



Jersey
Financial
Services
Commission

Business Plan 2018





Welcome

John Harris, Director General



Agenda - speakers

Strategic and major priorities for 2018

Key highlights of 2017

**Lord Eatwell,
Chairman, JFSC**

**Jill Britton, Director
of Supervision, JFSC**

**John Harris,
Director General,
JFSC**

**Strategic and major
priorities for 2018**

**Chief Minister,
Senator Ian Gorst,
Government of Jersey**



Objectives

**Facilitate access
to key markets**



**Focus regulation
on greatest
perceived risks**

**Make interaction
with stakeholders
straightforward and
effective**



**Safeguard the
sustainability, efficiency
& independence of the
JFSC**



Agenda – panel Q&A

Lord Eatwell,
Chairman, JFSC

Jill Britton, Director of
Supervision, JFSC

Facilitator

Panel member

Panel member



Panel member

Panel member

John Harris,
Director General, JFSC

Richard Corrigan, Chief Officer,
Financial Services, Digital &
Enterprise, Government of Jersey

Denis Philippe,
Head of ICT, JFSC





Chief Minister, Senator Ian Gorst, Government of Jersey



Government of
JERSEY

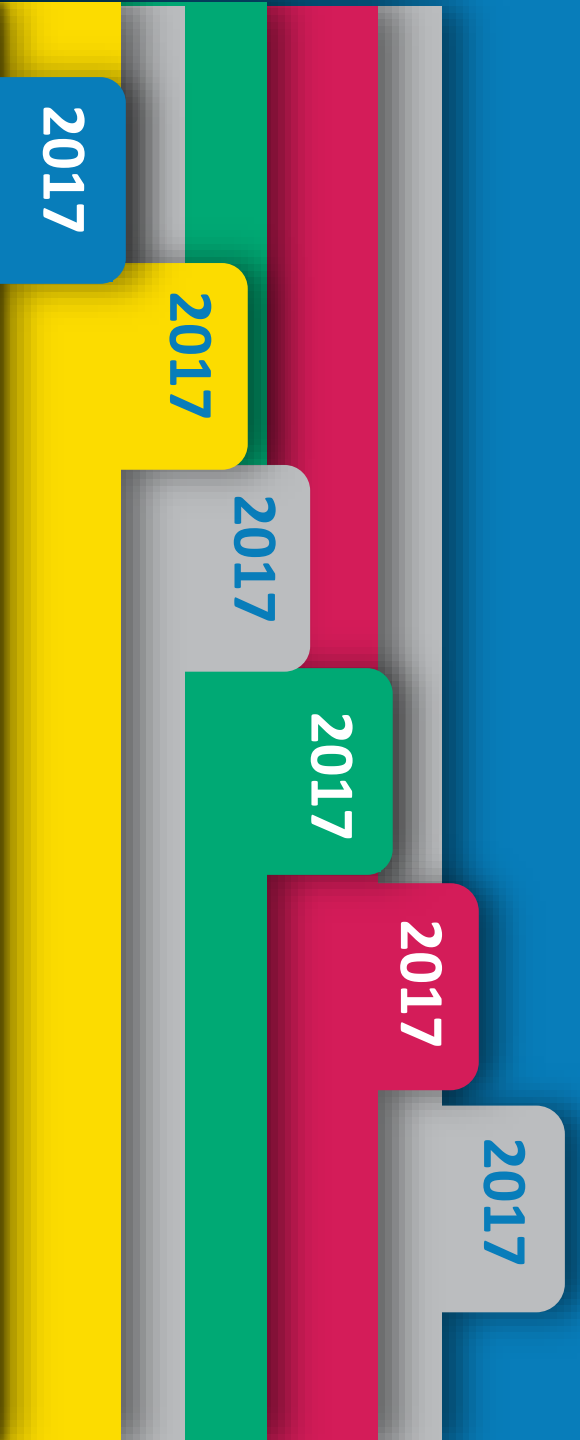


Key highlights of 2017

John Harris, Director General



Highlights of 2017





Infrastructure development

- › E-enablement
- › Cyber defence
- › Beneficial Ownership and Control



Progress on risk-based supervision

- › Risk event capture
- › Data collection ie: portal fees
- › Internal risk model



New and revised policies and products

- › Basel III
- › Outsourcing Policy
- › Jersey Private Fund



AML/CFT developments

- › MONEYVAL follow up
- › Handbook guidance



Showcase topical issues

- › **Serious Fraud Office visit and event**
- › **Terrorist financing Industry event**
- › **Cyber security conference**

