



Jersey Financial
Services Commission

Consultation on proposed enhancements to the AML/CFT/CPF Handbook

No. 4 2025

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Consultation

The Jersey Financial Services Commission (**JFSC**) invites comments on this consultation paper by **4 September 2025**. If you would like any support and more information before submitting a response, please contact:

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All responses will be considered non-confidential (unless specifically requested otherwise by the respondent).

It is the policy of JFL (unless otherwise requested or agreed) to collate all responses and share them verbatim with the JFSC 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

Defined terms are indicated throughout this document as follows:

Action Plan	JFSC MONEYVAL action plan
AML	Anti-money laundering
Beneficial Ownership	Has the meaning set out in Article 2 of <i>the Money Laundering Order</i> . May also be referred to as “beneficial owner” or “controller”
CFT	Countering the <i>financing of terrorism</i>
Codes of Practice/COP	AML/CFT/CPF Codes of Practice set out in the <i>Handbook</i>
Commission Law	Financial Services Commission (Jersey) Law 1998
consultation/CP	This consultation paper
CPF	Countering <i>proliferation financing</i>
DNFBP	Designated Non-Financial Businesses and Professions as defined in the <i>FATF</i> glossary. Refers to activities/operations specified in Part 3 of Schedule 2 to the <i>Proceeds of Crime Law</i>
EDD	Enhanced Due Diligence
FATF	The Financial Action Task Force
Financial Institution(s)/FIs	As defined in the <i>FATF</i> glossary. Refers to activities/operations specified in Part 2 of Schedule 2 to the <i>Proceeds of Crime Law</i>
financial services business(es)	Has the meaning in Article 36 of the <i>Proceeds of Crime Law</i>
financing of proliferation or proliferation financing	For the purposes of this <i>consultation</i> , this term means: Conduct which creates the risk of non-implementation, breaching, circumvention, or evasion of the Targeted financial sanctions related to proliferation of weapons of mass destruction and its financing, effective in Jersey. Persons involved in the financing of proliferation are sometimes described as proliferators or proliferation financiers
financing of terrorism or terrorist financing	<ul style="list-style-type: none"> › conduct which is an offence under any provision of Articles 15, 16 and 16A of the <i>Terrorism Law</i> › conduct outside Jersey which, if occurring in Jersey, would be an offence under Articles 15, 16 and 16A of the <i>Terrorism Law</i> › conduct which is an offence under any provision of Article 21 of the <i>Terrorism Law</i> › conduct which is an offence under any provision of Parts 3, 4 and 6 of the <i>Sanctions and Asset-Freezing Law</i> › persons involved in the financing of terrorism are sometimes described as terrorist financiers

Guidelines	Means guidelines issued by the <i>JFSC</i> on the interpretation of any provision in Schedule 2, including any expression used in Schedule 2 in accordance with Article 36(2) of the <i>Proceeds of Crime Law</i>
Handbook	Handbook for the detection and prevention of <i>money laundering</i> , the countering of <i>terrorist financing</i> and <i>countering of proliferation financing</i> . Also known as the <i>AML/CFT/CPF Handbook</i> .
Immediate outcome/IO	The <i>FATF</i> Immediate Outcomes adopted in February 2012 and as amended to date
JFSC/we/us	Jersey Financial Services Commission
MER	Fifth Round MONEYVAL Mutual Evaluation Report of Jersey
Money laundering	For the purposes of this <i>consultation</i> , means: <ul style="list-style-type: none"> › conduct which is an offence under any provision of Articles 30 and 31 of the <i>Proceeds of Crime Law</i> › conduct which is an offence under any provision of Articles 34A and 34D of the <i>Proceeds of Crime Law</i> › conduct which is an offence under any provision of the <i>Sanctions and Asset-Freezing Law</i> or any provision of an Order under Article 3 of that Law › conduct which falls within the definition of financing of terrorism set out in this <i>consultation</i>
MONEYVAL	The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
NPO	Non-profit organisations defined under Article 1 of the <i>NPO Law</i> . The definitions extend to both Regulated NPOs and Registered NPOs. The sector, including all <i>NPOs</i> may also be referred to as the non-profit sector.
NPO CFT Handbook	Proposed standalone Handbook for <i>Countering the Financing of Terrorism</i> for <i>NPOs</i> based on Section 17 of the existing <i>Handbook</i>
NPO Law	Non- Profit Organizations (Jersey) Law 2008
PEPs	Politically exposed persons
Prescribed NPO	Has the meaning given in Article 1 of the <i>Prescribed NPO Order</i> . The sub-set of <i>NPOs</i> which present a higher risk of being abused for <i>terrorist financing</i> purposes.
Prescribed NPO Order	Non-profit Organisations (Prescribed NPOs – Additional Obligations Jersey) Order 2022.
Proceeds of Crime Law	Proceeds of Crime (Jersey) Law 1999
Recommended Actions/ MONEYVAL Recommended Actions	Actions set out in the <i>MER</i> for Jersey to take, which, in the view of the MONEYVAL assessment team, would strengthen Jersey’s financial crime framework

