

STATES OF JERSEY



DRAFT PROCEEDS OF CRIME (SUBSTITUTION OF SCHEDULE 2) (JERSEY) REGULATIONS 200 (P.127/2007): AMENDMENTS

Lodged au Greffe on 29th January 2008
by the Minister for Treasury and Resources

STATES GREFFE

DRAFT PROCEEDS OF CRIME (SUBSTITUTION OF SCHEDULE 2) (JERSEY) REGULATIONS 200-
(P.127/2007): AMENDMENTS

(1) PAGE 8, REGULATION 2 –

Before clause (i) in paragraph 4(d) of Part A of the substituted Schedule 2 insert the following clause

“(i) paragraph 4 (private trust company business),”

and renumber the remaining clauses in paragraph 4(d) accordingly.

(2) PAGE 10, REGULATION 2 –

In paragraph 4 of Part B of the substituted Schedule 2 –

(a) *number the existing paragraph as sub-paragraph (1);*

(b) *add the following sub-paragraph at the end –*

“(2) In this paragraph, “cash” means any of the following in any currency – notes, coins, travellers’ cheques, bearer negotiable instruments.”.

(3) PAGE 10, REGULATION 2 –

After paragraph 4 of Part B of the substituted Schedule 2 insert the following paragraphs

“5 Casinos (including internet casinos)

(1) The business of operating a casino.

(2) For the purposes of this Law, a casino is an arrangement whereby people are given an opportunity to participate in one or more casino games.

(3) “Casino game” means a game of chance –

(a) that involves playing or staking against a bank (whether described as a “bank” and whether or not controlled or administered by a player); and

(b) where the chances are not equally favourable to all participants.

(4) For the avoidance of doubt, the provision of the game commonly known as Crown and Anchor in the circumstances permitted under Regulation 9 of the Gambling (Gaming and Lotteries) (Jersey) Regulations 1965 does not fall within sub-paragraph (1).

6 Unregulated funds business

The business of a scheme or arrangement prescribed under Article 3(7) of the Collective Investment Funds (Jersey) Law 1988 other than a scheme or arrangement which is not a collective investment fund under the Collective Investment Funds (Restriction of Scope) (Jersey) Order 2000.”

and renumber the remaining paragraphs in Part B of the substituted Schedule 2 accordingly.

MINISTER FOR TREASURY AND RESOURCES

REPORT

The purpose behind this amendment to the Proceeds of Crime (Substitution of Schedule 2) (Jersey) Regulations 200- is to –

- Exclude private trust company (“PTC”) business from Schedule 2 of the Proceeds of Crime (Jersey) Law 1999 (“Schedule 2”) – on the basis that a PTC should not be required to comply with obligations to prevent and detect money laundering independently of the trust company business that administers it.
- Clarify that a person who, by way of business, trades in goods and receives, in respect of any transaction, payment in notes, coins, travellers’ cheques and any bearer negotiable instrument will be a “high value dealer”.
- Extend the scope of Schedule 2 to cover those in the business of operating a casino– in line with Financial Action Task Force Recommendations 12 and 16. Such businesses will be required to comply with obligations to prevent and detect money laundering.
- Ensure that any type of fund that may be prescribed under Article 3(7) of the Collective Investment Funds (Jersey) Law 1988 (other than a scheme or arrangement which is not a collective investment fund under the Collective Investment Funds (Restriction of Scope) (Jersey) Order 2000) must comply with obligations to prevent and detect money laundering.

Whilst it is not legal to operate a casino in Jersey, it is proposed to extend Schedule 2 to cover the business of operating a casino because –

- Jersey companies may carry on such a business outside Jersey.
- It will be possible for companies that are licensed to operate remote gambling services (including casino games) in other jurisdictions to place their disaster recovery or backup systems in Jersey.

The definition for casino business has been developed and agreed with the Shadow Gambling Commission.

Financial/manpower implications

There are no measurable financial or manpower implications for the States.