

# STATES OF JERSEY



Jersey

## **DRAFT PROCEEDS OF CRIME (SUPERVISORY BODIES) (SUPERVISED BUSINESS – AMENDMENT) (JERSEY) REGULATIONS 202-**

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**Lodged au Greffe on 6th February 2023  
by the Minister for External Relations and Financial Services  
Earliest date for debate: 21st March 2023**

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**STATES GREFFE**



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## REPORT

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On 18th January 2023, the States Assembly adopted the [Proceeds of Crime \(Consequential and Miscellaneous\) \(Jersey\) Regulations 2023](#) (the Consequential Regulations) in order to remove certain exemptions from anti-money laundering and countering the financing of terrorism obligations. The removal of these exemptions forms part of the Island’s ongoing preparations for the upcoming Moneyval assessment.

However, the Consequential Regulations inadvertently deleted the defined term “supervised business” throughout the [Proceeds of Crime \(Supervisory Bodies\) \(Jersey\) Law 2008](#) (the “Law”) and substituted with it “Schedule 2 business”, which has a narrower definition. The deletion of this term had unintended consequences on the ability of the Jersey Financial Services Commission to supervise prescribed non-profit organisations, which only came into effect on 1st January 2023.

Thus, I am lodging the Draft Proceeds of Crime (Supervisory Bodies) (Supervised Business – Amendment) (Jersey) Regulations 202- (the “Draft Regulations”) contained in this proposition to rectify the unintended consequences. The Draft Regulations, if made, will amend the Law to re-introduce, in an amended form, the defined term “supervised business” into the Law and I recommend the Draft Regulations for adoption to the States Assembly.

### **Financial and manpower implications**

There are no financial and manpower implications for the States arising from the adoption of the Draft Regulations.



## EXPLANATORY NOTE

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These Regulations, if made, will amend the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 (the “Law”) to re-introduce, in an amended form, the defined term “supervised business” into the Law. This defined term was deleted throughout the Law by the Proceeds of Crime (Consequential and Miscellaneous) (Jersey) Regulations 2023 (made under Art 44A of the Proceeds of Crime (Jersey) Law 1999) and substituted with “Schedule 2 business” which has a narrower definition. The deletion of the term “supervised business” had unintended consequences on the ability of the Jersey Financial Services Commission to supervise prescribed non-profit organisations.

*Regulation 1* provides that these Regulations amend the Law.

*Regulation 2* amends Article 1 of the Law to define “supervised business” as meaning Schedule 2 business and business carried on by a prescribed non-profit organisation. *Regulation 2* also substitutes the term “supervised business” into other relevant definitions in Article 1 of the Law in place of the term “Schedule 2 business”.

*Regulations 3 to 17* amend various Articles of the Law to substitute the term “supervised business” in place of the term “Schedule 2 business”.

*Regulation 18* gives the title of these Regulations and provides that they come into force on the day after they are made.





Jersey

## **DRAFT PROCEEDS OF CRIME (SUPERVISORY BODIES) (SUPERVISED BUSINESS – AMENDMENT) (JERSEY) REGULATIONS 202-**

### **Contents**

#### **Regulation**

1	Amendment of Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 ..9
2	Article 1 (interpretation) amended .....9
3	Article 2 (meaning of “supervisory functions”) amended.....9
4	Article 5 (Commission to be supervisory body for all Schedule 2 business carried on by any person carrying on a regulated business) amended ..... 10
5	Article 6 (designation of supervisory bodies) amended ..... 10
6	Article 7 (guidance, directions and accountability) amended ..... 10
7	Article 8A (duty of supervisory body to use a risk-based approach) amended ..... 10
8	Part 5 (supervision of Schedule 2 businesses) heading amended ..... 10
9	Article 22 (codes of practice) amended ..... 10
10	Article 23 (power to issue directions) amended ..... 10
11	Article 25 (powers of intervention) amended..... 11
12	Article 26 (public statements) amended..... 11
13	Article 30 (general power to require information and documents) amended ..... 11
14	Article 33A (communication with supervisory body by auditors and approved professionals) amended..... 11
15	Article 36 (permitted disclosures) amended..... 11
16	Article 38 (publication of information about Schedule 2 businesses) amended ..... 11
17	Article 41 (legal proceedings) amended ..... 12
18	Citation and commencement..... 12







Jersey

## **DRAFT PROCEEDS OF CRIME (SUPERVISORY BODIES) (SUPERVISED BUSINESS – AMENDMENT) (JERSEY) REGULATIONS 202-**

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

**THE STATES** make these Regulations under Article 44A of the [Proceeds of Crime \(Jersey\) Law 1999](#) –

### **1 Amendment of [Proceeds of Crime \(Supervisory Bodies\) \(Jersey\) Law 2008](#)**

These Regulations amend the [Proceeds of Crime \(Supervisory Bodies\) \(Jersey\) Law 2008](#).