Sanctions and Asset-Freezing Law	Sanctions and Asset -Freezing (Jersey) Law 2019
Source of Funds	The activity that generates the funds for a customer (e.g., salary, trading revenues, or payments out of a trust). Source of funds relates directly to the economic origin of funds to be used in a business relationship or one-off transaction.
Source of Wealth	The activities that have generated the total net worth of a customer (e.g., ownership of a business, inheritance, or investments). Source of wealth is the origin of the accrued body of wealth of an individual.
supervised person	Has the meaning given in Article 1 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008. Also referred to as RE's, namely reporting entities in the Recommended Actions.
Terrorism Law	Terrorism (Jersey) Law 2022
VASP	Virtual Asset Service Provider. Has the meaning given in paragraph 24 of Part 4 of Schedule 2 to the <i>Proceeds of Crime Law</i> . To assist with the interpretation of VASP activities and operations, refer to the <i>Guidelines</i> .

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1 Executive summary

1.1 Overview

- 1.1.1 This consultation paper (**CP**) seeks feedback from industry on proposals to enhance the Handbook for the detection and prevention of money laundering, the countering of terrorist financing and the countering of proliferation financing (**Handbook**).
- 1.1.2 There are two key drivers to the proposed enhancements covered within this CP:
- › clarificatory changes as part of our measured and proactive response to MONEYVAL Recommended Actions
 - › enhancements and improvements to the Handbook to improve usability and reduce time/effort in application

MONEYVAL Recommended Actions (*Handbook* related only)

- 1.1.3 MONEYVAL Recommended Actions (**Recommended Actions**) were identified across all agencies including the *JFSC*. In November 2024, we issued the [JFSC MONEYVAL Action Plan](#) (**Action Plan**) detailing our response to the *JFSC*-related *Recommended Actions*.
- 1.1.4 The *Action Plan* included a number of actions where the understanding of and approach to complying with *Handbook* obligations was inconsistent. This *consultation* is our response to those actions through enhancements to specific, targeted sections of the *Handbook*.
- 1.1.5 The outputs of the response noted in 1.1.4 are primarily clarificatory amendments to the *Handbook*. Having reviewed the relevant sections of the *Handbook*, we concluded that the required guidance was largely already present. However, industry could benefit from further refinement and clarification to avoid the inconsistency in application, as noted by the *Recommended Actions*.

Enhancements to improve clarity and usability

- 1.1.6 This process has provided an opportunity to streamline and improve the clarity of relevant sections of the *Handbook*, aiming to make it more accessible, thereby better supporting industry to comply with their obligations.
- 1.1.7 Whilst we have drafted comprehensive enhancements to the *Handbook*, we are collaborating with industry to align, simplify and clarify expectations. We also aim to leverage industry experience and working practices by incorporating into the guidance existing actions and work already undertaken by industry to reduce the operational impact of the proposed changes.
- 1.1.8 While this consultation is focussed on specific sections of the Handbook, we welcome any additional feedback on improvements that could be made to the wider *Handbook*, as part of this consultation process.

1.2 What is proposed and why?

- 1.2.1 We are proposing to amend and restructure some sections of the *Handbook* to clarify obligations and provide enhanced guidance for *Handbook* users, whilst concurrently addressing *Recommended Actions* that are related to the *Handbook*.
- 1.2.2 Beyond the changes made for the purposes of improving clarity and ease-of-use, there are two new *Codes of Practice* relating to *EDD* regarding complex structures.
- 1.2.3 To aid understanding of the changes proposed here, we have developed matrixes mapping the previous *Codes of Practice* to the updated *Codes of Practice*. As updates are validated, mapping documents will be provided for the whole *Handbook* to aid implementation for *Handbook* users.