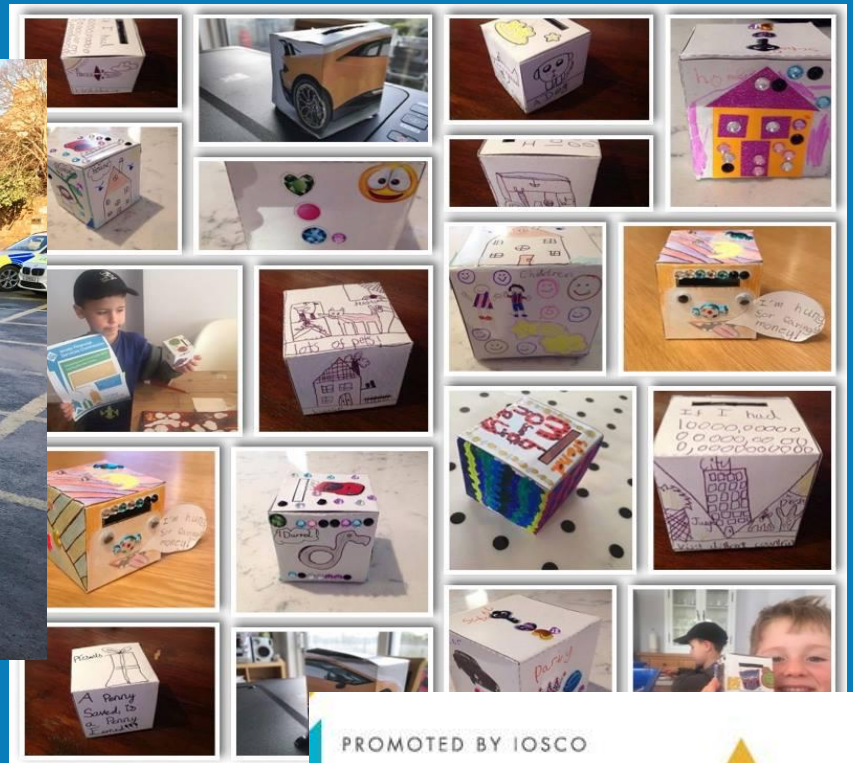


International engagement

- › Washington visit with AG
- › Visit to Tracfin
- › GIFCS assessment
- › OECD
- › Paradise Papers
- › EU Code of Conduct



Scams
Be suspicious
Be safe



JERSEY FRAUD PREVENTION FORUM NEWSLETTER

JANUARY 2017



JERSEY FRAUD PREVENTION FORUM

Living in Jersey we can all too easily be overly trusting of our surroundings, in the misguided comfort that the Island is a safe place and that we are protected from falling victim to fraud and scams. But this may not be the case.

The Jersey Fraud Prevention Forum has been formed to raise awareness about the dangers, helping to educate and protect residents as well as offering them advice and support.

Chief Inspector Chris Beechey,
Chairman of Jersey Fraud Prevention Forum

MORE THAN £217,000 STOLEN IN BANKING SCAM

In the run up to Christmas, a number of Channel Islanders were caught out by a banking scam after responding to fraudulent emails and texts purporting to be from NatWest and Lloyds. In less than 24 hours fraudsters stole tens of thousands of pounds by sending messages claiming that there had been fraudulent activity on peoples accounts and directing them to urgently call their banks fraud prevention team on the number provided. Islanders who made the call were then tricked into disclosing their personal banking details.

One local professional had more than

£8,000 siphoned from his account but fortunately had it returned by his bank. Recounting his own experience Ed Prow warns: "The levels of sophistication of bank fraud is at an all time high, I would simply warn people to be extra vigilant" The Jersey Fraud Prevention Forum is urging Islanders to never disclose passwords and other information regardless of how genuine the correspondence may seem. Anyone who receives a text or email of this nature should not respond but instead contact their bank and the States of Jersey Police.

TIGHTEN YOUR SAFETY NET

Being safe online is vital - and you expect to feel safe at home. But using Jersey-based websites and social media pages does not guarantee protection from cyber-crime.

Many Islanders get caught out on locally administered buy and sell and auction pages, such as Jersey Insight, Jersey Stuff for Sale and Jersey eBay, because they assume the person they are dealing with is a legitimate

buyer/seller here in the Island. But fraudsters, based both locally and remotely, operate on these pages by setting up fake profiles and products to target unsuspecting Islanders.



Some simple steps to avoid being scammed:

- Don't take payment by cheque
- Use a secure payment method such as PayPal
- Only exchange money/goods if you're sure it's genuine
- Do your research and make sure you have all the details before you commit. Read reviews but be mindful that they may not be legitimate.



PROMOTED BY IOSCO



WORLD INVESTOR WEEK 2017


Strategic and major priorities for 2018

Lord Eatwell, Chairman



- › The JFSC's business plan is about safeguarding the best economic interests of Jersey
- › Risk management is at the core of this business plan



A photograph of a modern building at night, featuring large glass windows and a blue-tinted overlay. The text is centered on the blue overlay.

