Jersey Financial Services Commission

2021 ANNUAL REPORT

R.100/2022

Our vision

to be a high performing regulator, building for the long-term success of Jersey

Jersey Financial Services Commission

2021 ANNUAL REPORT

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2021 - Highlights at a glance

Enhancing how we fight and prevent financial crime

1,200 › 80%

2nd phase NPO risk assessment questionnaire to 1,200 NPOs with 80% response rate

275

275 separate engagement activities were recorded with Industry outreach, one to one meetings and working groups

Commenced work to consolidate 4 handbooks into 1

37 external meetings of working groups

Transforming the way we supervise

864 PQ applications processed

Building a modern and resilient Registry

Transforming the Registry to a digital self-service platform saw an increase in total submissions

29,570 Annual Confirmation Statements were processed;

3,227 Total registrations;

109,743 Total submissions;

66,988 Changes to beneficial owners / controllers.

Engagement

2021 › 20 Webinars › 5 Events

20 Webinars and 5 Events for 2021 - Total number of attendees = 7870

433,289 website visits

14,000 views of our videos on Vimeo

People

Average growth in staff numbers of 3.8% per annum over the past five years

32 › 100+

32 new starters and 100+ interviews

£111,000

Approx 200 internal training webinars and £111K learning and development spend

Strengthening Organisational Resilience

We outlined in our business plan for 2021 that the financial resilience review was a key strategic priority for us. Review completed in November

myJFSC (supervision portal), upgraded CRM system in Supervision and further advancement of our risk model

Innovation Hub

Participated in 62 separate engagements and events focussed on innovation in financial services in Jersey

77 enquiries responded to, spanning all financial services sectors

Enforcement

631 internal intelligence reports were compiled and shared with our Supervision teams

94

94 cases handled by the Enforcement operations team

15

15 public statements about scams relating to impersonating a legitimate Jersey business licensed or operating from Jersey

1,600 separate pieces of intelligence assessed

15

15 cases assisting overseas regulators

Supervision

184 Examinations conducted across 255 entities

434 Authorisations for a range of different activities and sectors

895 Risk reports captured by our Supervision team

Chair’s statement

Chair's statement

A vision from the top

Mark Hoban
Chairman

"The investment we have made in our people and systems has paid dividends, and it has enabled us to maintain and further build our capacity. "

In our 2020 annual report, I looked forward to the Island emerging from the pandemic and the challenges we needed to face. As we now know, the pandemic lasted far longer than many of us had hoped, and so did the disruption that it caused. Whilst the effective roll out of the vaccination programme reduced the impact of Covid on our health, it continued to disrupt our businesses.

Therefore, for most of us, 2021 was a year when the resilience of our businesses and organisations continued to be tested. I am pleased to report that, thanks to the resilience of its people and systems, the Jersey Financial Services Commission ("the JFSC" or "the Commission") operated well in all areas during this period. Our programme of inspections took place remotely, we worked with Government and Industry on MONEYVAL and policy development, and we continued to enhance our systems.

Resilience is an important theme for us. As the pandemic did, so too now the war in Ukraine continues to stretch us all. These events present new challenges that pose searching questions about our readiness to deal with unique and changing circumstances. After the events of the last two years, it feels that there are more and more events that could knock us off course. So it is right to learn the lessons of our response to the pandemic to help us plan and reshape going forward.

The investment we have made in our people and systems has paid dividends, and it has enabled us to maintain and further build our capacity. For example, the strengthening of our Supervision teams in 2020 and our risk-based approach enabled us to focus our resources on higher risk entities. In February last year, we launched our new myRegistry system. This new platform was a significant project for us and Industry. It increased our capability and capacity, enabling firms to digitise their processes whilst automating ours, allowing us to handle increased business volumes. 2022 will see us continue this investment programme to deliver our objective of becoming a high-performing regulator.

Our resilience as an organisation during 2021 gave the Board and the Executives the bandwidth to look ahead and outwards, enabling us to understand the challenges that Jersey faces as an International Financial Centre (IFC). It allowed us to formulate how we can best prepare ourselves and create the resilience needed for the future.

Our starting point was to accept that we have no automatic right to remain a leading IFC. In a world where firms and their clients benefit from jurisdictional choices, how do we ensure they choose Jersey? We concluded that we wanted Jersey to remain a high-quality jurisdiction where it was straightforward to do business.

To remain high-quality, we concluded that we needed to build on the work we are undertaking for next year's MONEYVAL inspection. During 2021, the Commission staff have been heavily focused on preparations for that inspection. This involved extensive effort internally as well as strengthened engagement with Industry, the Government of Jersey (GoJ) and its agencies, such as the States of Jersey Police. This work included strengthening the legislative and regulatory frameworks and enhancing our approach to the supervision of Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) . As a Commission, we believe that this focus needs to continue beyond the following MONEYVAL assessment. Our success relies on the Island's reputation, and this is permanently under scrutiny, not just every time there is an assessment. Therefore, our focus on AML/CFT is and will be a permanent priority for the Commission.

Being a straightforward place to do business builds off the Industry's feedback. Our review of the authorisations process published in February last year led to streamlining and standardising our approach to improving efficiency and effectiveness. This is not just about providing better guidance and improving internal consistency; we also set up a Central Operations team to handle both Registry and Supervision applications processes. We know that our rulebook and guidance grow organically, and it was time to prune these to create clearer standards for firms to follow. In November last year, we consulted on bringing single sector AML/CFT Handbooks into a consolidated Handbook. This process will continue in 2022 and beyond.

"In a world where firms and their clients benefit from jurisdictional choices, how do we ensure they choose Jersey?"

Our investment in people and processes will ensure that we are a high-performing organisation. This isn't us being introspective, it recognises that we need the right internal infrastructure if we are to support the Island as a high-quality IFC. The three year strategy that we launched in November last year draws upon several strands of existing activity that build our capacity and capability to respond to changes in the International landscape. These activities will intensify over the coming years as the pace of change accelerates.

Resilience demonstrates itself in many ways, but as Chair of the Commission, there is one I want to highlight – a change of leadership. I would like to take this opportunity to thank Martin Moloney for his leadership of the Commission. He helped drive forward change in the Commission, the fruits of which we are enjoying today. Martin's new role as the Secretary-General of IOSCO was a once-in-a-lifetime opportunity and recognised that Jersey is a proving ground for International regulation. We wish him well in his new role. Jill Britton stepped in as Interim Director General and has driven forward the strategy with natural energy and determination. I am very grateful to Jill for her leadership in this period, and her achievements over this period as Interim Director General have been rightly recognised with the Board making her appointment permanent in April 2022. Throughout this, I am thankful for the professionalism and commitment of our team, who have continued to get on with the job, continuing to demonstrate their resilience.

I would also like to thank my fellow Commissioners for their support during what has been another challenging year for the Commission and the Island.

Mark Hoban
Chairman

Director General's view

JERSEY FINANCIAL SERVICES COMMISSION - 2021 ANNUAL REPORT

Director General's view

A year of challenges and opportunities

"We worked hard to ensure connectivity in and across teams, to look after the health and well-being of our staff, and provide a high standard of service whilst continuing an active engagement programme with Industry".

Jill Britton
Director General

Adaptability and flexibility in our working environment became the new norm in 2021 as we continued to navigate the pandemic, and the challenges and opportunities it presented.

We worked hard to ensure connectivity in and across teams, to look after the health and well-being of our staff, and provide a high standard of service whilst continuing an active engagement programme with Industry.

We reached larger audiences through webinars and drove forward our investment in technology to strengthen our organisational resilience and continue to support the ease of doing business.

As our Chair has highlighted, resilience continued to be a key theme. Resilience is the ability to manage and recover quickly from difficulties, and despite the ongoing challenges of the global pandemic, as an organisation in 2021 we were able to make significant and immediate progress against our three primary areas of focus:

1. Building even more effective Supervision
2. Embedding risk-focused choices throughout our work
3. Strengthening our organisational resilience

Building even more effective supervision continued to be a core goal.

A key component of building even more effective supervision is for us to champion the need to stay ahead of the financial crime threat. Jersey needs to robustly respond to the increasing international pressure and expectations on IFCs and their business model, to ensure that we protect and build our reputation as a high-quality jurisdiction.

In preparation for the 2023 MONEYVAL assessment, work accelerated over 2021 both for the Island and ourselves to ensure that Jersey's AML/CFT framework remains robust and effective in preventing the misuse of the Island's financial services industry for ML/FT purposes.

Enhancing our capability and capacity in the fight against financial crime will remain our number one priority as we advance through 2022 and beyond, and work continued on our Financial Crime Prevention Capability Programme (FCPCP). The decision to undertake an independent assessment in mid 2021 by Financial Transparency Advisors of our preparedness for a MONEYVAL assessment was an important one. This allowed us to identify areas for improvement and put plans in place to address them.

