

STATES OF JERSEY ORDER PAPER

Tuesday, 16th January 2001

SUPPLEMENTARY

B. TABLING OF SUBORDINATE LEGISLATION

(Explanatory note attached)

Financial Services (Investment Business (Accounts, Audit and Reports)) (Jersey) Order 2001. R & O 5/2001
Finance and Economics Committee

Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001. R & O 6/2001
Finance and Economics Committee

Financial Services (Investment Business (Insurance Business - Exemption)) (Jersey) Order 2001. R & O 7/2001
Finance and Economics Committee

Financial Services (Investment Business (Overseas persons - Exemption)) (Jersey) Order 2001 R & O 8/2001.
Finance and Economics Committee

Financial Services (Investment Business (Registration and Fees)) (Jersey) Order 2001. R & O 9/2001.
Finance and Economics Committee

Financial Services (Investment Business (Restricted Investment Business - Exemption)) (Jersey) Order 2001. R & O 10/2001
Finance and Economics Committee

Financial Services (Investment Business (Special Purpose Investment Business - Exemption)) (Jersey) Order 2001. R & O 11/2001
Finance and Economics Committee

Financial Services (Trust Company Business (Exemptions No. 3)) (Jersey) Order 2001. R & O 12/2001
Finance and Economics Committee

Financial Services (Trust Company Business (Exemptions No. 4)) (Jersey) Order 2001. R & O 13/2001
Finance and Economics Committee

Financial Services (Trust Company Business (Exemptions No. 5)) (Jersey) Order 2001. R & O 14/2001
Finance and Economics Committee

Financial Services (Trust Company Business (Registration and Fees)) (Amendment No. 2) (Jersey) Order 2001. R & O 15/2001
Finance and Economics Committee

D. PRESENTATION OF PAPERS

(a) Papers for information

Matters presented under Standing Order 6A(1)(a)

Report of the Review Panel on the Machinery of Government in Jersey.
Policy and Resources Committee

Jersey Airport, St. Peter: Alpha taxiway financing (P.2/2001) - comments P.2/2001
Finance and Economics Committee Com.

(b) Notification of Standing Order decisions

12th January 2001

Decisions under delegated functions.
Finance and Economics Committee.

(d) Papers to be lodged “au Greffe” under Standing Order 17A(1)(a)

Bel Royal School Nursery: approval of drawings. P.5/2001
Education Committee

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Les Quennevais Dance Studio: approval of drawings. P.6/2001
Sport, Leisure and Recreation Committee

E. STATEMENTS AND PROPOSITIONS RELATING TO THE ARRANGEMENT OF PUBLIC BUSINESS AT THIS OR ANY SUBSEQUENT MEETING

THE STATES are asked to agree that the following matters lodged “au Greffe” will be considered at the next meeting on 30th January 2001 -

Bel Royal School Nursery: approval of drawings P.5/2001
Education Committee

Les Quennevais Dance Studio: approval of drawings. P.6/2001
Sport, Leisure and Recreation Committee

J. COMMITTEE STATEMENTS

The President of the Policy and Resources Committee will make a statement regarding the Review of the Machinery of Government conducted under the chairmanship of Sir Cecil Clothier.

C.M. NEWCOMBE

Greffier of the States

16th January 2001

Explanatory Note regarding subordinate legislation tabled at this Meeting

(See Item B)

R & O 5/2001

This Order applies to persons registered under the Financial Services (Jersey) Law 1998 to carry on investment business (and no other financial service business) (in this Note referred to as "registered persons") -

The purpose of the Order is to -

- (a) impose a duty on registered persons to keep accounting records (*Article 2*);
- (b) require registered persons to prepare an annual financial statement, stipulate what the statement is to contain and the duties of registered persons in respect of the statement and require the statement to be submitted to the Financial Services Commission (*Article 3*);
- (c) make provision concerning first balance sheets (*Article 4*) and change of accounting reference dates (*Article 5*);
- (d) make provision concerning the duties of registered persons with respect to auditors and the duties of those auditors (*Article 6*);
- (e) make it an offence for a registered person to make false statements to his auditors (*Article 7*); and
- (f) prescribe the circumstances in which certain matters are to be communicated to the Commission (*Article 8*).

This Order revokes and replaces, without amendment, the Investment Business (Accounts, Audit and Reports) (Jersey) Order 1999, which, consequent on the commencement of the Financial Services (Extension) (Jersey) Law 2000, would wrongly apply to persons carrying on any type of financial service business.

Persons carrying on trust company business or both trust company business and investment business will be subject to the Financial Business (Trust Company Business (Accounts, Audits and Reports)) (Jersey) Order 2000.

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 6/2001

The purpose of this Order is to regulate the holding of investment business assets by persons registered to carry on investment business under the Financial Services (Jersey) Law 1998. It replaces the Investment Business (Client Assets) (Jersey) Order 1999 and is a consequence of the coming into force of the Financial Services (Extension) (Jersey) Law 2000.

Part 1 contains the definitions used in the Order (*Article 1*).

Part 2 relates to client money which is defined in *Article 3*. Conditions are imposed as to the segregation, accounting for and use of client money (*Articles 4 and 5*). Provision is made for the opening of client bank accounts, their use and payments in and out of the accounts (*Articles 6-8*). There is provision concerning the paying of interest (*Article 9*), reconciliation of accounts (*Article 10*) and for certain requirements not to apply designated accounts (*Article 11*).

