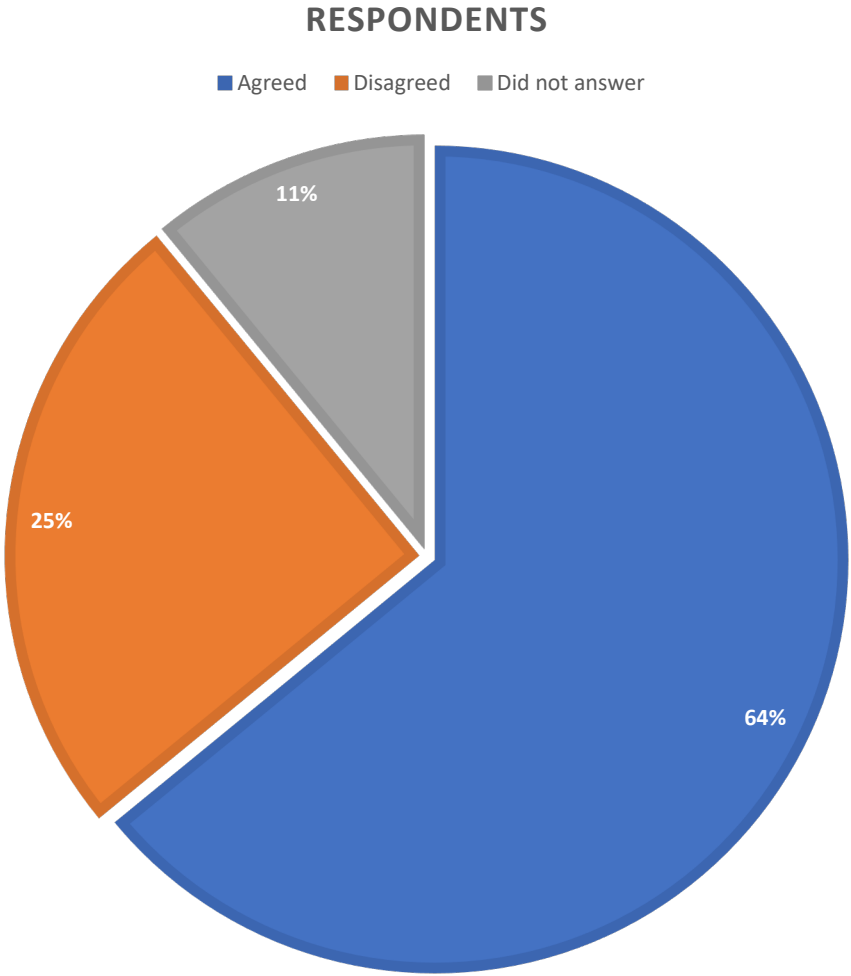
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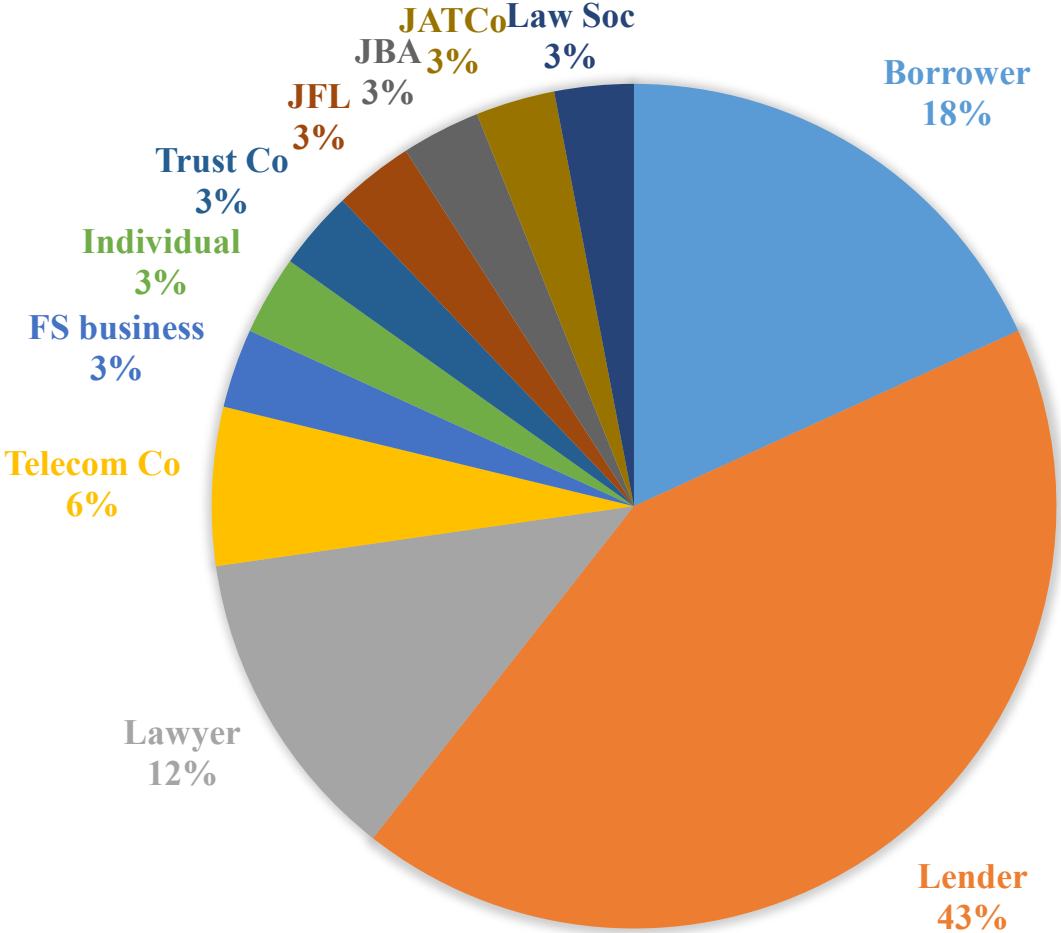
Consultation...