We also concluded our structured review of our licensing processes, publishing an independent review, and responded to the findings through the delivery of an enhanced approach to authorisations. In addition to reviewing and strengthening our policies, procedures and reporting capabilities, we added further resources to the team to support the increase in new applications received. Further work is to be undertaken in 2022 to facilitate online application forms and associated efficiencies.

Embedding risk-focused choices throughout our work

Further key operational enhancements to our risk model were delivered, enabling a risk-based approach to our examination programme to be implemented, supported by increasingly data rich assessments of regulatory risk.

Through automation of notifications and assessments we have been able to deliver efficiency to our processing but also ensure a more consistent approach to follow up actions is achieved in Supervision.

Strengthening our organisational resilience

Core to our ambition of strengthening our organisational resilience is enhancing our digital interactions to enable effective allocation of resources, straight-through processing, and user self-service functionality.

In Supervision, myJFSC saw the replacement of the PQ system, which has significantly reduced the processing time for applications submitted. The system also enables online submissions that have been invaluable in continuing our examinations programme and continuing with data collection to inform our risk model.

In addition, we also upgraded our core CRM platform (Microsoft Dynamics 365) in Supervision, providing for straight-through processing capability, enhanced reporting functionality and workflow management.

Our digital companies' Registry was delivered in February, with the data population continuing throughout the year. This was a huge technological change for us and businesses in Jersey. The programme delivered a modern and fully digital Registry environment, provided operational efficiencies, and gave users the ability to update and submit their information online. It would not have been possible without the Registry user group's input and feedback, and we thank all the individuals involved.

As we make progress on being a high-performing organisation, we need to continue to attract and retain talent and build a strong employer brand. In 2021 we launched our people strategy to maximise our potential by developing our teams and bringing our values and behaviours to life through engagement. We significantly enhanced our capacity and capability at a senior level to drive forward our strategic ambition, which has included a number of new critical hires but also importantly, a number of internal promotions.

And finally, we conducted a financial resilience review to propose a framework within which we could secure a stronger financial position.

Business as usual

Business as usual is often overlooked. However, I want to take this opportunity to thank our staff for their dedication, drive, and delivery, over the year under continued challenging circumstances and ambitious strategic delivery.

Across all divisions we saw an increase in volumes and as ever, the teams stepped up to the challenge to deliver against our service standards. We also saw an increase in online fraud and fraud more generally, with our teams increasing their focus on protecting the public through interventions, communications, and education.

Strategic review

An important milestone for us was the publication in November of our strategic framework 2021-2024, which sets out a clear vision, top strategic priority and three strategic anchors.

Our vision "To be a high-performing Regulator, building for the long-term success of Jersey" reflects our commitment and contribution to the success of Jersey as a leading and responsible IFC.

Our top strategic priority to continue to build our financial crime prevention capability ensures we are able to respond to the ever increasing threats as we have seen most recently with the situation in the Ukraine and the extensive sanctions imposed against Russia.

Our three strategic anchors provide the framework for which we will deliver on our vision and top priority:

1. Facilitate business integrity;
2. Harness technology and influence the digitalisation of Financial Services; and
3. Develop our people, systems and capability to be a high-performing organisation.

Whilst there remains much to do; I am proud of our achievements and resilience in 2021. We made significant progress in ensuring we laid the right foundations to advance our strategic ambitions.

I am also very proud to be leading an organisation with purpose and responsibility. With the strength and dedication of our staff, I know we will achieve our vision to be a high-performing organisation building for the long-term success of Jersey.

Jill Britton
Director General

Our key projects

Our key projects in 2021

1. Enhancing how we fight and prevent financial crime

Financial Crime Prevention Capability Programme (FCPCP)

The work to build excellence in combating money laundering and the financing of terrorism is a nationally coordinated effort, with the JFSC making a significant contribution within the National Financial Crime structure.

Critically, we have been building internal capability throughout 2020 and 2021 via the FCPCP. It is a core ongoing programme within the organisation that reaches across all divisions and projects.

In 2021 we engaged Financial Transparency Advisers (FTA) to conduct an independent review of our regulatory framework, systems, processes, and overall supervisory effectiveness.

Our FTA review was done simultaneously with an FTA review across all agencies involved in AML / CFT for the jurisdiction, which has translated into actions for the National Financial Crime Structure.

The results have been factored into the work of the FCPCP projects and translated into trackable actions across the organisation. Under the governance structure of the programme, we can be assured of accountability and progress, with regular reporting through to the Board of Commissioners.

The three projects of the FCPCP are intended to address gaps in technical compliance, enhance the effectiveness of our AML/CFT supervision, and ensure a coordinated approach to the preparation for the MONEYVAL assessment. They are as follows:

Technical compliance

Jersey performed well in the previous MONEYVAL assessment in 2015. However, we have strived for continuous improvement and higher standards in our national AML/CFT framework, which has led to focusing on raising our standards further.

The work of the Technical Delivery Project included:

> Developing a Virtual Assets Service Providers (VASPs) regime in accordance with FATF Recommendation 15 and, working with the Government of Jersey (GoJ), delivering a sectoral risk assessment designed to enhance the understanding of AML/CFT risks and to inform future supervisory activity;

> In cooperation with GoJ, a risk assessment of the Non-Profit Organisations (NPOs) sector and extending our powers to supervise NPOs for AML/CFT purposes;

> Enhancing our information gathering powers and international cooperation capabilities to ensure compliance with FATF Recommendation 40;

> A review of the framework of statutory AML/CFT exemptions, in order to ensure that all such exemptions are appropriate and in line with international standards;

> Reforming and extending the current civil financial penalties regime for breaches of the Money Laundering Order and AML/CFT Codes of Practice to include Designated Non-financial Business and Professions, their Principal and Key Persons, and other members of Senior Management; and

> Consolidating the AML/CFT Handbooks as part of enhancing and simplifying our regulatory tool-kit.

Work undertaken by the Technical Delivery project in 2021 will come to fruition during 2022 and early to mid-2023.

Supervisory effectiveness

Concurrent to the Technical Compliance project, the FCPCP focused on projects designed to enhance the effectiveness of the AML/CFT Supervisory activities, including:

> The facilitation and provision of regular and appropriate AML/CFT training for staff;

> The delivery of increased outreach and engagement activities targeting particular areas of regulatory concern/focus and aimed at increasing the understanding and awareness of Industry participants of AML/CFT risks and obligations;

> The enhancement of internal data reporting and Management Information to assist us in demonstrating the effectiveness of supervisory activities;

> The introduction of a self-assessment framework to enable regular assessments of our effectiveness and identify areas for improvement;

> The introduction of a supervision function within the Companies Registry; and

> Addressing actions points identified by internal and external effectiveness reviews.

Our FCPCP works across the organisation to coordinate our work as an effective AML/CFT and Counter Proliferation Financing (CPF) supervisor.

Inspection preparation

The final body of work underlying the FCPCP is the Inspection Preparation project designed to manage the ongoing preparation for the forthcoming assessment in 2023. This project primarily focuses on the preparation and provision of information for the MONEYVAL assessors in the immediate lead up to and during the assessment. Initiatives launched in 2021, included:

> The introduction of a library and a standard template for Case Studies which will be used to provide examples of Supervisory activity in support of Immediate Outcomes 3 and 4; and

> Building on our pool of trained assessors. Two Policy and Supervision staff members underwent FATF assessor training and participated in the assessments of two countries for MONEYVAL and the FATF, respectively. This has added to our existing assessment experience and broadened our knowledge of the MONEYVAL assessment process.

We will continue to assess the effectiveness of activities up to and beyond the MONEYVAL assessment in 2023 to ensure that those activities remain relevant and target areas of highest risk.

In conclusion, our FCPCP works across the organisation to coordinate our work as an effective AML/CFT and Counter Proliferation Financing (CPF) supervisor.

During 2021, significant progress was made in building our organisational capacity and capability in combating money laundering and the financing of terrorism and the work to continue to build excellence and capability continues through 2022.

Our key projects in 2021

2. Transforming the way we supervise

Authorisations review and activity

In 2021, we published an independent review of our authorisations process and have focused on implementing the recommendations made to enhance our approach to authorisations whilst maintaining Jersey's competitive position as a well regulated leading financial centre.

Key recommendations were:

- improving the top-down risk-based approach to authorisations;
- improving the efficiency and effectiveness of the authorisations process; and
- considering the adequacy of the current legislative requirements and their interpretative guidance.

During 2021 we have achieved the following:

- developed and deployed an authorisation risk framework to ensure an efficient and consistent approach to authorisations;
- developed and deployed distinct risk channels with supporting assessment control guidance;
- developed process flows to aid the agile management of case load across the team;
- updated delegated powers to improve our Decision Making Process (DMP);
- updated reporting around the authorisations process to ensure effective oversight; and
- clarified policies and procedures.

Progress made in 2021 has been a positive step forward in improving the way we grant licences for businesses, evolving good authorisations practices and achieving proportionate risk based outcomes in an efficient and effective manner.

In 2022, we will continue to focus on consolidating, updating and simplifying our licensing policies to support new applicants for business and existing firms in understanding ongoing obligations. We will develop and implement online application forms and continue to identify how authorisations processes adapt to keep pace with internal developments in the supervisory approach as well as external innovation and new and expanding regimes within the regulatory perimeter.

