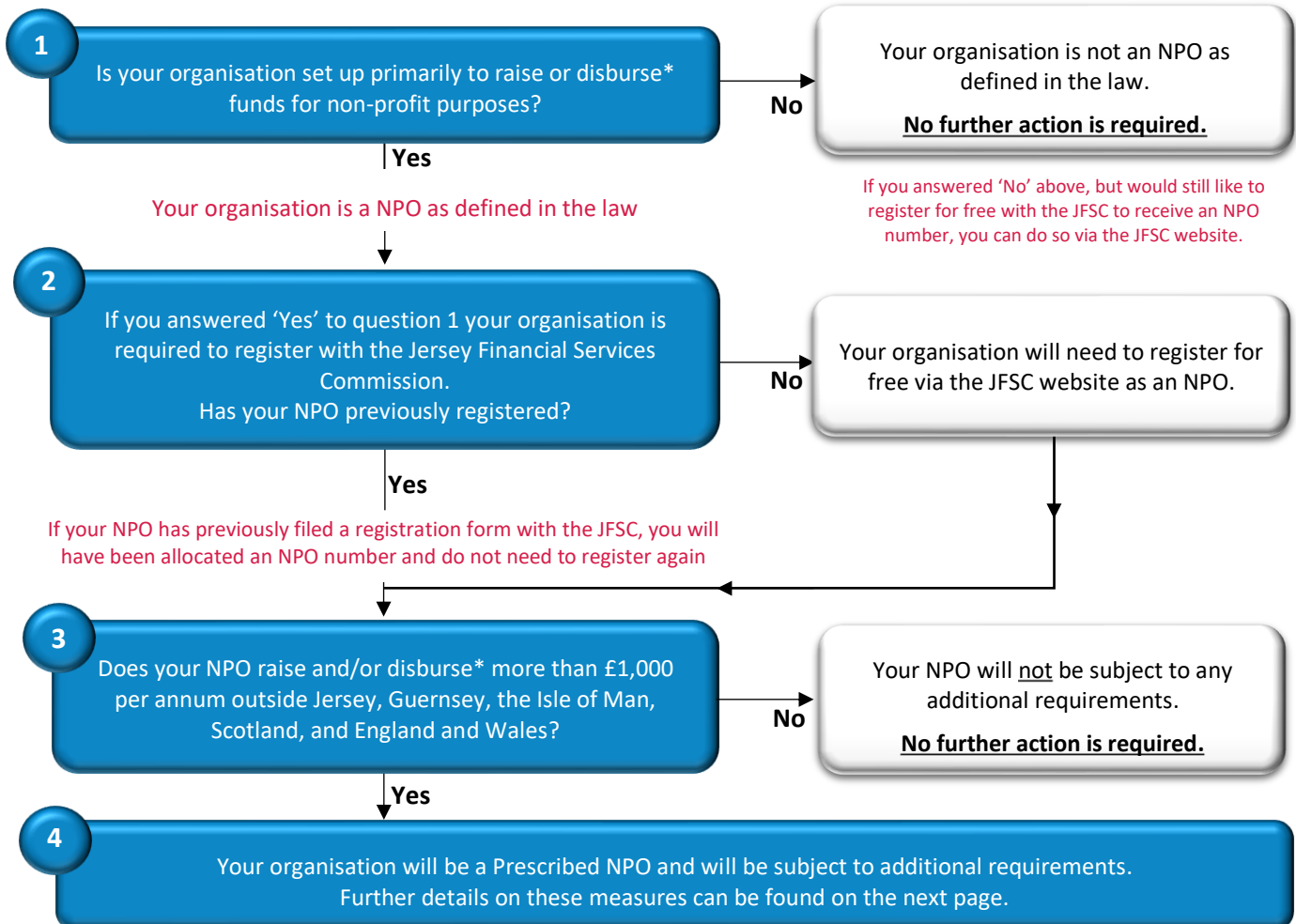


Non-Profit Organisations (NPOs) in Jersey

Is your organisation an NPO and what that means in practice

Globally it is recognised that terrorists may exploit the NPO sector to raise and move funds. Jersey has a large and diverse non-profit sector and protecting it from terrorist abuse is both a critical component of the global fight against terrorism and a necessary step to preserve the integrity of the sector. It is important to achieve this without unintended consequences to the legitimate and good works of the NPOs.

Please follow the below steps to determine if your organisation is considered an NPO under the law and, if so, what steps should be taken next.



*Definitions:

Raising funds means funds given to the NPO but does not include:

- Income earned on the funds of the NPO; or
- Amounts paid to the NPO by persons to become or remain members of the NPO

Disbursing funds does not include:

- The disbursement of funds paid to the NPO by persons to become or remain members of the NPO if those funds are applied in a way that only benefits members of the NPO
- A payment for goods and services. A payment is when you send funds for a specific agreed value for goods or services, where a disbursement is a transfer of money to a beneficiary to fulfil the objects of the organisation

Examples of organisations who would fall outside of the definition in question 1 are:

- Religious (whose activities are limited to mainly worship/study/sermon activities)
- Political parties
- Closed interest/membership organisations (e.g., trade unions, parent teacher organisations, professional associations)
- Culture groups (e.g., book clubs)
- Neighbourhood groups
- Certain thrift clubs, provided they are purely savings clubs (to benefit their members) or have a gambling element

Non-Profit Organisations (NPOs) in Jersey

Is your organisation an NPO and what that means in practice

If your NPO falls into the Prescribed class it will be supervised by the JFSC from 1 January 2023 and required to meet certain additional requirements. The new order formalises measures that may already be in place as part of the NPO's good governance.

The measures to be followed by Prescribed NPOs are detailed within the [Non-Profit Organisations \(Prescribed NPOs – Additional Obligations\) \(Jersey\) Order 2022 \(jerseylaw.je\)](#)

A brief outline of the requirements as stated in the Order can be seen below:

[Article 2](#) – To prepare an annual financial statement

[Article 3](#) – To have appropriate accounting systems and controls in place

[Article 4](#) – To keep records of owners, controllers etc. sufficient to identify them

[Article 5](#) – To keep a record of significant donors

[Article 6](#) – Take reasonable steps to identify other NPOs with whom your NPO may be working, the beneficiaries, activities, and the nature of the relationship

How should an NPO implement these requirements in practice?

To assist NPOs with the implementation of the requirements under the Order, the JFSC has developed an NPO specific section of the Handbook for the prevention and detection of money laundering and the countering of terrorist financing (the Handbook). The Handbook provides in-depth, best practice guidance on how an NPO may implement the requirements of the Order. Further information can be located on the Prescribed NPO Handbook section of the JFSC website.

[Consolidated AML / CFT Handbook — Jersey Financial Services Commission \(jerseyfsc.org\)](#)

Prescribed NPOs will be subject to supervision by the JFSC on a risk-based approach, with a focus on those NPOs that may be at a higher risk of being abused or misused for terrorist financing purposes.

Reference material:

Links to the Jersey Financial Services Commission, Government of Jersey and Jersey Charities Commissioner websites are below:

- 1 JFSC Website** - <https://www.jerseyfsc.org/industry/sectors/non-profit-organisations/>
- 2 Government of Jersey Website** - [Non-Profit Organisations combatting financial crime \(gov.je\)](#)
- 3 Jersey Charities Commissioner Website** - [Jersey Charity Commissioner & Register of Charities](#)