**Ensuring that the JFSC is
an agile, flexible and
responsive regulator**

Facilitating market access

- › Jersey must adapt to the new international banking regulations. International deadline is January 2019
- › It is necessary for Jersey to implement recommendations on AML/CFT ahead of the next MONEYVAL assessment in 2021.



Beneficial Ownership and Control



Develop a new
Registry law



Establish a Register
of Directors



Adopt international
standards established
by the Financial Action
Task Force and the
OECD Global Forum

Our investment programme at the JFSC is a key component in maintaining market access for firms in Jersey.



Digital channels in 2018



Develop new website – ensuring relevant information is in the right place for Industry and the public

Aim for substantial progress of digital access to the JFSC

Implement common login account across regulatory and Registry portal

**Support the introduction
of the Jersey Private
Fund product by
updating COBO to give it
modern regulatory
powers**



THE UNCLE

unprecedented in the history of book-selling in America. On the 20th of March, 1852, it had already

300,000

of Newspapers, Magazines, and even the style of book notices has been laid aside, and literally hundreds of columns—of strong and hearty commendations, in one voice, it has been pronounced to be

THE GREATEST

**“Nobody, as I knows on.
I spect I grow’d. Don’t
think nobody never
made me.”**

Uncle Tom’s Cabin
Harriet Beecher Stowe

**2018 marks the
20th anniversary
of the Jersey
Commission Law**





Strategic and major priorities for 2018

Jill Britton, Director of Supervision



Risk-based Supervision





Five key aims



Better information management



Improved risk awareness and management



Enhanced authorisation and supervision



Enhanced people strategy



E-enablement strategy



To provide a better future...



A better place to work



More engagement with our stakeholders - an easier organisation with which to do business



Highly effective risk management and supervision



One database, one team, one JFSC

Progress to date

- › Transitioned to entity-based supervision
- › Implemented new supervisory examinations approach
- › Formed dedicated Risk and Administration teams
- › Implemented new CRM system
- › Collected £11m worth of fees, registered 1,000 regulated users, 1,800 annual invoices issued



Supervision – our vision

Demonstrate effectiveness

Move to proportionate risk-based supervision

Adopt a sustainable model for the future

Maximise new opportunities

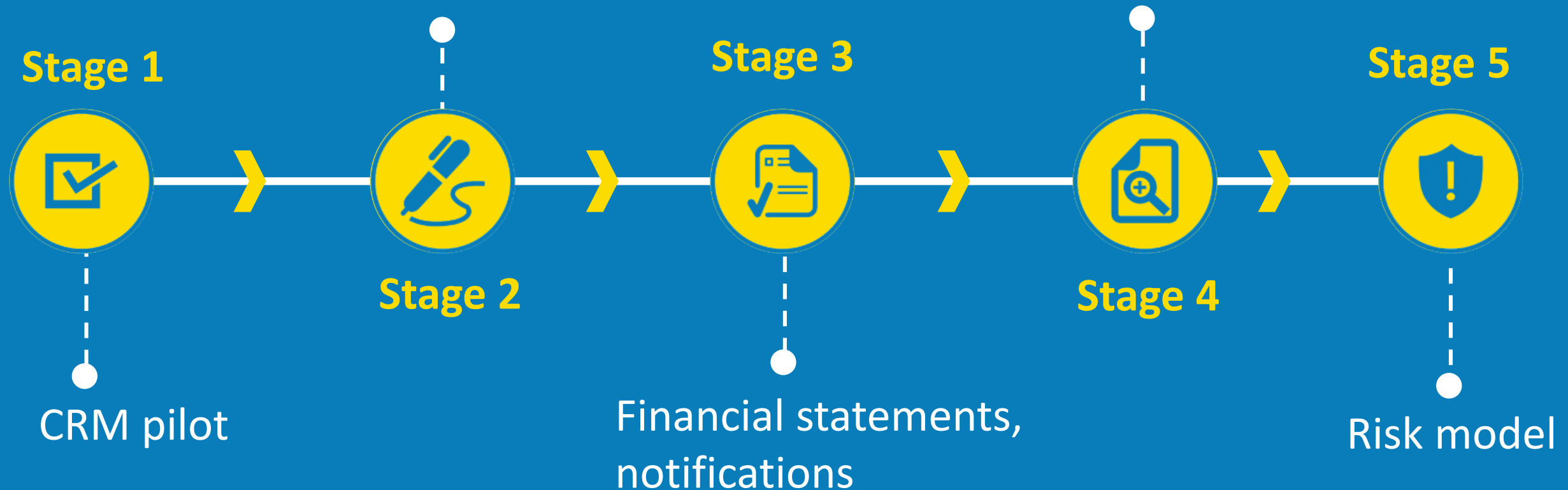
Match resourcing with risk and complexity