Through 2021, we have continued to focus on risk-based supervision principles

In 2021 we designed our improved supervision platform with the goal of increasing our ability to demonstrate regulatory effectiveness, by capturing critical data and embedding our risk assessments in our core operational processes.

In addition, by training supervisors in process mapping and Lean methodologies, we ensured that these processes were standardised and streamlined to secure efficiencies and make it easier to train and develop new staff.

This work also provided an opportunity to migrate one of our core platforms to cloud-based infrastructure, giving our teams access to modern tools, techniques, and automation opportunities whilst managing costs.

Our new system went live at the beginning of January 2022, and the Supervision team are starting to realise the benefits of its implementation, as well as identifying further enhancements that are now possible.

In support of this focus, we have created the Heightened Risk Response team (HRR) to manage particular aspects of our supervisory oversight in the event an entity presents one or more heightened risks. HRR works closely with Supervision and Enforcement to deliver a risk-based regulatory strategy. It is anticipated that this team will continue to grow in 2022.

We have continued to work on updating and enhancing processes, policies and procedures, ensuring that our supervisory team focus on the highest risk elements of our highest risk entities. Our continuing work on the system-based risk model has supported this focus across the authorisations, supervisory and examinations teams.

In 2021 we expanded the Supervision leadership team to build capacity creating a third Director role in supporting the anticipated new regimes being developed throughout 2022.

The Supervision team works closely with Policy and Enforcement to develop and deliver consistent, effective risk-based supervision. The further development of the Regulatory Effectiveness Committee as a forum supports cross-division strategy implementation and assessment of the adequacy of our supervisory framework. The development of KPIs has given additional oversight to the supervisory team's performance in 2021.

Our key projects in 2021

3. Building a modern and resilient Registry

↗ Examinations activity

Jersey's digital Companies Registry ("the Registry")

Since 2012, when Jersey's digital register for secured transactions (SIR) went live, we have been progressing the digital transformation journey of Jersey's Companies Registry. This ambitious programme was completed in February 2021 and is considered one of the most digitally advanced globally. The data population continued during 2021.

This was a huge technological improvement for businesses in Jersey. Previously, submissions to the Registry were completed via unstructured data (i.e. submission of PDFs online). The programme delivered a modern and fully digital Registry environment. It delivered operational efficiencies, gave Registry customers access (via myRegistry, our registry portal and new API channels) to update and submit their information, replaced disparate systems and created a platform for future requirements.

↗ Collaboration with Industry

The new digital platform was a significant change for Industry (technically and legally). To aid with the transition, we facilitated online collaboration sites for digital developers designing API interfaces. We also sought real-time feedback from key Industry players, such as The Jersey Association of Trust Companies, representing two-thirds of Jersey Trust Companies.

3. Building a modern and resilient registry

Engagement with local businesses

We made ourselves available to local businesses, shared videos on our social media channels, arranged drop-in sessions, organised call-backs and set up a dedicated mailbox to ensure we could help as many local businesses as possible.

The Registry during the pandemic

Jersey was one of a few jurisdictions globally that kept their Registry "open for business" during the initial Covid pandemic lock-downs. We ensured this happened by splitting the team into three and using the digital infrastructure to work remotely.

Our senior Registry team led through challenging times and delivered what was required, putting the needs of the team and businesses in Jersey first.

Key deliverables included:

- Delivery of a strategic platform in support of Jersey's upcoming 2023 MONEYVAL Assessment, providing additional transparency of some Registry data for the first time;
- myRegistry launched on 22 February 2021. In 2021 c.600K associated party data was collected and vetted. Larger trust companies used the new API functionality to complete this. myRegistry provided a balance between enhanced security and accessibility;
- Successfully delivered a significant implementation and complete data migration with no considerable data issues;
- Supported Jersey Industry with 100% availability during working hours, regularly working out of hours to achieve this - with at least eight out of hours deployments providing additional Industry functionality, enhanced entity Search capability and API connectivity;
- Supported the successful implementation across both the regulated sector and local users for 35,000+ entities; and
- Provided Industry outreach sessions, webinars, Zoom training sessions and one to one client support by phone and face to face.

Applying the Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020 ("the Disclosure Law")

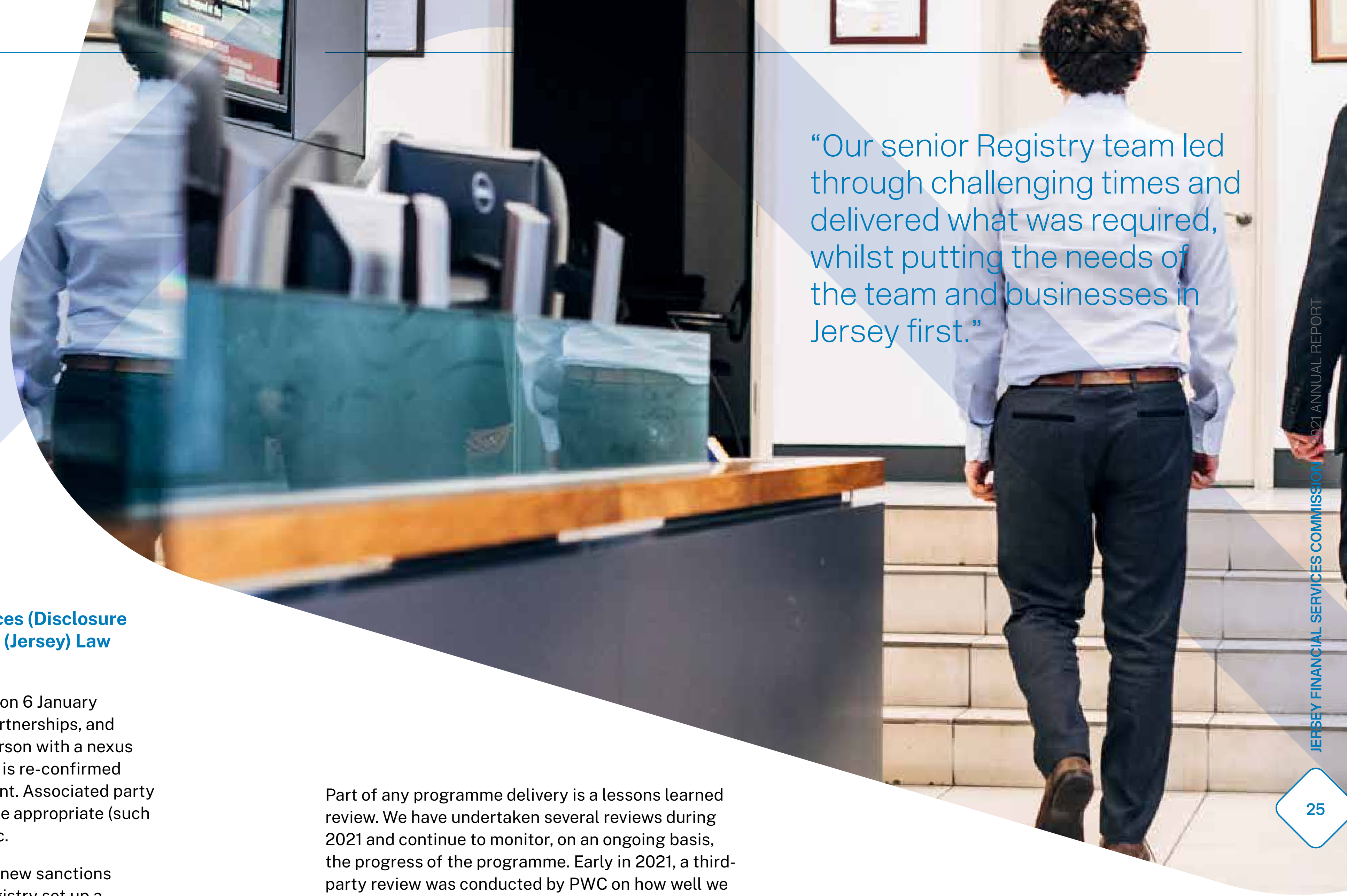
The Disclosure Law came into force on 6 January 2021 and required all companies, partnerships, and foundations to have a nominated person with a nexus to Jersey. Beneficial ownership data is re-confirmed annually via a confirmation statement. Associated party data is collected centrally and, where appropriate (such as director details), now made public.

The Disclosure Law also introduced new sanctions for failing to comply with it. The Registry set up a new Division (Registry Supervision) to supervise registered entities in accordance with these new powers. Consequently, for the first time, Jersey entities (including entities not administered by a Jersey Trust Company Business) will be physically visited (under a risk-based visit programme) to authenticate their submissions to the central registers. The registers were 98% compliant by 31 December 2021, with the remaining 2% to be processed for strike off.

Constant improvement and review

The journey to 'what good looks like' for our digital Registry, as defined at the start of the programme, continues and, as of 31 December 2021, with 100% delivery of Phase 1 of the transformation project.

