



Jersey Financial
Services Commission

Key Messages

TCB (2016) and FSB (2015) Examinations

› What is to come?

2016 Trust Company Business Examination Findings

- › Business Risk Assessment and Strategy
- › Key Persons
- › CDD/EDD
- › Corporate governance, systems and controls

2015 Fund Services Business Examination Findings

- › Key Persons



› TCB-Business Risk Assessment & Strategy

Do they cover both anti-money laundering *and* countering terrorist financing?

The JFSC's view

- › Town Hall presentation - 25 February 2016
- › Thematic topics outlined in letters to registered persons in May 2016
- › JFSC Press Release - 6 September 2016
- › NPO-specific Town Hall presentation - 7 September 2016

› Does it do what it says on the tin?



› TCB - Key Persons

- › Are Compliance resources adequate?
- › Are Compliance listened to?
- › Is the work of the MLRO (and their Deputy) monitored?
- › Failures to spot significant red flags on internal SARS
- › Did the external SAR actually get filed?



› TCB - CDD/EDD

- › Rationale – not well understood (Handbook 3.2) – why is the business being established (or continued via transfer) **here?**
- › Three tiers of ownership – **individuals** exercising control?
- › Trigger events?
- › Gaps – periodic reviews vs CMP (feedback loops?)



› TCB - CDD/EDD ctd...

- › High risk and 'very high risk' business – EDD + extra measures?
- › PEPS – failure to recognise...
- › EDD and CDD a further thematic priority for the next 12 months.
(Starting with the Banking Sector)
- › Knowledge management



› TCB - Corporate Governance, Systems and Controls

- › Board Committees
- › MI fit for purpose
- › Risk management – high risk and very high risk customers
- › Procedures vs practice



› FSB – Key Persons - Compliance

Compliance – appropriate status and resources needed to be effective

- › Resource had not kept pace with a growing business
- › CMP could not be carried out

CMP – significant gaps

- › Gaps in CMP (risks vs controls, outsourced activities, fund missed out – CIF Codes)
- › No CMP - or in place and not tested



› FSB - Key Persons

SAR Process and the MLRO

- › Independence
- › Declined and/or terminated business
- › Policies and procedures



› One last thought...

Openness and transparency

A (rare) occurrence this year out on an Examination...

Tell us what you know/understand even if not 100% sure...

“It’s your job to provide a transparent account of your activities to the regulator to ensure that he or she can do the supervisory job well [...] to achieve the goal that we are all pursuing, that Jersey should be known as the very best place to build well-regulated business”.

Lord Eatwell, Chairman of the JFSC, 9/10/14





Jersey Financial Services Commission



Follow us at @JerseyFSC



Like us at Jersey Financial Services Commission



Follow us at Jersey Financial Services Commission

Anita Matthews
Head of Unit, Supervision
a.matthews@jerseyfsc.org