

# Consultation No. 12 2023

## Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008: Fees for registered persons

A consultation on proposals to change fee rates.

# Consultation

The Jersey Financial Services Commission (**JFSC**) invites comments on this consultation. Comments should reach Jersey Finance Limited by 22 December 2023.

Responses should be sent to:

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Alternatively, responses may be sent directly to us by 22 December 2023. If you require any assistance, clarification or wish to discuss any aspect of the proposal prior to formulating a response, please contact us.

The JFSC contact is:

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**It is our policy to provide the content of responses for inspection unless specifically requested otherwise.**

**It is the policy of Jersey Finance Limited (unless otherwise requested or agreed) to collate all responses and share them verbatim with us on an anonymised basis (with reference made only to the type of respondent, e.g. individual, law firm, trust company etc.) This collated, anonymised response will, typically, be placed in JFL's permanent electronic archive which is currently open to all JFL members.**

## Glossary of terms

an AIF	means a registered person who holds an AIF certificate issued under the Alternative Investment Funds (Jersey) Regulations 2012, as amended
AML/CFT	anti-money laundering / countering the financing of terrorism
AMLSP	Anti-money laundering services provider
CoBO	Control of Borrowing (Jersey) Order 1958
Commission / JFSC, we, us	Jersey Financial Services Commission
Commission Law	Financial Services Commission (Jersey) Law 1998, as amended
JPF	means a registered person in possession of a consent issued under the CoBO who pays an annual fee as a Jersey Private Fund in accordance with the CoBO Fees Notice, issued by the JFSC
Other registered persons	Those registered persons who are not accountants or lawyers.
POCL	Proceeds of Crime (Jersey) Law 1999
registered person	<p>means a person or persons (including but not limited to a sole trader) who:</p> <ul style="list-style-type: none"> <li>(a) carries on business alone or with others that falls within the scope of Schedule 2 to the Proceeds of Crime (Jersey) Law 1999, as amended; and</li> <li>(b) who is required to hold a registration under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008.</li> </ul> <p>This includes persons acting as a governing body on behalf of a legal arrangement.</p>
sole trader	means an individual who is the sole proprietor of a supervised person and who does not conduct any activities or operations as described in the Schedule to the Proceeds of Crime (Jersey) Law 1999 by way of business in association with any other person and who does not engage any employees.
the Law	Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008

# Contents

- Glossary of terms.....3**
  
- 1 Consultation .....5**
  - 1.1 Basis for consultation .....5
  - 1.2 Who is affected by the proposed changes .....5
  - 1.3 Responding to the consultation .....5
  - 1.4 Next steps.....5
  
- 2 Proposals .....6**
  - 2.1 Background .....6
  - 2.2 Fee proposals .....6
  - 2.3 Draft fees notices and questions.....8
  - 2.4 Supervisory effort and cost reduction.....8
  
- Appendix A - list of representative bodies who have been sent this consultation paper.....9**
  
- Appendix B – Fees Notice under the Supervisory Bodies Law (for accountants and Lawyers) .....10**
  
- Appendix C - Fees Notice under the Supervisory Bodies Law (for Schedule 2 business excluding accountants and lawyers) .....15**
  
- Schedule 1 – Annual Fee .....21**
  
- Schedule 2 – Application Fees .....22**
  
- Schedule 3 – Application Fees and Annual Fees for Cells of Cell Companies...23**
  