The remainder of the program (phase 2) will see us delivering a range of enhancements and new features to the myRegistry platform, as well as the addition of LLCs to the Registry throughout 2022.



Part of any programme delivery is a lessons learned review. We have undertaken several reviews during 2021 and continue to monitor, on an ongoing basis, the progress of the programme. Early in 2021, a third-party review was conducted by PWC on how well we managed and documented our programme. From this review, we are improving some of our programme reporting.

With the move to working from home, and as of 31 December 2021, a third of the Registry team was still not physically at the Castle Street office, and the use of incoming telephone services was restricted, causing some Registry users frustration. As part of our IT transformation project for 2022, it is scheduled for an upgrade.

Growth of the Registry and meeting demand

With the new digital registry system in place as of February 2021, the Registry team and Registry users had to adapt to this new system. At the same time, getting used to the new system and dealing with a significant increase in communications due to the new system being introduced and the increase in volumes (which continue from the growth in 2020), the Registry was still able to meet published service levels.

"Our senior Registry team led through challenging times and delivered what was required, whilst putting the needs of the team and businesses in Jersey first."

Where volumes and service levels have required, the Registry has, during 2021, expanded the number of personnel to meet this demand or obligation. Our current Registry team has supported an increase of more than:

- 15% in incorporations and registrations;
- 100% in SPVs and high-risk applications;
- 40% in total submissions; and
- 50% in associated party records.

In the future, we will continue to strengthen the team at all levels as we complete the delivery of the digital Registry. The Registry Supervisory function will take a more prominent role in ensuring Registry data is accurate, adequate and timely. We will also continue to monitor resourcing needs to deliver a customer-centric service that meets our service levels, and this will be further supported by the implementation of a new telephony system to handle greater number of clients enquiries.

Our strategy refresh

An important milestone for us was the launch in November 2021 of our three year strategic framework to take us through to 2024. It built on our roadmap published early February 2020.

It ensures we are fit for purpose within a changing international landscape, and can support Jersey to remain a competitive, successful and well-regulated International Financial Centre. The process to develop the vision, top strategic priority and three strategic anchors distilled our thinking and sharpened our collective understanding of our purpose.

Our Vision

To be a high performing regulator, building for the long-term success of Jersey.

Our vision seeks to galvanise and motivate our team, and provide clarity and context for our stakeholders

- It reflects our commitment and contribution to the success of Jersey
- We are invested in building 'long-term success' which reflects that our plans have longevity
- 'High performing' requires us to be active, alert, and hold ourselves to account

Our top strategic priority

Achieving sustainable, long-term excellence in regulatory effectiveness, and increased capability for the Island in combating financial crime.

Our strategic anchors

Three strategic anchors provide the lens through which we make our decisions:

- Facilitate business integrity
- Harness technology and influence the digitalisation of Financial Services
- Develop our people, systems and capability to be a high performing organisation

Our strategic KPIs

We have established an initial set of key performance indicators which will enable us to monitor and report on progress towards our strategic aims. The measurement and assessment of these KPIs conducted internally in 2022 will allow us to validate the appropriateness and effectiveness of the scores and provide a valuable baseline for subsequent publishing in our 2022 annual report.

How we delivered our strategy – our core projects

Core projects	Goal	Facilitate business integrity	Harness technology and influence the digitalisation of financial services	Develop our people, systems and capability to be a high performing organisation
Enhancing and simplifying our regulatory toolkit	Delivering increased Industry engagement and outreach on existing and new obligations	✓	✓	✓
Fighting and preventing financial crime together	To support better Industry understanding, we will increase Industry engagement and outreach on existing and new obligations	✓		✓
	Preparing for forthcoming international assessments by MONEYVAL	✓		✓
Investing in our technology and data analytics to operate even more effectively	Leverage modern data, process and security capabilities to secure operational efficiencies and enhancements. This will include automated vetting and expansion of straight through processing		✓	✓
Enhancing our regulatory effectiveness by embedding risk-based choices and expanding our regulatory remit	Strengthening our risk framework	✓	✓	
	Tailoring our risk models for increased scope and new regimes/business sectors	✓	✓	
	Identifying higher risk businesses through acquiring better data	✓	✓	✓
People strategy	Recruiting, retaining and developing great talent			✓

Beyond the key projects

Beyond our key projects

Supervision

During 2021, the Supervision Examination Unit conducted nine entity risk examinations. Three examinations resulted in positive outcomes with either no or minimal findings identified. For the remaining, a range of statutory and regulatory requirements had either not been complied with, or had only partially been complied with.

Thematic examinations were conducted in respect of enhanced and simplified customer due diligence measures and exemptions, customer risk assessments, ongoing monitoring and the legal sector.

Through the Financial Crime Examinations Unit, a sample of 24 regulated Financial Services Businesses (96 relevant persons) and one Schedule 2 business were selected to be examined in 2021. The review of the 25 businesses resulted in our officers highlighting 146 findings to those entities concerning the relevant sections of the Handbook. In two financial crime examinations, there were no findings. Approximately 73% of the findings related to non-compliance or partial compliance with the statutory and AML/CFT code requirements; specifically in relation to the roles of the MLCO and MLRO, reporting suspicious activity, delays in monitoring activities such as compliance monitoring plans and periodic customer reviews. The most common findings are in regard to out of date, obsolete or ineffective systems and controls (including policies and procedures). The remaining findings related to Board responsibilities, compliance monitoring and conflict of interests.

A number of webinars supported the examination feedback papers issued, giving Industry the opportunity to pose questions in regards to complying with the regulatory framework.

Questionnaires were issued to support the enhanced and simplified customer due diligence measures and exemptions, and customer risk assessments thematic examinations. We also issued questionnaires to understand Industry's use of Electronic-ID, the methods used for transaction monitoring, and to train employees.

The below overview shows the level of applications supported by the authorisations team in 2021.

Area	2019	2020	2021
Alternative Investment Fund Services Business	12	14	8
Auditors	5	7	3
Banking	1	0	1
Collected Investment Funds	30	28	35
CoBO	61	77	104
Fund Services Business	25	18	23
General Insurance Mediation Business	8	1	2
Investment Business	3	1	3
Insurance	6	7	2
Jersey Private Funds	121	117	150
Money Service Business	1	1	3
Non-Profit Organisations	45	21	56
Other	3	0	0
Schedule 2 Business	33	29	33
Trust Company Business	20	18	11
TOTAL	**374**	**339**	**434**
Licence and CIF Revocations	298	279	238

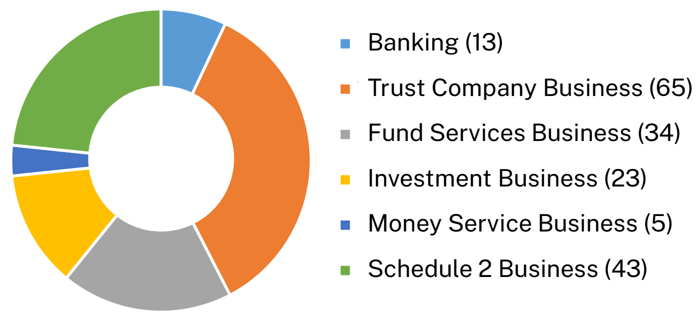
In addition to the applications processed, the authorisations team responded and logged the following numbers of engagement during 2021:

- 275 procedural and technical queries;
- 171 notifications;
- 104 changes (mainly to funds);
- 63 "Heads Up" (something due to happening, often including a query);
- 153 documents (usually an updated prospectus / PPM for a fund).

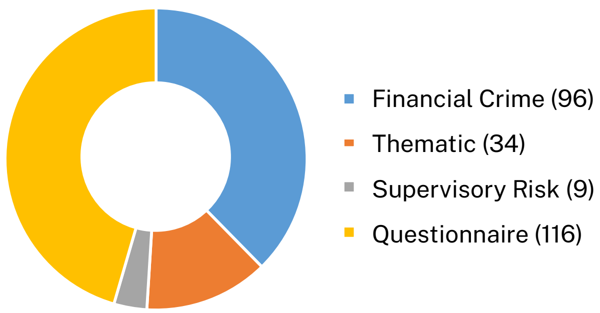
2021 Examination Activity

			Number of Examinations by Sector					
Examination Type	**Number**	**Entities**	**Banking**	**Trust Company Business**	**Fund Services Business**	**Investment Business**	**Money Service Business**	**Schedule 2 Business**
Financial Crime	25	96	4	10	7	3	0	1
Thematic	34	34	1	19	11	2	0	1
Supervisory Risk	9	9	1	3	2	2	1	0
Questionnaire	116	116	7	33	14	16	5	41
Total	**184**	**255**	**13**	**65**	**34**	**23**	**6**	**43**

Number of Examinations by Industry Sectors



Number of Supervised Entities by Examination Type



Beyond our key projects

Enforcement

Enforcement policy

In 2021, we consulted on proposals to revise the Decision Making Process (DMP) we follow when taking administrative action that could result in imposing a regulatory sanction, such as a civil financial penalty.

