

STATES OF JERSEY



Jersey

DRAFT BANKING BUSINESS (AMENDMENT No. 7 – COMMENCEMENT) (JERSEY) ACT 202-

**Lodged au Greffe on 17th January 2023
by the Minister for External Relations and Financial Services
Earliest date for debate: 28th February 2023**

STATES GREFFE

REPORT

The draft Banking Business (Amendment No. 7 – Commencement) (Jersey) Act 202- (“the Commencement Act”) will bring the entirety of the Banking Business (Amendment No. 7) (Jersey) Law 2011 (“Amendment No. 7”) into force on 1st August 2023. Amendment No. 7 provides an enabling power to create Orders under the [Banking Business \(Jersey\) Law 1991](#) (the “Banking Law”) in relation to financial reporting and auditors. The commencement date has been set on the basis that it best aligns with bank reporting periods to allow a clean transition to updated requirements.

The States Assembly adopted Amendment No. 7 on 16th March 2011, sanctioned by Order of Her Majesty in Council on 15th February 2017, which was registered in the Royal Court on 9th December 2011. This amended the Banking Law. A commencement act was required to allow for further development and drafting of the Order’s revising provisions for financial reporting and auditors of registered persons.

The coming into force of Amendment No. 7 will trigger Article 6 of the Banking Business (Amendment No. 9) (Jersey) Law 2022 (“Amendment No. 9”), bringing the entirety of this amendment into force. The States Assembly adopted Amendment No. 9 on 30th March 2022, sanctioned by Order of Her Majesty in Council on 8th June 2022, which was registered in the Royal Court on 17th June 2022.

Amendment No. 9 updates and clarifies definitions for banks incorporated in Jersey and overseas, and their auditors. It repeals outdated provisions relating to the publication of accounts, which will be replaced by fit for purpose requirements which will more appropriately be set out in an Accounts Order under the Banking Law. The amendment is also needed to update the Banking Law so that its provisions apply to legal as well as natural persons.

These amendments are part of a package of proposed legislative and regulatory changes (in particular, changes to Jersey Financial Services Commission (JFSC) banking code of practice) concerning auditing and financial reporting requirements for banks in Jersey. These amendments to the Banking Law will permit the wider package of proposed legislative and regulatory changes, the main part of which is the proposed new Banking Business (Accounts, Auditors and Reports) (Jersey) Order 202- (the “Accounts Order”) which is intended to be brought into effect in line with the commencement date. The Accounts Order will provide banks with fit for purpose requirements regarding their auditors and financial reporting, providing a consistency with requirements established under the [Financial Services \(Jersey\) Law 1998](#) in respect of Investment Business, Trust Company Business and Fund Services Business.

Financial and manpower implications

There are no financial or manpower implications that should arise for the States from the adoption of the Commencement Act.

EXPLANATORY NOTE

This Act provides for the Banking Business (Amendment No. 7) (Jersey) Law 2011 to come into force on 1st August 2023.



Jersey

DRAFT BANKING BUSINESS (AMENDMENT No. 7 – COMMENCEMENT) (JERSEY) ACT 202-

Made [date to be inserted]
Coming into force [date to be inserted]

THE STATES make this Act under Article 4 of the Banking Business (Amendment No. 7) (Jersey) Law 2011 –

1 Commencement of the Banking Business (Amendment No. 7) (Jersey) Law 2011

The Banking Business (Amendment No. 7) (Jersey) Law 2011 comes into force on 1st August 2023.

2 Citation and commencement

This Act may be cited as the Banking Business (Amendment No. 7 – Commencement) (Jersey) Act 202-.