- Schedule 4 - Amendment fees.....24**

# 1 Consultation

## 1.1 Basis for consultation

- 1.1.1 Under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 (the Law), the Jersey Financial Services Commission (we, us) is the supervisory body responsible for supervising registered persons' compliance with specific Jersey enactments as well as the Code of Practice issued by us in accordance with Article 22 of the Law.
- 1.1.2 Article 20 of the Law allows the JFSC to charge fees to persons subject to the Law and Article 21(6) of the Law requires that before the JFSC may publish any fee the "[JFSC] shall publish a report that includes -
  - 1.1.2.1 details of the proposed fee;
  - 1.1.2.2 a request for comments on the level of the proposed fee; and
  - 1.1.2.3 a date, that is at least 28 days after the publication of the report, before which those comments may be made to the [JFSC]".
- 1.1.3 We consider that this consultation paper constitutes such a report as required by the Law.
- 1.1.4 Article 21(2) of the Law provides that fees set by the JFSC are to be retained and shall be set at such a level as is necessary that, in aggregate, they:
  - 1.1.4.1 raise sufficient income to enable the JFSC to carry out its functions under the Law; and
  - 1.1.4.2 provide a reserve of such amount as the JFSC considers necessary for carrying out such functions.
- 1.1.5 Article 21(3) of the Law provides that fees may be set at different levels for specified cases this includes a level of "no fee" (Article 21(5)).
- 1.1.6 Article 21(7) of the Law provides that should the JFSC and a representative body be unable to agree a new fee or above RPI fee increase that we must request the Bailiff to appoint three Jurats to consider if the fee proposed is unreasonable.
- 1.1.7 The JFSC considers that the representative bodies for Schedule 2 businesses that are required to register are those listed at Appendix A; that each of the proposals within this consultation is reasonable; and that this consultation constitutes such a report as required by the Law.

## 1.2 Who is affected by the proposed changes

- 1.2.1 The proposed new fees will affect all persons registered under the Law, and persons that become registered on or after 1 January 2024.

## 1.3 Responding to the consultation

- 1.3.1 We invite comments from interested parties on the content of this consultation, which should be received by either JFL or the JFSC no later than 22 December 2023.

## 1.4 Next steps

- 1.4.1 Following this consultation, we will publish feedback. The final fees notice will take effect on or before 1 January. Fees will be administered via businesses' myJFSC

accounts. Businesses will receive an email prompt to notify them that an invoice is awaiting payment.

## 2 Proposals

### 2.1 Background

- 2.1.1 In order to raise sufficient income to carry out our functions under the Law, and to provide a reserve of such an amount as we consider necessary, we need to raise £2.4m in fees from those businesses which are registered persons conducting Schedule 2 business.
- 2.1.2 The Government of Jersey and the JFSC issued a feedback paper on 15 December 2022 relating to the alignment of Jersey's AML/CFT registration regime with the 2012 FATF Recommendations (International Standards). Effectively the list of operations and activities contained in Schedule 2 was recast to reflect the international standards and AML/CFT/CFP scope exemptions were removed.
- 2.1.3 The recast of Schedule 2 on 30 January 2023 meant that persons who had previously enjoyed either a registration exemption or a full exemption from the AML/CFT/CPF regime were required to register with the JFSC. Transitional periods were provided for which expired on either 30 June 2023 or 30 September 2023. Those entities that registered during 2023 were only required to pay a registration fee and not an annual fee.
- 2.1.4 An effect of recast in January 2023 is that AIFs and JPFs are now required to register under the Law.
- 2.1.5 All possible measures have been taken to minimise the increase in fees, however with our expanding remit and enhancements in requirements across all sectors, not all of the increase could be absorbed internally.
- 2.1.6 While a robust focus on cost management remains a priority for both us and the businesses we supervise, we need to ensure that we can continue undertaking the crucial work required of us in combatting financial crime. Our fees are determined, to the extent they can be, to minimally disrupt those we supervise and often represent a small part of the outgoings of the majority of businesses we supervise.

### 2.2 Fee proposals

#### Inflation

- 2.2.1 The Commission Law contemplates increases to fees in line with RPI, which was recorded as 10.1% in September 2023. Although the cost of regulation continues to rise well in excess of this metric, our ongoing focus on cost control means that the proposed fee increase can be limited to this amount, below that proposed in the 2023 Business Plan of 2% above RPI.
- 2.2.2 No civil financial penalties have been levied on entities in the sector which would be applied to reduce these fees.

#### Accountants and Lawyers

- 2.2.3 The basis for charging fees for accountants and lawyers remains the same as in previous years.

## **Other Registered Persons -**

### **AMLSP**

- 2.2.4 The concept of an AMLSP was introduced via Article 9A of the Money Laundering (Jersey) Order 2008. The AMLSP is able to submit the application, and any subsequent amendments, on behalf of the registered persons. Where a person engages an AMLSP, the registered persons fees will be discounted to reflect the presence of the AMLSP. The AMLSP is already supervised by the JFSC and a streamlined application process is available for Schedule 2 applicants using an AMLSP. Where a registered person has engaged an AMLSP the application fee will be £330 unless the registered person is a sole trader. Sole traders using an AMLSP will pay a fee of £120 to reflect their simple business model. The same level of reduction is provided in relation to the Annual Fee.