Concern had been expressed that the DMP had become unnecessarily lengthy and, in certain respects, quite cumbersome as a result of revisions made over time. In essence, the process was not as efficient as it could be.

Our consultation sought feedback on revisions to the DMP designed to make the process more efficient for both us and those businesses and individuals whose cases go through it, whilst, importantly, remaining a fair process. In particular, the revisions ensured that the relevant business or individual would continue to receive a full and fair review before the persons who would decide their case.

We were grateful to receive a significant number of responses to the consultation and the constructive feedback provided, which assisted us in refining our proposals. We published the final version of the revised DMP in February 2022.

During the year, we also assisted the Government of Jersey with developing legislation to extend the scope of our civil financial penalties regime to ensure that it meets international standards.

Intelligence

The Intelligence team continued to work closely with local law enforcement agencies and international regulators to ensure that we exchanged intelligence in a timely manner. In 2021, 631 internal intelligence reports were compiled and shared with our Supervision teams to assess and, adopting a risk-based approach, take action to manage AML/CFT and regulatory risk in Jersey.

We recognise the importance of intelligence for our own regulatory and supervisory activities and that of overseas regulators and supervisors. Over 2021, the Intelligence team disseminated 216 intelligence reports to 79 overseas agencies in 39 different jurisdictions.

We increased our focus on protecting the public from unauthorised financial service providers, including scam entities.

This focus saw us undertake a great deal of work on policing the perimeter matters, identifying and taking action against activities not authorised by us.

The Intelligence team also reviewed and implemented changes to its primary database to improve its data collection capability, which has resulted in more detailed management information for the oversight of Enforcement activities and assessment of the effectiveness of Enforcement outcomes.

Operations

The Enforcement Operations team dealt with 94 cases in 2021, primarily arising from referrals from the Intelligence team, Supervision (including outcomes of examination activities) and requests for assistance from overseas agencies. Most investigations focused on unauthorised financial services providers, non-compliance with Jersey's AML/CFT regime and inadequate internal systems and controls.

The Intelligence team's efforts in policing the perimeter resulted in a more significant number of enforcement cases in this area, ultimately disrupting the unauthorised activity or regularising the position. We published several warnings to the public against dealing with those unauthorised service providers we considered to be scams.

In support of our objectives of reducing risk to the public of financial loss and protecting Jersey's reputation, we took regulatory action against Mr Gufur Hussain, a former independent financial advisor. Following an investigation into Mr Hussain's conduct and concluding he lacked integrity, we issued directions preventing Mr Hussain's employment in Jersey's finance industry without our prior written approval. We also issued a public statement detailing the investigation and conclusions drawn in May 2021.

Regulatory codes of practice

In line with our guiding principles to protect and enhance the reputation and integrity of Jersey in financial and commercial matters, we levied three civil financial penalties for negligent breaches of the regulatory codes of practices. The findings were published on our website.

Beyond our key projects

Foundational projects that supported the successful delivery of work across the key projects and beyond

Conduct and Prudential

Alongside our work on combating money laundering and the financing of terrorism we have continued to progress conduct and prudential matters in a number of policy areas.

2021 started with the issuing of the amended Alternative Investment Funds (AIF) Codes of Practice ensuring the continued functioning of Jersey's AIF legislation beyond the UK's exit from the European Union (EU) on 31 December 2020. The updated AIF Codes were amended to preserve the status quo and ensure business as usual notwithstanding the UK's exit from the EU.

Throughout 2021, we worked with Government and Industry colleagues on preparing legislation to modernise Jersey's Limited Partnership Law in particular its winding-up provisions and continued our work with Government and Industry on the preparation of the Regulations that are required to bring into force the Limited Liability Companies Law in 2022.

In 2021 progress was made with Government on the shaping and developing new regulatory regimes in respect of Pensions and Consumer Lending. We assisted Government on preparing legislative amendments so that investment advice, in particular to retail consumers, on Jersey pension schemes will in 2022 be subject to JFSC supervision.

In the latter part of 2021, we played a key part in supporting the set-up of the Jersey Resolution Authority. It was particularly important to ensure that we would have an effective working relationship with this new and independent Jersey authority, which was established at the end of January 2022.

We also progressed in 2021 our work on enhancements to the Investment Business regime, in particular in relation to the Client Assets Order (amended in 2022) and preparation for requirements in relation to persons arranging for retail investors to buy/sell investments and enabling provisions in relation to requirements for Investment Exchanges.

We have also continued to progress our plans to amend, where appropriate and proportionate, our banking regime for the requirements of Basel III.

A particular focus in 2021 was on our conduct and prudential activities enabling compliance professionals to be as effective as possible. We know that a specific cause for concern for both us and the Industry is the availability of the highly-skilled people that Jersey needs to maintain a strong compliance culture. During 2021 we worked collaboratively with Government, Jersey Finance, other Industry bodies, and the Jersey Employers Group to support an initiative to provide a better way of identifying and supporting the development of future compliance professionals, which we will continue into 2022 and beyond. In 2021, we also commenced foundational work on consolidating our conduct and prudential Codes of Practice and our Licensing Policies and a review of other key regulatory requirements, such as the Jersey Private Fund Guide. This work is to support businesses in simplifying our regulatory requirements and assisting our staff to supervise effectively with greater clarity, less duplication, and more certainty about our rules.

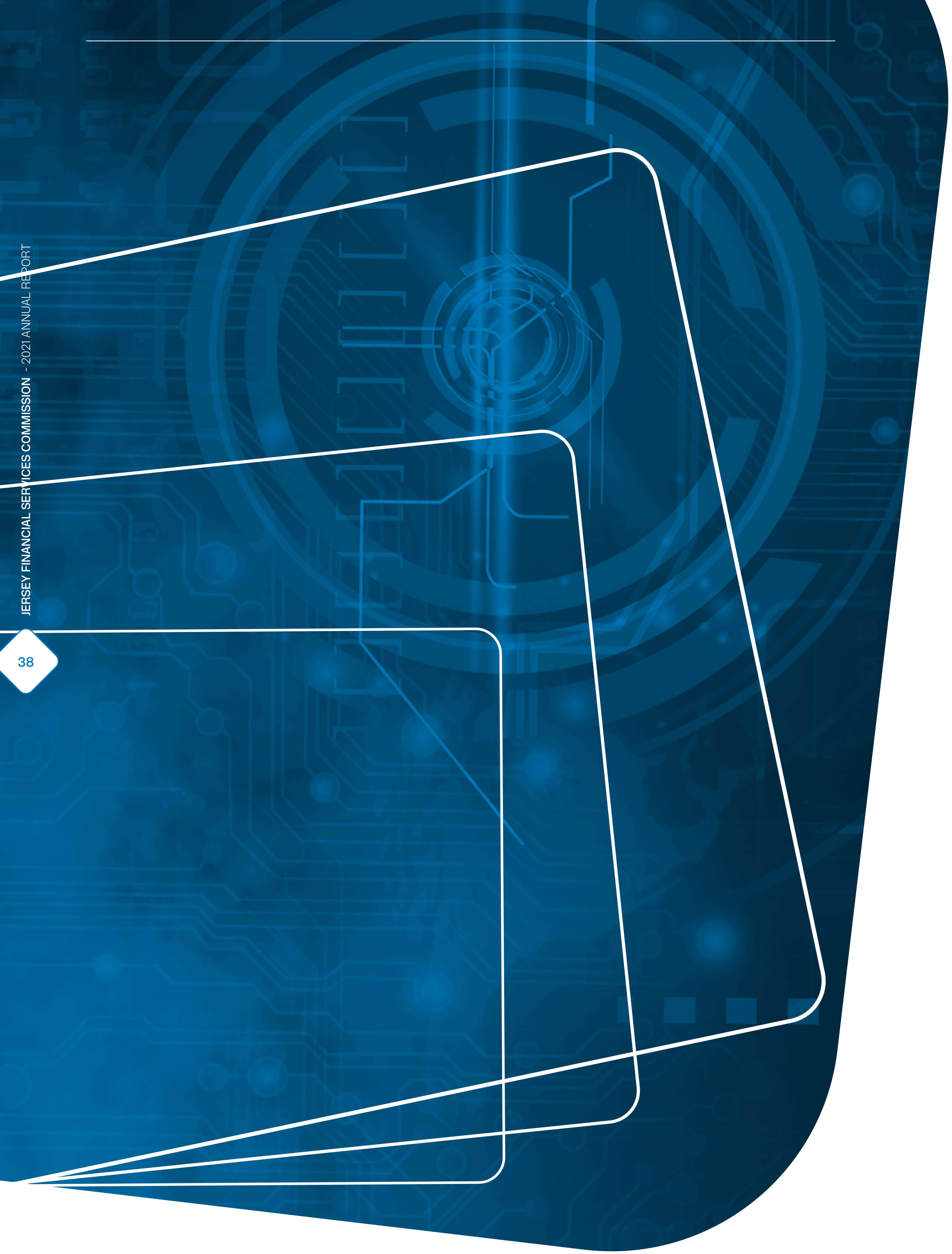
Sustainable Finance

In 2021 we further progressed our sustainable finance work, identifying the initial priority as implementing regulatory changes to mitigate greenwashing.