Enhancements to improve clarity and usability

- 1.2.4 General improvements to the *Handbook* to enhance clarity and usability:
 - › edits to structure and layout of the *Handbook* to improve overall readability (for example, adding a link to our Regulatory chatbot, “Reggie”, and adding a footer with section name to every page for ease of navigation)
 - › new numbering format for *Codes of Practice*, enabling future amendments to the *Handbook* guidance to be made with no or limited knock-on impact to the numbering of other sections
 - › use of colour and diagrams to add clarity and improve ease of assimilation of information
 - › glossary moved to the end of the *Handbook*
 - › prepaid cards guidance moved from Section 3 (identification measures) to be included with wire transfers in new section 14
- 1.2.5 Supplementary guidance proposed:
 - › increased guidance and common terminology applied to ‘Digital ID’ (formerly ‘E-ID’)
 - › making clear that non-executive director positions in domestic state-owned corporations and state-instigated “arms length” entities should not be treated as domestic *PEPs* in the absence of additional high-risk factors
 - › **ongoing monitoring** – current section relates to transaction and activity monitoring only. Restructure to now encompass all relevant elements of ongoing monitoring (in part in relation to Recommended Action (see 1.2.6), allowing for:
 - › introduction to explain requirement to monitor all relationships (regardless of risk) to an appropriate level given the profile of the relationship
 - › introduction to explain all relevant ongoing monitoring elements (periodic reviews, trigger events, transaction and activity monitoring) and how these sit in the wider customer lifecycle
 - › specific section added on Periodic Reviews
 - › specific section added on Trigger Events
 - › specific section added on Enhanced Monitoring requirements
 - › **Section 17 Prescribed NPO section as a separate handbook** - we are committed to ensuring that our approach to *Prescribed NPO* supervision (for countering financing of terrorism as they are not *financial services business*) and respective

guidance is proportionate. In light of this, feedback received to date indicates that removing the *Prescribed NPO* section and making it a standalone handbook would be a positive change. This is provisional and subject to feedback and impact assessments prior to being rolled out.

MONEYVAL Recommended Actions (Handbook related only)

<i>MONEYVAL Recommended Action</i>	Impacted section	New section	Summary of enhancements	Action Plan reference
The JFSC and the Central Registry should ensure that all <i>REs</i> understand fully the concept of control over legal entities through means other than ownership by providing more granular guidance and increasing outreach. This should include additional indicators that would cause <i>REs</i> to trigger relevant inquiries where appropriate.	4 Identification Measures- Finding Out Identity and Obtaining Evidence	4	Beneficial Ownership and Control: add section around control through other means.	IO4 c)
The JFSC should ensure that periodic reviews of high-risk customers (particularly legacy customers) always include the obtaining of documentary/corroborating evidence to ascertain <i>Source of Wealth/Source of Funds</i> (where evidence is lacking) and updating beneficial ownership information (except where <i>TCSPs</i> are providing management services).	6 Ongoing Monitoring	6	Periodic reviews: Ongoing monitoring section to cover periodic reviews including <i>EDD</i> elements and updating verification of Beneficial Ownership and Control, <i>Source of Wealth/Source of Funds</i> info.	PA f) PA I)
Jersey should strengthen TFS supervisory approach . This should include applying higher scrutiny to TFS supervision especially on-site examination checks and increasing the capability of the obliged entities to identify close associations and indirect links to sanctioned persons to better prevent sanctions evasion risks.			Sanctions: add close associates and indirect links guidance.	
The JFSC should provide <i>REs</i> with detailed guidance on complex structures to ensure that the identification of these structures and application of appropriate <i>EDD</i> measures is consistent across all <i>REs</i> .	7 Enhanced and simplified CDD measures	7	Split <i>EDD</i> and Exemptions.	IO4 d) IO4 d) IO4 b)