### **Schedule 2 Directors**

- 2.2.5 A sole trader who is registered to only provide director services under paragraph 23 (2) of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999 (POCL) is subject to reduced obligations under the Money Laundering (Jersey) Order as set out in Article 24B, until 30 September 2024. On this basis it is proposed that the Directors annual fee will be £150.

### **JPFs and AIFs**

- 2.2.6 The following two registered persons provide significant detail to the JFSC and are required to pay fees in excess of that paid by other persons seeking a CoBO consent:
- (i) the registered person holds an AIF certificate issued under the Alternative Investment Funds (Jersey) Regulations 2012, as amended, (an AIF) or
  - (ii) is in possession of a consent issued under the Control of Borrowing (Jersey) Order 1958 (CoBO) and pays an annual fee as a Jersey Private Fund in accordance with the CoBO Fees Notice, issued by the JFSC (JPF).

Consequently, we consider the fees for JPFs and AIFs should be aligned with the regulated persons that will be submitting notifications and all fees have been proposed as zero.

### **ICC/PCC Security Issuer Platforms/Schemes**

- 2.2.7 Differing fees apply for umbrella and cell structures that are Collective Investment Funds to reflect the commonalities shared by each of the sub funds/cells in the structure. It is intended that a similar concession will be made in relation to ICC/PCC Security Issuer Platforms that meet specific criteria, as set out below:
- › It is a PCC/ICC structure with no employees that is not risk spreading and nor are any of the cells.
  - › The PCC/ICC structure has the commonalities of a Scheme, each cell has the:
    - same promoter/sponsor
    - same beneficial owners
    - majority of the same directors
    - same corporate services provider (aka administrator)
    - use the same AMLSP who is their corporate service provider or an AMLSP in the same corporate group.
    - majority of other service providers are the same – Paying Agent; Calculation Agent; Broker and Custodian (which may be services provided by the common sponsor/promoter).

- standardised term sheet adapted for each cell.

2.2.8 The charging structure will reflect the volume of cells as set out below with a cap of £20,000 to the annual fee which would impact where the structure had in excess of 95 cells.

Application Fee (number is per cell unless stated otherwise)	Registration Fee per Cell	% of £330	Annual Fee (number is per cell unless stated otherwise)	Annual fee payable re each cell	% of £700
ICC + 1IC PCC =1PC	330	100%	ICC + 1IC PCC =1PC	700	100%
2-15	220	66.66% (2/3)	2-15	465	66.66% (2/3)
16-75	165	50% (1/2)	16-75	350	50% (1/2)
75 +	110	33.33% (1/3)	75 +	235	33.33% (1/3)

## 2.3 Draft fees notices and questions

- 2.3.1 Draft fees notices reflecting the proposals can be found in Appendix B and C.
- 2.3.2 **Question 1:** Do you agree with the proposed fee increase of RPI (10.1%)?
- 2.3.3 **Question 2:** Do you have any comments on the proposals outlined in Appendix C regarding the fee proposals for Schedule 2 businesses using an AMLSP?
- 2.3.4 **Question 3:** Do you have any comments on the proposals outlined in Appendix C regarding the fees payable by Schedule 2 directors?
- 2.3.5 **Question 4:** Do you have any comments on the proposals outlined in Appendix C regarding the fees payable by ICC/PCC Security Issuer Platforms?

## 2.4 Supervisory effort and cost reduction

- 2.4.1 We are monitoring and managing our costs to deliver efficient and effective supervision of the sector however, the volume of activity requiring registration and supervision under the Law has increased during the year.
- 2.4.2 In line with both our own and the national understanding and assessment of risk, our supervisory activity in relation to financial crime risks has increased. Financial crime is a substantial and, arguably, growing threat. Global standards and expectations of the good practices expected of a highly developed international finance centre such as Jersey have been developed in response.
- 2.4.3 The JFSC is committed to maintaining Jersey's compliance with global standards which apply to a highly developed international financial centre such as Jersey. The JFSC is engaged with international efforts to shape the applicable regulations and assess their implementation.
- 2.4.4 The JFSC has taken measures to improve its efficiency and agile working methods during 2023, such as broadening the supervisory toolkit to include sector-based assessments, continuing to improve the digitisation of processes and absorbing

additional work contributing to the MoneyVal assessment. The JFSC will continue to improve the efficiency of its operations during 2024.