- Ran for 10 weeks (05/07 – 15/09)
- Engagement:
 - Formal town hall events
 - Library drop in sessions
 - Café session for Portuguese speakers
 - 1:1 events
 - Social media + YouTube videos + radio coverage
- Respondents:
 - 33 online/formal
 - 8 attended drop-in sessions at library (mainly businesses)
 - 25-30 attended town hall event for businesses
 - 2 attended town hall event for private lenders
 - 2 businesses had 1:1 sessions
 - 2 attended café session (1 borrower + 1 lender)

Overall support for the proposals?



33 Respondents to formal consultation (by type)





Summary of responses

- General agreement with proposals – a need for consumer protections
- BUT...
 - “Consumer” definition too wide:
 - exclude micro-enterprises
 - provide an “opt-out” for HNWIs
 - Exemptions need tightening (especially if “consumer” remains wide)
 - Exclude “Lombard lending” for HNWIs
 - Private lenders – mirror GSY legislation
 - Telecoms companies should be included in “essential services” exemption
 - Transitional period too short



Government response

- Retain framework in FS(J)L 1998
- Make it clear regime relates to personal/retail lending only
- Narrow definition of “consumer”
 - Remove corporate entities from definition (limb b)
 - Provide “opt out” for lending to HNWIs (secondary legislation) – mirror GSY approach
 - Provide exemption for Lombard lending to HNWIs in primary law
- Exclude telecoms cos from scope
- Private lenders – mirror GSY approach (secondary legislation)
- Any additional exemptions to be dealt with via secondary legislation
- Extend period for registration and transition

Next steps...



Publish feedback and response paper Nov/Dec 2023

Aim to lodge primary law with States Assembly - end of Dec 23

2024 work with JFSC & industry to produce secondary legislation (Regs/Orders/Codes/Guidance)

Working groups

Several rounds of consultation by both Gov and JFSC

Law enacted 1 Jan 2025

6 months to register

6 months transitional

Regime "goes live" 1 Jan 2026

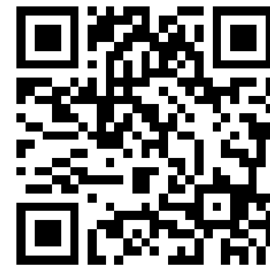


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Panel Discussion

Digitalisation

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Julie Keir

Associate Director of Financial Services

Tom Wright

Associate Director of Financial Services

Anthony Brennand

Head of Innovation, JFSC

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Questions

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Mèrcie bein des fais

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