We engaged with Industry and global experts to deliver disclosure based code of practice requirements for funds and advisors that are pragmatic and commercial. A key strength of our method is that it incorporates the use of global taxonomies, future proofing the requirements in what is a rapidly evolving area.

We then targeted key memberships to global and local peer groups. We joined the newly formed local group Jersey for Good – A Sustainable Future, and also applied for and were accepted into the Network for Greening the Financial System (NGFS). The NGFS is an important global network of central banks and financial supervisors where members share ideas and best practice for the development of environment and climate risk management. In 2022 we are leveraging these relationships and networks to prioritise the changes we make to maintain equivalence with practical and commercial enhancements, reflective of our role as a regulator in an international finance centre.

✓	✓	2022
Mitigate key risk Greenwashing	Accepted into Key Networks Global and Local	Informed and Aligned Progress Appropriate for an IFC



Beyond our key projects

Foundational projects that supported the successful delivery of work across the key projects and beyond

Innovation Hub

Our Innovation Hub was established to ensure open and active engagement with businesses innovating within financial services. We did this by providing a direct and dedicated point of contact for all businesses, regardless of whether they are start-ups or incumbents. Through the Innovation Hub, we have identified and responded to emerging risks and opportunities for the Island. It continues to help us understand developing technologies that are of interest to financial services businesses. We have continued to receive an increase in enquiries year-on-year from all different types and sizes of business.

2021 continued to present challenges for us all, but also opportunities as evidenced by the continuing growth in enquiries. We met the commitments in our 2020 Innovation Hub Report and remain dedicated to building a sustainable regime for innovative financial services activities in Jersey.

Some of the key highlights of 2021 include:

- 77 enquiries responded to, spanning all financial services sectors;
- We began to explore the barriers to adoption of Regulatory Technology (RegTech) in Jersey's financial services markets in order to better stimulate and encourage the adoption of RegTech in Jersey;
- We continued to be a member of the Global Financial Innovation Network supporting the RegTech and cross-border testing projects;
- Participated in 62 separate engagements and events focussed on innovation in financial services in Jersey;
- Began developing our in-house knowledge and broader skill sets across our organisation. This included developing how we share and collaborate across all divisions to support innovative products and services;
- Continued to monitor the evolving landscape for insights and supported the application process for a number of businesses offering virtual asset services to their clients and investors; and
- Remained available to Digital Jersey and Jersey Finance members as they collaborated on their journeys toward digitalisation.

We received 37 direct enquiries to the Innovation Hub with the remainder received from other Jersey-based businesses. We supported 21 referrals from Digital Jersey, Jersey Finance and Locate Jersey. On average, we responded to each enquiry (provided those enquires were not seeking incorporation and/or a regulatory licence) in less than two calendar days.

We have continued to engage with a broad range of innovation enthusiasts around the world, including academics, Industry representative bodies, other regulators, governmental agencies and regulatory groups. On-Island, we have remained available and engaged with businesses who want to engage with the Innovation Hub and have contributed to a number of events and workshops with a Jersey focus. We look forward to building these relationships further in 2022.

Beyond our key projects

Committing to Environmental, Social and Governance principles (ESG)

We are committed to becoming a more sustainable organisation and minimising our environmental impact. In 2020, we reduced our carbon footprint by operating a zero printing policy while working from home during the pandemic and this continued in a more limited way, into 2021. As life starts to return to normal and restrictions are lifted, we have examined business travel and where we can continue to hold virtual meetings, thereby reducing our emissions. Even in the office, when we do print, 10p from every ream used goes to support Jersey Zoo.

For many years, we have made environmental issues a priority. We have made small but important changes in the office, such as switching to light-saving LED bulbs, ensuring lights and equipment are turned off when not in use, and using recycled paper for printing and recycling bins for waste.

After more than a year of remote working, we are looking to change our office environment so that staff have more flexibility. Sustainability and energy efficiency will be central to our plans for this refurbishment work.

> We are committed to becoming a more sustainable organisation and minimising our environmental impact.

Encouraging our people to live sustainably

Even though we have adopted a hybrid working policy with some of us working from home and some from the office during 2021, colleagues still kept green initiatives high on their agenda. Despite activities being limited due to the Covid-19 restrictions, we arranged socially distanced beach cleans and held a vegetable growing competition to encourage staff to live more sustainably.

We continue to give every member of staff a refillable water bottle to cut back on plastic use and introduced a Bicycle Employee Benefit Scheme to support and encourage staff to buy a bike, so they travel by two wheels rather than four.

Promoting diversity and inclusion

We approach recruitment through a diverse lens. Our aim is to create an environment for our people that is fair and free from discrimination. We demonstrate this through various staff activities, forums and proactive policies, and by supporting initiatives such as the Government's Back to Work and Advance Plus schemes, which help people with different employment needs to find work.

Our female-to-male ratio of our Executive team reached 50:50. 57% of our workforce and Board is female. During the year, our female leaders gave talks and shared blogs with our staff, made editorial contributions for local publications, and took part in public speaking engagements to open debate about diversity and inclusion (D&I) in financial services.

Supporting people with a learning disability

We continue to support Jersey Mencap with their activities, in particular with The Pond Project which we visit yearly to help maintain walkways and accessibility. We also donate towards the costs of outbuildings and tools for members.

Educating young islanders about financial literacy

Our Policy team has devised courses in financial literacy to meet the Jersey PSHE Curriculum for students aged between 11 and 18 years across local secondary schools.

As we were not able to go into schools, we adapted the programme and provided digital content to teachers so they can deliver classes where possible.

Making a difference

2021 was a year where we continued to deal with the difficulties of a pandemic. Irrespective of their own challenges, our staff made it a priority to continue to support local charities and initiatives. While fundraising efforts were not straightforward, we still managed to raise much-needed funds for local causes and charities including JSPCA, Jersey Hospice Care, Jersey Woman's Refuge and Mind Jersey.

Thanks to our corporate social responsibility policy, staff can dedicate up to two days every year to volunteer for their chosen charitable causes or environmental projects.

JERSEY FINANCIAL SERVICES COMMISSION – 2021 ANNUAL REPORT

Beyond our key projects

Foundational projects that supported the successful delivery of work across the key projects and beyond

Our Risk Framework

Identifying, assessing, and responding to internal and external risk factors is a core skill set as a regulator and crucial in delivering on our three year strategy.

2021 has seen continued progress on several key initiatives to enhance our overall approach to managing internal and external risk.

We identified gaps in resource and progressed to the recruitment of a Director of Risk who commenced early 2022. This further supports work ongoing to enhance the overall risk culture and conduct within the organisation.

Enterprise Risk Management Framework

In 2021 we continued with developments and enhancements to our Enterprise Risk Management Framework to ensure this was more closely aligned to Industry best practice and commensurate with the nature and size of our business and the risks. Improvements have provided a more robust framework for identifying, assessing and responding to critical risks and prioritising managements' time and mitigation efforts.

Supplementing this with insights gained from other data sources allows us to be more forward-thinking in the risks we might encounter. We expect this approach to continue to mature in 2022, hand in hand with the continued digitalisation and automation of our underlying systems and processes.

Work is also ongoing in developing our operational and regulatory risk appetite, pending the release of the National Risk Appetite by the GoJ.

Managing principal risks and uncertainties

Hand-in-hand with the enhancement of our Enterprise Risk Management Framework has been our focus on pro-actively identifying, assessing and responding to principal risks and uncertainties. Uncertainty is at an all-time high, and appropriate management of these risks through our regulation and supervision of Jersey's financial services businesses and internal operations is critical.

Whether it be our ongoing preparation for MONEYVAL; strengthening the way we collect, store, analyse and use data; advancing our systems and architecture; dealing with unexpected events or crises; ensuring we continue to retain and attract talent, and managing employee well-being; enhancing our Cyber resilience or leading in the management of Environmental, Social and Governance risk management, our approach and capability are being continually reviewed, tested and improved.

Our Risk Model - Background

The Risk Model is the culmination of the integration of our case management system, rules engine and data visualisation platforms. It allows supervisors to capture and record risk information arising from their activities, assess those risks in a consistent way, and then manage any activity needed to reduce risks back to a level that the we are comfortable with. The rules engine is configured with a number of parameters that are triggered by the supervisor or by automated processes to calculate risk exposure. This information is then used to create new risk models and provide risk insights on authorisation of new entities, assess risks arising from on-site examinations or from other supervisory engagement and from information and intelligence received from a range of sources. All of that activity is recorded in a structured way that produces a wealth of data on our supervisory activities, risk assessments and effectiveness. Our data visualisation tools provide unique insights at entity, sector, market and individual risk levels, alongside other insights from the risk data being created by our case management system.