## **Appendix A - list of representative bodies who have been sent this consultation paper**

- › Association of English Solicitors practising in Jersey
- › Institute of Chartered Secretaries and Administrators, Jersey branch
- › Institute of Directors, Jersey branch
- › Jersey Association of Directors and Officers
- › Jersey Chamber of Commerce and Industry
- › Jersey Estate Agents Association
- › Jersey Society of Chartered and Certified Accountants
- › Law Society of Jersey
- › Jersey Funds Association

# Appendix B – Fees Notice under the Supervisory Bodies Law (for accountants and Lawyers)

## Notice of Fees

Published in accordance with: **Article 21 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008, as amended**

Payable by or in relation to: **Firms of accountants and firms of lawyers**

Pursuant to: **Article 20 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008, as amended**

Commencement date: The fees set out in this notice and the attached schedule are effective for the period from 1 January – 31 December 2023

### 1 Interpretation

1.1 In this notice, unless the context otherwise requires –

a firm of accountants	means a person or persons (including but not limited to a sole trader) who carry on business alone or with others that falls within the scope of paragraph 22 of Part 3 of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999, as amended, and who are required to hold a registration under the Supervisory Bodies Law;
a firm of lawyers	means a person or persons (including but not limited to a sole trader) who carry on business alone or with others that falls within the scope of paragraph 21 of Part 3 of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999, as amended, and who are required to hold a registration under the Supervisory Bodies Law;
average	in respect of the calculation of the average number of relevant employees on the relevant date(s) means the arithmetic mean of each number rounded to the nearest 0.25 of a person;
contract of employment, contract of service or partnership agreement	means an agreement between two or more parties whether express or implied and (if it is express) whether oral or in writing;
due date	means the due date for payment of any fee specified within this Notice of Fees or otherwise the due date for payment specified within an invoice for fees issued by the JFSC;
JFSC/Commission	means the Jersey Financial Services Commission
relevant date(s)	means the last working day of each of the five previous years immediately preceding the calendar year to which the fee relates; where there are fewer than five relevant dates for the purpose of a calculation within the Schedule, the averages calculated will be of each relevant date that is available for the calculation until there are sufficient relevant dates to perform the calculation as specified;

relevant employee	<p>means an individual who:</p> <p>(a) works under a contract of employment or any other contract of service;</p> <p>(b) practises alone or with others under the terms of a partnership agreement; or</p> <p>(c) is otherwise engaged within the business of a firm of accountants or lawyers,</p> <p>in all cases where:</p> <p>(i) the individual undertakes to do or perform, directly or indirectly, any work or service within a firm of accountants or lawyers, whether or not engaged directly by the firm of accountants or lawyers or through another entity forming part of the group of entities of which the firm of accountants or lawyers is a part, and</p> <p>(ii) the firm of accountants or lawyers is not by virtue of the contract a client or customer of the individual, and “relevant employee” shall be construed accordingly;</p>
sole trader	means a person who is the sole proprietor of a firm of accountants or lawyers and who does not practise law or accountancy with any other person and who does not engage any relevant employee;
Supervisory Bodies Law	means the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008, as amended.

## 2 Calculation of number of relevant employees

- 2.1 For clarity, for the purposes of this notice “relevant employee” includes but is not limited to:
- (a) a partner practising law or accountancy whether alone or with others;
  - (b) an individual classified as self-employed for tax or social security purposes but in all other respects meets the definition of relevant employee;
  - (c) an individual based or working outside Jersey but engaged within the Jersey business of the firm of accountants or lawyers; and
  - (d) an individual engaged by a firm of accountants or lawyers which is a Jersey entity wherever in the world that individual works or is based and whether or not that individual is engaged in the Jersey business of that firm of accountants or lawyers.
- 2.2 For individuals with fixed term contracts that do not span the full calendar year, the hours worked should be annualised and the bandings (see paragraph 2.3) applied when calculating the number of relevant employees.
- 2.3 The following bandings should be applied when calculating the number of total relevant employees:
- (a) up to and including 9 hours per week 0.25 of a person;
  - (b) over 9 hours and up to and including 18 hours per week 0.50 of a person;
  - (c) over 18 hours and up to and including 27 hours per week 0.75 of a person;
  - (d) over 27 hours per week 1 person.