Part 3 relates to the protection of client property. *Articles 13 and 14* are concerned with the protection of investments and *Articles 15-18* are concerned with the safekeeping of documents. *Article 19* relates to the accounting to clients for documents of title of investments held in the registered person's custody, and reconciliation of those documents, and *Article 20* is concerned with storage of client property. *Article 21* imposes a requirement to maintain insurance and *Article 22* relates to the registered person's dealing with third parties in relation to client property.

Part 4 is concerned with regulating procedure in respect of protected accounts in the event of bankruptcy or insolvency ("default"). *Article 24* creates a statutory trust in respect of client money in favour of clients in proportion to their respective shares, and thereafter in favour of the registered person. *Articles 25-27* determine the destination of client money in the event

of default on the part of the registered person, an approved bank holding client money or an intermediary, or the coming into force of a direction from the Financial Services Commission in respect of the client money. *Article 28* provides for the appointment by the Commission of a default officer to administer this Part of the Order.

Part 5, miscellaneous, deals with record keeping (*Article 29*), revocation of the present Order (*Article 30*) and the citation and commencement provision (*Article 31*).

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 7/2001

This Order revokes and replaces the Investment Business (Exemption No. 2) (Jersey) Order 1999 and is necessary solely as a consequence of the changes brought about by the Financial Services (Extension) (Jersey) Law 2000. It introduces no new provisions.

The purpose of this Order is to exempt from certain provisions of the Financial Services (Jersey) Law 1998 insurance companies when carrying on investment business.

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 8/2001

This Order revokes and replaces the Investment Business (Exemption No. 3) (Jersey) Order 1999 and is necessary solely as a consequence of the changes brought about by the Financial Services (Extension) (Jersey) Law 2000. It introduces no new provisions.

The purpose of this Order is to exempt from the requirement to register under the Financial Services (Jersey) Law 1998 certain persons who have no place of business on the Island (and are not companies incorporated in the Island) but who carry on certain restricted investment business on the Island.

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 9/2001

This Order, which revokes and replaces the Investment Business (Registration and Fees) (Jersey) Order 1999, results from the commencement of the Financial Services (Extension) (Jersey) Law 2000.

It prescribes the application and registration fees payable by people who carry on investment business but does not alter the previous level of those fees.

The fees payable by people who carry on trust company business are prescribed by the Financial Business (Trust Company Business (Registration and Fees)) (Jersey) Order 2000.

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 10/2001

The purpose of this Order is to revoke the Investment Business (Exemption No. 4A) (Jersey) Order 1999 (which exempted functionaries in respect of certain regulated investment schemes intended solely for professional or sophisticated investors from the obligation to register under the Investment Business (Jersey) Law 1998, now called the Financial Services (Jersey) Law 1998).

This Order is necessary solely as a consequence of the changes brought about by the Financial Services (Extension) (Jersey) Law 2000. It introduces no new provisions.

The Order includes provisions by which certain powers of the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998 will continue to be applicable in respect of persons exempted from registration under the Law.

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 11/2001

This Order revokes and replaces the Investment Business (Exemption No. 1A) (Jersey) Order 1999 and is necessary solely as a consequence of the changes brought about by the Financial Services (Extension) (Jersey) Law 2000. It introduces no new provisions.

The purpose of this Order is to exempt advisors in respect of certain regulated investment schemes known in the financial industry as "special purpose vehicles" from the obligation to register under the Financial Services (Jersey) Law 1998 (formerly called the Investment Business (Jersey) Law 1998).

The Order also includes provisions by which certain powers of the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998 will continue to be applicable in respect of persons exempted from registration under the Law.

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 12/2001

The purpose of this Order is to grant exemptions from the Financial Services (Jersey) Law 1998 to certain persons when carrying on trust company business of a type specified in the Order.

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 13/2001

The purpose of this Order is to grant exemptions from the Financial Services (Jersey) Law 1998 to certain persons when carrying on trust company business of a type specified in the Order.

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 14/2001

The purpose of this Order is to grant exemptions from the Financial Services (Jersey) Law 1998 to certain persons when carrying on trust company business of a type specified in the Order.

The Order was made on 12th January 2001 and comes into force on 2nd February 2001.

R & O 15/2001

The purpose of this Order is to amend the Financial Services (Trust Company Business (Registration and Fees)) (Jersey) Order 2000 in respect of the registration fees payable by an affiliation.

The Order was made on 12th January 2001 and came into force forthwith.

**NOTIFICATION OF STANDING ORDER DECISIONS -
FINANCE AND ECONOMICS COMMITTEE
(delegated functions)**

12th January 2000

As recommended by the Housing Committee, with the support of the Planning and Environment Committee, under the Standing Orders relating to certain transactions in land, the purchase from Mrs. Susan Vivien Blair, née Richard, of No. 28 Columbus Street, St. Helier, a four-bedroom house, for the sum of £180,000, with each party to be responsible for its own legal fees, to be funded from Planning and Environment Committee Capital Vote C0904 - Acquisition of Land - Major Reserve.