**Implement a framework for assessed
competence in supervision**

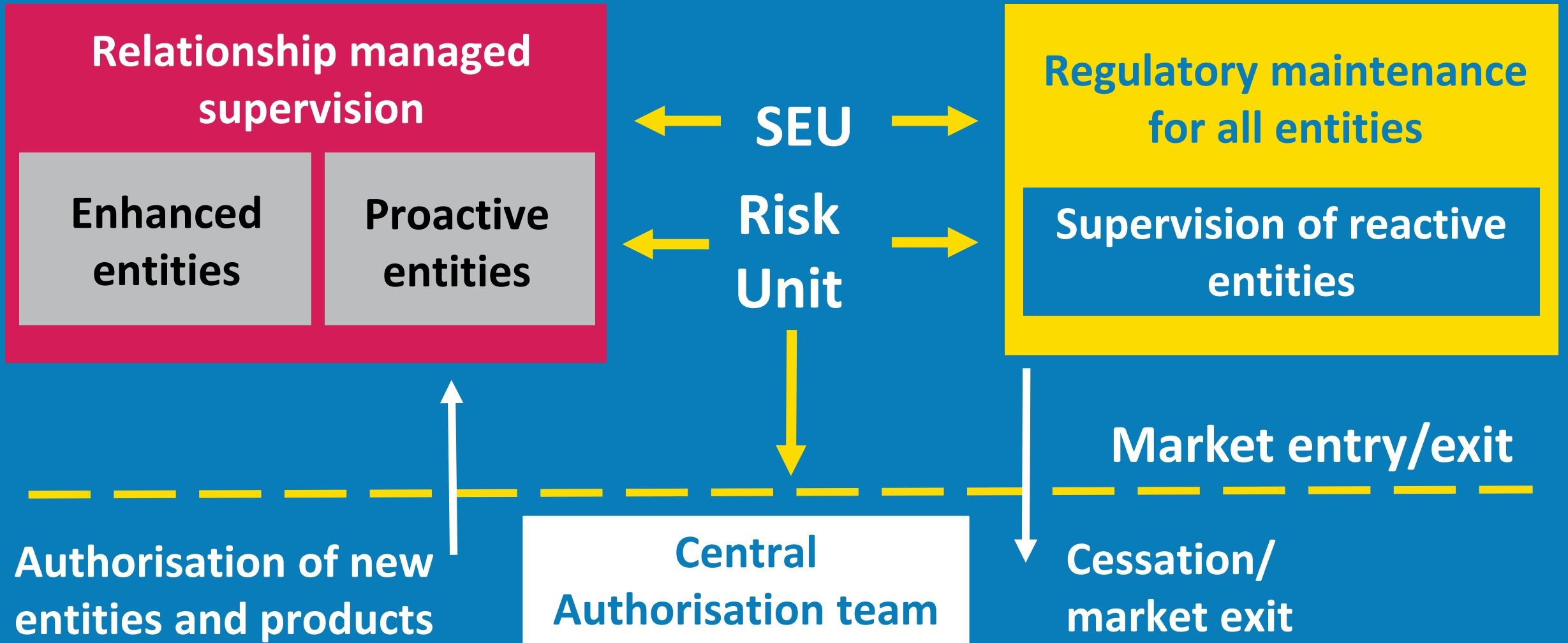
2018 systems delivery prioritisation

Authorisation, maintenance
and cessation tasks,
examination remediation

Supervision data collection,
authorisation



Target Operating Model 2018



National Risk Assessment



Cyber Security

JFSC 2017 cyber survey highlighted **32%** of respondents did not have cyber incident response plans in place.



Cyber Security



- › Actively engage in Government's cyber security strategy delivery as part of the Cyber Security Task Force
- › Further enhance our defensive measures. Focus on training and awareness for staff
- › Expand our outreach programme to Industry

Cyber Security



- › Build our relationships with UK's National Crime Agency and National Cyber Security Centre, sharing security events and threat information
- › Develop further our collaboration with the Cambridge University Cybercrime Centre

Civil Penalties

To enable penalties to be imposed on regulated firms for negligent contraventions of the Codes of Practice

To enable penalties to be imposed on principal persons where the contravention of a Code was a result of their own poor conduct

The Government has approved the law drafting instructions and the draft legislation is due to be issued during Q2.

Financial Education



To conclude...



Panel Q&A

Facilitated by John Harris, Director General

Panel speakers:

- › Lord Eatwell, Chairman
- › Jill Britton, Director of Supervision
- › Richard Corrigan, Government of Jersey
- › Denis Philippe, Head of ICT



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