2.4 The calculation of the number of relevant employees should be undertaken as at the relevant date based upon the relevant employee's engagement over the preceding 12 months. If, on the relevant date, there exists a post that is vacant but would normally be occupied by an individual who meets the definition of a relevant employee the calculation should include that position.

2.5 **Example 1:** fixed term contract. An individual who has a fixed term contract and is contracted to work full time (35 hours per week) for four months would equate to:

$$35 \text{ hours} \times 4 \text{ months} \div 12 \text{ months} = 11.67 \text{ hours per week}$$

The individual would therefore be equivalent to 0.5 of a person in calculating the number of relevant employees.

2.6 **Example 2:** part time working. An individual who is employed part time for the whole year at 25 hours per week would represent 0.75 of a person in the calculation of the number of relevant employees.

2.7 **Example 3:** part time working + fixed term contract. An individual who is employed part time on a fixed contract (20 hours per week for 6 months) would equate to:

$$20 \text{ hours} \times 6 \text{ months} \div 12 \text{ months} = 10 \text{ hours per week}$$

The individual would therefore be equivalent to 0.5 of a person in calculating the number of relevant employees NOT 0.75 of a person.

### **3 Annual fee**

- 3.1 Firms of accountants and firms of lawyers shall pay an annual fee of an amount calculated in accordance with the table set out in the Schedule.
- 3.2 Payment of the annual fee should be in full, on or before 31 March;
- 3.3 The annual fee is subject to a fee cap of £50,825.

### **4 Late payment of fees and/or late submission of fees information**

- 4.1 If the annual fee is not received in full to us by the due date, an additional late payment fee of 5% of the unpaid principal amount will be applied on the day after the due date, and on the 1st day of each calendar month after that.
- 4.2 If the firm does not supply the required information to calculate its fee by 31 March, an administration fee of £100 will be charged on 1 April, and on the 1st day of each calendar month after that while the information is still outstanding. This is in addition to the late payment fee set out in paragraph 4.1 which will be calculated once the information has been submitted.

### **5 Application fee**

- 5.1 An application fee of £205 shall be payable in respect of an application by a sole trader intending to carry on business within the scope of this notice of fees.
- 5.2 An application fee of £550 shall be payable in respect of an application by any other person, or persons, intending to carry on business within the scope of this notice of fees.
- 5.3 The application fee is due at the time of application and is non-refundable.

### **6 Amendment fee**

- 6.1 A fee of £205 shall be paid by a sole trader who applies for an alteration so as to reflect all or any of the following:
  - 6.1.1 A change of the name of the registered person; or
  - 6.1.2 The addition, alteration or removal of conditions pursuant to an application from the registered person.
- 6.2 A fee of £550 shall be paid by any registered person who is not a sole trader who applies for an alteration so as to reflect all or any of the following:
  - 6.2.1 A change of the name of the registered person; or
  - 6.2.2 The addition, alteration or removal of conditions pursuant to an application from the registered person.

### **7 Late filing fees**

- 7.1 If a registered person fails to file or deliver any document to us under the provisions of the Supervisory Bodies Law or under any provisions of any Order issued in accordance with the Supervisory Bodies Law on or before the date that the document becomes due, the registered person shall be liable to pay a fee of £100 for each complete month or part thereof that the document remains un-filed or undelivered unless the registered person has given us prior written notice of the reasons for the late filing or delivery of a document and we have agreed in writing that the filing may be late. Any such later agreed date shall become the due date for the purposes of the calculation and the payment of late filing fees.