<p>In relation to PEPs, the <i>JFSC</i> should ensure that REs: (i) apply all EDD measures (particularly senior management approval and enhanced monitoring of business relationship) required by the <i>FATF</i> standards to every foreign PEP customer (incl. legal entities and arrangements with foreign <i>PEP beneficial owners</i>); and (ii) consider as close associates of PEPs and apply the relevant EDD measures to individuals closely connected to PEPs either socially or professionally.</p>			<p>Enhanced Due Diligence: Complex structure guidance added and two new codes to ensure a consistent approach to <i>EDD</i> on Complex Structures (7.8) Clarity of application to Politically Exposed Persons (PEPs) (including socially or professionally close associates) (7.6).</p>	
<p>The <i>JFSC</i> should ensure that REs assess the risks appropriately and apply the exemptions available for customers/investors of TCSPs and unregulated or non-public funds only where risks are low.</p>		8	<p>Exemptions: Clarify expectations around exemptions clearer, including emphasis of only applicable in low-risk scenarios and making separate section for exemptions (currently with <i>EDD</i> which are applied in higher risk scenarios).</p>	PA g)
<p>The authorities should issue sector specific guidance prioritising <i>DNFBPs</i> and <i>VASPs</i>. Guidance documents should cover specificities of the products and services offered by different sectors in greater detail, identification of suspicious activities in different sectors and how specific service or product can be abused for ML/TF purposes. Training activities should be aligned to sectorial needs, i.e., taking into account sectorial and individual risks and vulnerabilities.</p>	New*	16	<p>Sector Specific Guidance for VASPs: Add <i>VASPs</i> section.</p>	IO3 g) -
	New*	17	<p>Sector Specific Guidance for DNFBPs: Ring fence Sector Specific guidance in separate section of <i>Handbook</i> and make clear expectations (currently layout is not consistent and there is duplication). Add section to improve implementation of effective AML controls cross sector. Separate Real Estate and High Value Dealers sections. Standardise approach across <i>DNFBPs</i>.</p>	
	14 Real estate agents and high value dealers	18 & 19		
	15 Lawyers	20		
16 Accountants	21			
<p>*New section is primarily created from existing guidance in the <i>Handbook</i> or on our website. In general, it should not be considered as additional requirements or guidance.</p>				

1.3 Who would be affected?

- 1.3.1 The proposals in this *consultation* have the potential to affect all *supervised persons* (including *Financial Institutions (FIs)*, Designated Non-Financial Businesses and Professions (**DNFBPs**), Virtual Asset Services Providers (**VASPs**), Prescribed Non-Profit Organizations (**Prescribed NPOs**) and service providers to those persons.

1.4 What is the proposed timeframe?

- 1.4.1 It is proposed that the amended *Handbook* will come into effect on 1 January 2026 in order to give industry time to adapt and update their policies and procedures. Whilst there are time sensitivities to implement these enhancements, we are also seeking feedback on the viability of the proposed timeline and what supporting measures we can take to reduce the administrative burden (please see question 11 on page 16).

1.5 How can you support this consultation?

- 1.5.1 Whilst we are committed to responding to the *MONEYVAL Recommended Actions*, we welcome industry views on the proposed changes to the *Handbook*. We are committed to collaborating with industry to develop the *Handbook* in a way which meets international standards in a proportionate and pragmatic way.
- 1.5.2 We appreciate feedback on all enhancements we are proposing to the *Handbook* and have also highlighted areas in section 3 where specific industry input is sought to inform some of the changes we are seeking to make. Our questions also include opportunity to provide broader feedback on any of the proposals.
- 1.5.3 We welcome any wider feedback or comments on improvements that could be made to the *Handbook* beyond the subject matter directly addressed within this *consultation*. This will assist us in prioritising future reforms.
- 1.5.4 We will be hosting a webinar after the CP is issued, and we are planning further engagement with industry during the consultation period. Details will be published on our website. Let us know what additional engagement would be productive in ensuring these proposed changes are understood and meaningful feedback is collected.

2 Consultation

2.1 Jersey Financial Services Commission

- 2.1.1 We are a statutory body corporate established under the *Commission Law*, responsible for supervising and developing financial services provided in or from within Jersey.

2.2 Basis for consultation

- 2.2.1 We have issued this consultation paper in accordance with Article 8(3) of the *Commission Law*, as amended, under which the *JFSC* “may, in connection with the carrying out of its functions ...consult and seek the advice of such persons or bodies whether inside or outside Jersey as it considers appropriate”.

2.3 Responding to the consultation

- 2.3.1 We invite comments in writing from all interested parties on the proposals included in this consultation. Where comments are made by an industry body or association, that body or association should also provide a summary of the type of individuals and/or institutions that it represents.
- 2.3.2 [Submit your feedback through Smart Survey](#) here.
- 2.3.3 Respondents are requested to use this Smart Survey when providing feedback, directly or via JFL. For the avoidance of doubt, all responses received, in whatever fashion, will be considered, with the response form intended only to ease our processing.
- 2.3.4 Comments should be submitted by **11:59pm on 4 September 2025**.

2.4 Next steps

- 2.4.1 Following this consultation, we will publish feedback and the revised *Handbook* by **early November 2025**. It is also the intention to publish updated Matrix’s mapping paragraphs to the previous version of the Handbook and *Codes of Practice* to the revised *Handbook*.
- 2.4.2 It is proposed, subject to feedback and views received in response to this consultation, that the revised *Handbook* will take effect from **1 January 2026**.