As we continue to develop the Risk Model through its phases, each iteration of the model will build additional layers of functionality, ultimately moving towards the goal of having a risk model that offers increasing levels of automation and predictive analytics as a driver for allocation of supervisory resources.

In terms of our Strategic Roadmap to 2023, the continuing development of the Risk Model has a major role in delivering even more effective supervision (particularly in moving away from a fixed engagement model to more dynamic approaches) and in embedding risk based choices throughout our work.

Risk Model Development and Data Insights

Throughout 2021 we continued to develop our Risk Model, building on the second iteration we completed in February 2020. The latest phase of development has seen the Risk Model and the systems it is integrated with, migrated into a cloud based environment. This provides a scalable and future-proof platform for further iterations to the model that will help us keep pace with the constantly changing nature of Jersey's international financial services industry and its regulation.

Alongside this work, supervisors continued to work with our existing model adding over 2000 new risk assessments in 2021. This has contributed to increasing the wealth of data already captured and produced, and with building a picture of risk at entity, sector and market level. The ability through our systems to individually track all remediation actions and associate them with a picture of risk both pre and post remediation allows us to produce a clear view of the effectiveness of both regulated firms and ourselves in managing risk. This will be a vital component of telling a positive story internationally about Jersey's finance industry and its regulation.

In addition, 2021 also saw a further expansion of the levels of automation embedded in the Risk Model. The automation of risk assessments linked to reported breaches and as well as findings from our programme of examinations, both positive and negative, add a layer of consistency in our assessments as well as delivering significant efficiencies to our key regulatory processes.

We intend to continue our focus on understanding financial crime risks by delivery of enhanced calculations of the risk in line with the latest FATF guidance on risk-based Supervision.

> Hand-in-hand with the enhancement of our Enterprise Risk Management Framework has been our focus on pro-actively identifying, assessing and responding to principal risks and uncertainties.

Risk Reports:

- 895 Risk reports captured by our Supervision team, 2,100 individual risk assessments
- 1,104 Breaches of the regulatory framework

Breakdown of the risks:

- 41% Governance, risk and compliance issues;
- 33% Financial crime controls
- 12% Conduct of business controls
- 6% Prudential controls
- 8% Other (such as business model, structure)

Our people

JERSEY FINANCIAL SERVICES COMMISSION - 2021 ANNUAL REPORT

Our people

Our staff are at the core of what we do

Like all organisations, our staff are at the core of what we do and it is essential that we recruit well and retain great talent. Only by getting this right will we deliver on our vision to be a high performing organisation building for the long-term success of Jersey.

People Strategy

In 2021 we spent time engaging with our people to define our People Strategy fit for a high performing regulator. We undertook a review which identified areas to focus on to deliver on our ambition:

- Critical skills gaps that we needed to buy in whilst we build capability, including key areas such as data and analytics
- A pro-active recruitment programme with a strong pipeline of talent
- Clear succession planning, particularly at a leadership level
- A strong employer brand to attract and retain talent; and
- Further resourcing agility to support career development and meet the needs of the organisation

Feedback from our happiness survey results, focus groups and our leadership team, all fed into the development of our people strategy. We developed a three year strategy from feedback to ensure that we continue to enhance our employee value proposition, define and align our values and create clear development paths for people at all levels to recognise the contribution of our people in achieving our strategic vision for the long term success of our people and of Jersey.

As a result, our strategy focuses on three pillars:

Engagement: Developing an engagement strategy to enhance the voice of our people to shape the future of our culture, understanding development needs and where we can improve, has already resulted in our people having input to align and refresh our values, and heighten communication via weekly vlogs from our Director General to share updates with staff.

Foundations: Creating a Service Centre of Excellence for our people through digital transformation and introducing new software to empower our people to manage their own information online, was delivered in the last quarter of 2021. Further development is required during 2022 and 2023.

Development: Developing our people and creating capacity for the future is key to remaining a high performing regulator. Our Strategic vision of being "leaders of choice" will drive our leadership development and succession planning at all levels of our organisation.

Overall our People Strategy is a critical component to how we build a high performance culture, fostering a growth mind-set and providing staff with the support, opportunity and tools they need to enhance their careers.

Engaging with our People

Engagement was at the heart of our People Strategy during 2021. True resilience was shown from all areas of the business, with our people transitioning from working from home to working in the office or in many cases both.

Senior Leadership

The focus on hiring for critical areas has resulted in the continued delivery of our strategy, with particular focus on the recruitment of the Director General, Director of Central Operations, three director roles in Supervision, Director of Risk and Executive Director of People and Culture.

Over the course of 2021 and as we continue over 2022, we have increased the strength of our senior leadership team by seven directors.

During 2021, we spent time engaging with our people to define our people strategy fit for a high performing regulator.

Finance and resources

Finance and resources

In 2021, we recorded a surplus of £0.3m (2020: £2.4m). Our surplus was £2.1m lower than 2020 due to a reduction in total income of £0.3m combined with an increase in operating expenses of £1.8m. These operating cost increases principally relate to a one-off impairment of intangible assets of £1.2m and increases in staff costs (£0.4m) and computer systems costs (£0.3m).

We had budgeted to break-even in 2021 but lower than planned expenditure in a number of areas – partly due to Covid-19 – offset by the un-budgeted impairment gave rise to the £0.3m surplus. As a result, our reserves increased to £9.4m.

↗ Income

Total income in the year reached £22.5m (2020: £22.8m) following an increase in regulatory income and a reduction in registry fee income.

Regulatory fee income rose by £1.1m as a result of fee increases to fund our capital investment programme and further develop our capability to combat the threat of financial crime. Registry fee income decreased by £1m relative to the prior year as 2020 experienced a one-off increase in the proportion of the fees attributable to us immediately prior to the increase in the Government proportion of Annual Confirmation fees. The volume of annual returns received was broadly consistent with the prior year.

↗ Operating costs

Total operating expenditure increased by £1.8m (9%) to £22.2m.

Staff costs are the most significant item of expenditure, representing over 60% of our cost base. Costs increased by £0.4m (3%) compared to 2020, driven by a 17% increase in the average number of full-time employees to 177. Despite inflationary pressures, average costs per head continue to reduce year-on-year as we carefully manage our staff structure. Capital investments in prior years continued to drive increases in the annual depreciation charge, however the majority of the increase in depreciation in 2021 relates to a one off impairment of £1.2m as we launched the new supervisory platform.

↗ Capital expenditure

Our focus for 2021, combined with our enhancements to our project governance, have ensured investment in only strategically important initiatives. As a result, capital investment for 2021 of £2.3m was in line with the planned levels.

The net book value of fixed assets decreased to £7.7m by the end of the year (2020: £8.5m) with annual depreciation and amortisation increasing to £1.9m (2020: £1.6m).

↗ Financial position and forward look

Our financial reserves improved during 2021 to £9.4m (2020: £9.1m). However, following the completion of the financial resilience review, we have adopted a revised approach which focuses on retained liquid assets.

This approach enables us to continue investing in capital initiatives that drive efficiencies, while still managing our operating costs effectively whilst ensuring that, if a significant adverse event occurs, we would retain the financial ability to continue with business-critical projects, in addition to our normal regulatory and registry operations while appropriate action is taken.

In addition it allows us to make effective use of our retained liquid assets to pre-fund valuable initiatives in their initial stages where the full details of volumes and costs are unknown.

Our retained liquid assets position at the end of 2021 is £10.5m which is a positive position to be in relative to the established target of £8.5m in the midst of ongoing significant projects and capital investment.

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Governance statement

JERSEY FINANCIAL SERVICES COMMISSION - 2021 ANNUAL REPORT

Governance statement

Constitution

The Jersey Financial Services Commission (JFSC) is a statutory body established under Article 2 of the Financial Services Commission (Jersey) Law 1998 (Commission Law) which provides that we are governed by a Board of Commissioners comprising persons with financial services experience, regular users of such services and persons representing the public interest.

Accountability arrangements

We are an independent body, accountable to the public through the Island's elected representatives, the States of Jersey. The relationship with Ministers is set out in a Memorandum of Understanding to ensure our independence, whilst facilitating effective dialogue and working practices. Article 12 of the Commission Law provides that the States of Jersey may give us general directions, subject to significant safeguards.

In 2017, an Article 12 Direction was issued in order for the Exchange of Information on Beneficial Ownership (BO) agreement with the UK to be implemented to allow the Island's Joint Financial Crimes Unit (JFCU) access to our relevant information and databases on BO. The intention is that the Direction will be withdrawn once appropriate substitute legislation has been enacted.

We produce a Business Plan annually and separately an Annual Report to inform members of the States Assembly and other stakeholders. We consult extensively on all proposals to create or amend laws and regulations and provide feedback statements to explain how responses were taken into account.

Governance arrangements

The Board believes that high-quality, effective governance arrangements are essential for well-run organisations. As there are no comprehensive Codes or Standards for the governance of a financial services regulator, the Board considers that the UK Corporate Governance Code (Code) is an appropriate benchmark.