## Schedule

	Base Fee	Relevant employee element
<b>Sole Trader</b>	£550	Not applicable
<b>All other firms</b>	£2,345	Plus: £260 multiplied by an average of the number of relevant employees (calculated in accordance with this notice) on each of the relevant dates  (The total annual fee is capped at £50,825)

# Appendix C - Fees Notice under the Supervisory Bodies Law (for Schedule 2 business excluding accountants and lawyers)

## Notice of Fees

Published in accordance with: **Article 21 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008, as amended**

Payable by or in relation to: **Registered Persons**  
 (Schedule 2 business, excluding services provided by firms of accountants and firms of lawyers)

Pursuant to: **Article 20 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008, as amended**

Commencement date: The fees set out in this notice and the attached schedules are effective for the period from 1 January – 31 December 2024

### 1 Interpretation

1.1 In this notice, unless the context otherwise requires –

a firm of accountants	means a person or persons (including but not limited to a sole trader) who carry on business alone or with others that falls within the scope of paragraph 22 of Part 3 of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999, as amended, and who are required to hold a registration under the Supervisory Bodies Law
a firm of lawyers	means a person or persons (including but not limited to a sole trader) who carry on business alone or with others that falls within the scope of paragraph 21 of Part 3 of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999, as amended, and who are required to hold a registration under the Supervisory Bodies Law
an AIF	means a registered person who holds an AIF certificate issued under the Alternative Investment Funds (Jersey) Regulations 2012, as amended
CoBO	Control of Borrowing (Jersey) Order 1958
Director	Means a natural person that falls within scope of paragraph 23(2) of Part 3 of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999, as amended, and who is required to hold a registration under the Supervisory Bodies Law
JFSC/Commission	means the Jersey Financial Services Commission
JPF	means a registered person in possession of a consent issued under the CoBO who pay an annual fee as a Jersey Private Fund in accordance with the CoBO Fees Notice, issued by the JFSC
average	in respect of the calculation of the average number of relevant employees on the relevant date(s) means the arithmetic mean of each number rounded to the nearest 0.25 of a person;

contract of employment, contract of service or partnership agreement	means an agreement between two or more parties whether express or implied and (if it is express) whether oral or in writing;
due date	means the due date for payment of any fee specified within this Notice of Fees or otherwise the due date for payment specified within an invoice for fees issued by the JFSC;
JFSC/Commission	means the Jersey Financial Services Commission
POCL	Proceeds of Crime (Jersey) Law 1999 (POCL)
registered person	means a person or persons (including but not limited to a sole trader): (a) who carries on business alone or with others that falls within the scope of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999, as amended, EXCEPT business that is defined in paragraphs 21 and 22 (lawyers and accountants) of Part 3 of Schedule 2; and (b) who is required to hold a registration under the Supervisory Bodies Law.
relevant date(s)	means the last working day of each of the five previous years immediately preceding the calendar year to which the fee relates; where there are fewer than five relevant dates for the purpose of a calculation within the Schedule, the averages calculated will be of each relevant date that is available for the calculation until there are sufficient relevant dates to perform the calculation as specified;
relevant employee	means an individual who: (a) works under a contract of employment or any other contract of service; (b) practises alone or with others under the terms of a partnership agreement; or (c) is otherwise engaged within the business of a registered person, in all cases where: (i) the individual undertakes to do or perform, directly or indirectly, any work or service within a registered person, whether or not engaged directly by the registered person or through another entity forming part of the group of entities of which the registered person is a part, and (ii) the registered person is not by virtue of the contract a client or customer of the individual, and “relevant employee” shall be construed accordingly;
sole trader	means a person who is the sole proprietor of a Supervised Person and who does not conduct any activities or operations as described in the Schedule to the Proceeds of Crime (Jersey) Law 1999 by way of business with any other person and who does not engage any employees.

Supervisory Bodies Law	means the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008, as amended.
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## 2 Calculation of number of relevant employees

2.1 For clarity, for the purposes of this notice “relevant employee” includes but is not limited to:

- (e) a partner carrying on Schedule 2 business whether alone or with others;
- (f) an individual classified as self-employed for tax or social security purposes but in all other respects meets the definition of relevant employee;
- (g) an individual based or working outside Jersey but engaged within the Jersey business of the registered person; and
- (h) an individual engaged by a registered person which is a Jersey entity wherever in the world that individual works or is based and whether or not that individual is engaged in the Jersey business of that registered person.

2.2 For individuals with fixed term contracts that do not span the full calendar year, the hours worked should be annualised and the bandings (see paragraph 8.3) applied when calculating the number of relevant employees.