### **2 Article 1 (interpretation) amended**

In Article 1(1) (interpretation) –

- (a) in each of the following places, for “Schedule 2 business” there is substituted “supervised business” –
  - (i) in the definition “key person”,
  - (ii) in the definition “money laundering compliance officer”,
  - (iii) in the definition “money laundering reporting officer”,
  - (iv) in the definition “principal person”;
- (b) after the definition “suitable supervisory body” there is inserted –
  - (a) Schedule 2 business; and
  - (b) business carried on by a prescribed NPO;”.

### **3 Article 2 (meaning of “supervisory functions”) amended**

In Article 2(a)(v), for “Schedule 2 business” there is substituted “supervised business”.

**4 Article 5 (Commission to be supervisory body for all Schedule 2 business carried on by any person carrying on a regulated business) amended**

In Article 5, in each of the following places, for “Schedule 2 business” there is substituted “supervised business” –

- (a) in the heading;
- (b) in paragraph (2).

**5 Article 6 (designation of supervisory bodies) amended**

In Article 6(4)(a)(ii), for “Schedule 2 business” there is substituted “supervised business”.

**6 Article 7 (guidance, directions and accountability) amended**

In Article 7(1), for “Schedule 2 business” there is substituted “supervised business”.

**7 Article 8A (duty of supervisory body to use a risk-based approach) amended**

In Article 8A –

- (a) in paragraphs (2), (2)(a), (2)(b), (2)(c), (2)(d) and (3), for “Schedule 2 business” there is substituted “supervised business”.
- (b) in paragraph (2)(a) and (b), for “Schedule 2 business’s” there is substituted “supervised business’s”.

**8 Part 5 (supervision of Schedule 2 businesses) heading amended**

In Part 5 in the Part heading, for “Schedule 2 businesses” there is substituted “supervised businesses”.

**9 Article 22 (codes of practice) amended**

In Article 22(1)(c), for “Schedule 2 business” there is substituted “supervised business”.

**10 Article 23 (power to issue directions) amended**

In Article 23 in each of the following places, for “Schedule 2 business” there is substituted “supervised business” –

- (a) in paragraph (1), (1)(c)(i) and 1(c)(ii);
- (b) in paragraph (2)(b) and (c) and in both places it occurs in sub-paragraph (d);
- (c) in paragraph (13A)(a).

**11 Article 25 (powers of intervention) amended**

In Article 25 in each of the following places, for “Schedule 2 business” there is substituted “supervised business” –

- (a) in paragraph (1)(a)(i) and (ii) and (b);
- (b) in paragraph (4)(b), in both places it occurs.

**12 Article 26 (public statements) amended**

In Article 26, in sub-paragraph (c) and (c)(i), for “Schedule 2 business” there is substituted “supervised business”.

**13 Article 30 (general power to require information and documents) amended**

In Article 30 in each of the following places, for “Schedule 2 business” there is substituted “supervised business” –

- (a) in paragraph (14)(a), (b), (h) and (i) and in both places it occurs in each of sub-paragraphs (c), (d), (f) and (g);
- (b) in paragraph (16).

**14 Article 33A (communication with supervisory body by auditors and approved professionals) amended**

In Article 33A in each of the following places, for “Schedule 2 business” there is substituted “supervised business” –

- (a) in paragraph (1);
- (b) in paragraph (2), (2)(a), (b) and (c);
- (c) in paragraph (3)(b), (c) and (d);
- (d) in paragraph (5)(b);
- (e) in paragraph (7), in the definition “auditor”.

**15 Article 36 (permitted disclosures) amended**

In Article 36(1)(h), for “Schedule 2 business” there is substituted “supervised business”.

**16 Article 38 (publication of information about Schedule 2 businesses) amended**

In Article 38 –

- (a) in the heading, for “Schedule 2 businesses” there is substituted “supervised businesses”;
- (b) in paragraph (1)(b), for “Schedule 2 business” there is substituted “supervised business”.

**17 Article 41 (legal proceedings) amended**

In Article 41(1)(c) for “Schedule 2 business” there is substituted “supervised business”.

**18 Citation and commencement**

These Regulations may be cited as the Proceeds of Crime (Supervisory Bodies) (Supervised Business – Amendment) (Jersey) Regulations 202- and come into force on the day after they are made.