3 Proposals and questions

3.1.1 Drafts of the following documents are linked to this *consultation*:

Description of draft document	Link
<i>Handbook for financial services business</i> , together with a tracked change version.	Updated Handbook (tracked changes)
	Updated Handbook (clean version)
<i>CFT Handbook</i> for Prescribed Non-Profit Organizations (NPO CFT Handbook).	NPO Handbook (clean version)
Matrix mapping the COP of existing <i>Handbook</i> to new version.	COP matrix map
Table mapping Section 17 with the new sections of the <i>NPO CFT Handbook</i>	NPO mapping table

3.1.2 The following 12 questions include targeted questions over specific areas we are seeking industry knowledge and experience (1 –9), in addition to broader questions (10 -12) to capture all relevant feedback. All comments and feedback on any areas of the *Handbook* (pre-existing or updated) are greatly appreciated and will be used to inform both current and future updates to the *Handbook*.

Question 1**Section 4.6: control through other means**

1. Regarding the additional section added on control through other means, please can you provide feedback and comment on the additional guidance provided? We would also appreciate any common examples you have regarding control through other means that are not covered within the revised guidance.

Question 2**Section 6: ongoing monitoring**

- 2.1 Regarding the revised ongoing monitoring section, please can you provide feedback and comment on the additional guidance provided generally?
- 2.2 Please can you specifically provide feedback on clarity of expectations regarding
 - a) periodic reviews; and
 - b) enhanced monitoring for higher risk customers?

Question 3**Section 6.6.3: sanctions indirect links**

- 3.1 Regarding the expanded indirect links guidance, please can you provide feedback and comment on the additional guidance provided, including guidance on any steps you use to identify indirect links in practice that have been omitted?
- 3.2 Please also provide any examples of note where identification of indirect links has been particularly challenging, which would serve as good illustrations of scenarios the guidance needs to clarify.

Question 4**Section 7.6: PEPs and social and professional close associates of PEPs**

- 4.1 Regarding the additional *PEP* identification guidance, please can you provide feedback and comment on the additional guidance provided and note any scenarios that you may consider challenging with regard to the identification and subsequent enhanced measures applied to *PEPs*?
- 4.2 Regarding the additional close associates guidance, please can you provide feedback and comment on the additional guidance provided, including guidance on any examples of close associates you have identified in practice that have been omitted?
- 4.3 Please also provide any examples of note where identification of close associates has been particularly challenging, which would serve as good illustrations of scenarios that the guidance needs to clarify.

Question 5**Section 7.8: complex structures**

- 5.1 Regarding the additional complex structure guidance, please can you provide feedback on the additional guidance provided, including any common challenging examples of complex structures you have that the guidance would need to accommodate?
- 5.2 Please note down any mitigating measures omitted and not currently covered in the complex structure section that you apply in practice.

Question 6**Section 16: VASPs**

Regarding the additional *VASP* section, please can you provide feedback on the additional guidance provided, including any *VASP* specific typologies or red flags that are indicative of *money laundering* that we have missed from the examples provided?

Question 7**Section 17: DNFBP overview**

Regarding the additional *DNFBP* overview section, please can you provide feedback on the additional guidance provided, including any missing general guidance that is an area of challenge when looking to implement effective AML controls?

Question 8**Sections 18,19,20 and 21: DNFBP sections (excluding TCSPs)**

Regarding the revised *DNFBP* sections, please provide feedback on the revised guidance provided, including any *DNFBP* specific:

(a) typologies or red flags that are indicative of *money laundering* that we have missed from the examples provided; or

(b) vulnerabilities of any particular products or services offered by *DNFBPs*

Question 9**NPO CFT Handbook**

Regarding the removed and revised *Prescribed NPO* section, please can you provide feedback on the revised approach, including specifically any comments on the overarching proposal to remove the *Prescribed NPO* section and revise it into a standalone handbook?

Question 10**General comments on updates**

Regarding the enhancement of the wider *Handbook*, please can you provide feedback on any other enhancements being made to the *Handbook* not captured by the previous questions?

Question 11**Timeframes**

Do you think the timeframes, with publication of the final version of the *Handbooks* by early November 2025 and them becoming effective on 1 January 2026 gives industry sufficient time to comply?

Please also note anything useful in supporting the transition to the revised *Handbook*. For example, facilitating a transition period, providing a mapping document or additional Webinars or townhalls. We may not be able to accommodate every request, but we will endeavour to reduce the administrative burden where possible.

Question 12

Any other comments

12.1 Do you have any other comments in relation to these proposals?

12.2 We welcome any wider feedback you have on the *Handbook* as part of our commitment to competitiveness. Please provide any broader comments you may have regarding the *Handbook* and how we can improve it.