2.3 The following bandings should be applied when calculating the number of total relevant employees:

- |     |   |                   |
|-----|---|-------------------|
| (e) | up to and including 9 hours per week                    | 0.25 of a person; |
| (f) | over 9 hours and up to and including 18 hours per week  | 0.50 of a person; |
| (g) | over 18 hours and up to and including 27 hours per week | 0.75 of a person; |
| (h) | over 27 hours per week                                  | 1 person.         |

2.4 The calculation of the number of relevant employees should be undertaken as at the relevant date based upon the relevant employee’s engagement over the preceding 12 months. If, on the relevant date, there exists a post that is vacant but would normally be occupied by an individual who meets the definition of a relevant employee the calculation should include that position.

2.5 **Example 1:** fixed term contract. An individual who has a fixed term contract and is contracted to work full time (35 hours per week) for four months would equate to:

$$35 \text{ hours} \times 4 \text{ months} \div 12 \text{ months} = 11.67 \text{ hours per week}$$

The individual would therefore be equivalent to 0.5 of a person in calculating the number of relevant employees.

2.6 **Example 2:** part time working. An individual who is employed part time for the whole year at 25 hours per week would represent 0.75 of a person in the calculation of the number of relevant employees.

2.7 **Example 3:** part time working + fixed term contract. An individual who is employed part time on a fixed contract (20 hours per week for 6 months) would equate to:

$$20 \text{ hours} \times 6 \text{ months} \div 12 \text{ months} = 10 \text{ hours per week}$$

The individual would therefore be equivalent to 0.5 of a person in calculating the number of relevant employees NOT 0.75 of a person.

### **3 Annual fee**

- 3.1 Subject to paragraph 6 Registered persons shall pay an annual fee of an amount calculated in accordance with 3.2 and the tables set out in the Schedule 1. A Director registered only to provide director services under paragraph 23 of Part 3 of Schedule 2 of POCL shall pay the fee set out in the last column in the first table in Schedule 1.
- 3.2 The annual fee shall be the total of the base amount plus the relevant employee amount.
- 3.3 The relevant employee amount shall be the relevant employee fee multiplied by an average of the number of relevant employees (calculated in accordance with this notice) on each of the relevant dates.
- 3.4 The annual fee is payable by all persons registered with the JFSC as of 31 December of the preceding year.
- 3.5 The due date for the annual fee is 31 March. Payment of the annual fee should be made in full, on or before the due date.
- 3.6 The annual fee is subject to a fee cap of £50,825 save for ICC/PCC Security Issuer Platforms/Schemes, see paragraph 6.

### **4 Late payment of fees and/or late submission of fees information**

- 4.1 If the annual fee is not received in full to us by the due date, an additional late payment fee of 5% of the unpaid principal amount will be applied on the day after the due date, and on the 1st day of each calendar month after that.
- 4.2 If the firm does not supply the required information to calculate its fee by 31 March, an administration fee of £100 will be charged on 1 April, and on the 1st day of each calendar month after that while the information is still outstanding. This is in addition to the late payment fee set out in paragraph 4.1 which will be calculated once the information has been submitted.

### **5 Application fee**

- 5.1 Subject to paragraph 6 Registered Persons shall pay an application fee in accordance with the table set out in the Schedule 2.
- 5.2 The due date for the application fee is the time of application and is non-refundable.

### **6 ICC/PCC Security Issuer Platforms/Schemes**

- 6.1 An application fee payable in relation to a cell (incorporated cell or protected cell) of a cell company (incorporated cell company (ICC) or a protected cell company (PCC)) shall, subject to the criteria below being met be paid by the ICC/PCC in respect the aggregate of the number of cells relating to that ICC/PCC.
- 6.2 The criterion is:
  - › It is a PCC/ICC structure with no employees that is not risk spreading and nor are any of the cells.
  - › The PCC/ICC structure has the commonalities of a Scheme, each cell has the:
    - same promoter/sponsor
    - same beneficial owners
    - majority of the same directors
    - same corporate services provider (aka administrator)
    - use the same AMLSP who is their corporate service provider or an AMLSP in the same corporate group.

- majority of other service providers are the same – Paying Agent; Calculation Agent; Broker & Custodian (which may be services provided by the common sponsor/promoter).
- standardised term sheet adapted for each cell.

Where the ICC/PCC structure meets the conditions above they shall pay the application fees and annual fees based on the number of cells in the structures as per Schedule 3 below.

6.3 The total annual fees payable by the ICC/PCC in respect of cells in the structure shall not exceed £20,000.

## **7 Amendment fee**

7.1 Registered persons shall pay an amendment fee in accordance with Schedule 4 when applying for an alteration so as to reflect all or any of the following:

- 7.1.1 A change of the name of the Registered Person; or
- 7.1.2 The addition, alteration or removal of conditions to its registration under the Supervisory Bodies Law

## **8 Late filing fees**

- 8.1 If a registered person fails to file or deliver any document to us under the provisions of the Supervisory Bodies Law or under any provisions of any Order issued in accordance with the Supervisory Bodies Law on or before the date that the document becomes due, the registered person shall be liable to pay a fee of £100 for each complete month or part thereof that the document remains un-filed or undelivered unless the registered person has given us prior written notice of the reasons for the late filing or delivery of a document and we have agreed in writing that the filing may be late. Any such later agreed date shall become the due date for the purposes of the calculation and the payment of late filing fees.

## Schedule 1 – Annual Fee

Base Fee	Direct Registration		Registration via an AMLSP		Registered persons fee for Sole Trader Director
	Registered persons Fee	Registered persons Fee– Sole Trader	Registered persons Fee	Registered persons Fee– Sole Trader	
Schedule 2, Part 2: Financial Institutions, <b>except</b> AIFs and JPFs	£1,170	£550	£700	£330	£0
Schedule 2, Part 2: Financial Institutions <b>that are</b> AIFs and JPFs	£0	£0	£0	£0	£0
Schedule 2, Part 3: Designated non-financial businesses and professions	£1,170	£550	£700	£330	£150
Schedule 2, Part 4: Virtual Asset Service Providers	£1,170	£550	£700	£330	£0

Relevant employee Fee	Direct Registration		Registration via an AMLSP	
	Registered persons Fee	Registered persons Fee– Sole Trader	Registered persons Fee	Registered persons Fee– Sole Trader
Schedule 2, Part 2: Financial Institutions, <b>except</b> AIFs and JPFs	£260	£0	£155	£0
Schedule 2, Part 2: Financial Institutions <b>that are</b> AIFs and JPFs	£0	£0	£0	£0
Schedule 2, Part 3: Designated non-financial businesses and professions	£260	£0	£155	£0
Schedule 2, Part 4: Virtual Asset Service Providers	£260	£0	£155	£0

## Schedule 2 – Application Fees

	Direct Applications		Applications via an AMLSP	
	Application Fee	Application Fee– Sole Trader	Application Fee	Application Fee– Sole Trader
Schedule 2, Part 2: Financial Institutions, <b>except</b> AIFs and JPFs	£550	£205	£330	£120
Schedule 2, Part 2: Financial Institutions <b>that are</b> AIFs and JPFs	£0	£0	£0	£0
Schedule 2, Part 3: Designated non-financial businesses and professions	£550	£205	£330	£120
Schedule 2, Part 4: Virtual Asset Service Providers	£550	£205	£330	£120

# Schedule 3 – Application Fees and Annual Fees for Cells of Cell Companies

Calculation of fees for ICC/PCC Security Issuer Platforms/Schemes meeting the criteria in paragraph 6.

Application Fee (numbers are per cell unless stated otherwise)	Registration Fee per Cell	Annual fee payable re each cell
Cell Company plus one cell	£330	£700
2-15	£220	£465
16-75	£165	£350
75 +	£110	£235
95+	£110	Fees are capped at £20,000

## Schedule 4 - Amendment fees

	Direct Applications		Applications via an AMLSP	
	Amendment Fee	Amendment Fee – Sole Trader	Amendment Fee	Amendment Fee – Sole Trader
Schedule 2, Part 2: Financial Institutions, <b>except</b> AIFs and JPFs	£550	£205	£330	£120
Schedule 2, Part 2: Financial Institutions <b>that are</b> AIFs and JPFs	£0	£0	£0	£0
Schedule 2, Part 3: Designated non- financial businesses and professions	£550	£205	£330	£120
Schedule 2, Part 4: Virtual Asset Service Providers	£550	£205	£330	£120