We comply with the majority of the principles in the Code; for example, there is a clear division of responsibility between the Chair and the Director General, no individual has unfettered power of decision-making, and there are transparent procedures for the appointment and re-appointment of Commissioners.

Delegation of powers

The Board delegates its powers to the Director General and the Executive Board, where possible, to ensure that we can act and respond without undue delay. However, in some areas, the power of the Commissioners to delegate is restricted by legislation. For example, the Board acts similarly to a Tribunal in relation to contested Enforcement cases. Consequently, the Board is more involved in some areas of detail than the Board of a listed or private company. A full explanation regarding the 'Delegation of Powers' can be found on our website www.jerseyfsc.org.

Composition of the Board and appointment of Commissioners

The Board currently consists of the Chair, Deputy Chair and seven other Commissioners, including the Director General. Over half of the Commission Board is female. All of the Commissioners are considered to be independent, except for the Director General. A chart of the current Commissioners is set out on page 86 of this Annual Report, and further information on their skills, knowledge and experience is set out on our website.

Retirement of other Commissioners

Commissioner Wright completed nine years of service and retired in 2021.

Appointment of Claire Bowes

Following its review of the Board's skills gaps, a recruitment campaign was run in 2021 for a Commissioner with an HR/People background. The Board then worked within the Jersey Appointments Commission guidelines to progress the search. The appointment of Commissioner Claire Bowes was made on 28 June 2021. Claire Bowes is a global HR leader with extensive experience managing transformational cultural and organisational change in leading financial service sector firms.

Board meetings and attendance

The Board met eight times during 2021 to consider strategy, risk and regular business. All Board members attended all eight meetings except for one Commissioner, who retired in 2021 and one who was appointed in late June 2021.

The Board also met several times in 2021 to review and consider Enforcement settlement cases and contested matters.

In addition, the Commissioners and the Executive met for a strategy day and participated in events with fellow regulators, Industry representatives and Government ministers.

Regular discussions took place over the year with the Government regarding significant financial services matters and planning for the MONEYVAL assessment.

Board members consider carefully the potential for conflicts of interest to arise and excuse themselves should any perceived or actual conflict be identified.

Board activity

The Board maintains overall responsibility for our governance, setting strategic aims and supporting the Executive leadership team to put them into effect. They also hold the Executive accountable within the scope of the Commission Law and the powers that we have been granted under that Law. The Board also oversees the running of the Board Committees.

The Board plays a crucial role in listening to Industry to understand current trends and international developments, and it is actively seeking to improve our interaction with Industry. The Board fully supports strategic engagement with Industry bodies.

Several presentations were made to the Board by the Executive during 2021 on the supervision of entities and the various financial sectors and policy development and Registry matters. The Board also received regular, detailed updates on our preparations for the forthcoming MONEYVAL assessment through regular updates from the Executive regarding our Financial Crime Prevention Capability Programme, which it continues to monitor closely.

In addition, the Board worked with the Executive Director's Committee during 2021 to progress our risk work and produce our overall strategy and people strategy.

Board Apprentice Programme

As a result of Board Apprentice's 'I WILL' initiative, Catherine Watson joined the Commissioners for Board meetings for a year from Q2 2021 as a Board Apprentice.

Enforcement matters

The Board spent significant time on a number of enforcement matters that arose through the application of the Commission's DMP and civil financial penalty cases. Such cases tend to be highly complex and involve the actions of regulated persons over a considerable time.

Nomination Committee

The Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and makes recommendations to the Board concerning any changes. The Nomination Committee oversees the recruitment process for Commissioners and the Director General's direct reports appointments to ensure it is in accordance with the Jersey Appointments Commission (JAC) Guidelines.

Creating an inclusive environment where all types of diversity are valued is essential.

The Nomination Committee met four times in 2021. Mark Hoban chairs it, and the other members are Monique O'Keefe and Annamaria Koerling.

In 2021, its principal activities were recruiting a new Commissioner to replace Ian Wright and to put in place interim arrangements for the executive leadership of the Commission following the resignation of Martin Moloney as Director General. In the autumn of 2021, the Committee started recruiting a permanent Director General.

Audit Committee

The Audit Committee is responsible for monitoring internal financial control systems and working with the Executive and the external auditors to ensure the quality of the management financial reports and the annual accounts.

The Committee met seven times during 2021. It is chaired by Matt Palmer, whom Peter Pichler and Simon Morris join as members.

Its principal focus in 2021 was to play an active role, liaising with the Comptroller and Auditor General in searching for an appointment for our new external auditors.

JERSEY FINANCIAL SERVICES COMMISSION - 2021 ANNUAL REPORT

Governance statement continued

Remuneration Committee

The Remuneration Committee is responsible for keeping under review the pay and bonus arrangements for the Director General and our staff, in line with the performance management framework and the fees paid to the Chair and other Commissioners.

It also provides advice and counsel to our Executives in the production of HR policies and practices to support strategy and promote long-term sustainable success and staff well-being.

Commissioner Annamaria Koerling is Chair of the Remuneration Committee; she is joined by Monique O'Keefe, Mark Hoban and Claire Bowes as members of the Committee.

The Committee met on four occasions during the year. Certain members of the Executive and the Head of the Human Resources team attended the meetings as required.

The principal focus of the Committee was to pay close attention to staff working conditions and welfare during 2021 in the continuing response to the COVID-19 pandemic.

Risk Committee

Responsibility for risk and risk management remains with the entire Board. However, the Risk Committee oversees and guides the Executive Risk unit as we further develop our risk-based supervision strategy. The Risk Committee advises and partners with the Executive to fulfil the Executive's accountability to the Board regarding risk management.

Tracy Garrad chairs the Committee, and its members include Peter Pichler and Matt Palmer, all with a wealth of experience in Risk Management.

The Risk Committee met five times in 2021 and principally spent its time working with the Executive on the further development of our Risk Model and governance and the development of risk appetite statements.

Auditors

Grant Thornton Limited (Auditors) undertook the annual audit, being appointed to replace BDO.

Director General remuneration

Martin Moloney was not paid any fees in his capacity as a Commissioner but rather was paid as an Executive Director in his capacity as Director General. For 2021, he received £304,094 (2020: £300,958) which comprises fixed remuneration: £264,498 (2020: £261,362) and variable remuneration: £39,596 (2020: £39,596).

Board meetings and attendance 2021

Commissioners'	Board	Audit	Remuneration	Risk	Nomination
Mark Hoban (Chair)	8/8	-	4/4	-	4/4
Monique O'Keefe	8/8	-	3/4	-	4/4
Simon Morris	8/8	6/7	-	-	-
Tracy Garrad	8/8	-	-	4/5	-
Annamaria Koerling	8/8	-	4/4	-	4/4
Peter Pichler	8/8	7/7	-	5/5	-
Matt Palmer	8/8	7/7	-	5/5	-
Claire Bowes	4/4	-	2/2	-	-

*Claire Bowes joined the Board in June 2021 and Remuneration Committee in July 2021.

Commissioner Remuneration

Commissioners receive a fixed annual amount. No additional amounts are paid for participating or chairing sub-committees, dealing with enforcement cases or attending to other matters.

Fees paid to Commissioners were not increased in 2021.

Commissioners' remuneration	2021 £	2020 £
Mark Hoban (Chair - Appointed 2020)	150,000	115,269
Lord Eatwell of Stratton St. Margaret (Chair - Retired April 2020)	0	45,962
Martin Moloney (Retired September 2021) – see page 56	0	0
Cyril Whelan (Retired June 2020)	0	13,000
Ian Wright (Deputy Chair – Retired April 2021)	9,834	33,350
Peter Pichler	26,000	26,000
Simon Morris	36,500	36,500
Markus Ruetimann (Retired September 2020)	0	25,597
Annamaria Koerling	36,500	36,500
Monique O'Keefe (Deputy Chair – Appointed 21 April 2021)	32,182	26,000
Tracy Garrad (Appointed February 2019)	36,500	36,500
Claire Bowes (Appointed June 2021)	13,300	0
Matthew Palmer (Appointed September 2020)	26,000	8,667
Total	**366,816**	**403,345**

Responsibility for Annual Report and accounts

This Annual Report and accounts comply with the Commission Law's requirement to produce an Annual Report, and for it to be presented to the Members of the States no later than seven months after the end of the financial year.

The statutory obligations on the Commissioners are not extensive, requiring only that the annual accounts shall be prepared in accordance with generally accepted accounting principles and show an accurate and fair view of the surplus or deficit for the period and state of affairs at the period end. The Commissioners have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 (FRS102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Taking into account general practice, the Commissioners confirm that they are responsible for:

> Keeping adequate accounting records sufficient to show the financial position within a reasonable period of time;

> Safeguarding the assets and taking appropriate steps for the prevention and detection of fraud and other irregularities;

> Preparing the financial statements in accordance with applicable laws and regulations;

> Selecting suitable accounting policies and applying them consistently;

> Making judgments and accounting estimates that are reasonable and prudent; and

> Preparing the accounts on a going concern basis unless it is inappropriate to presume that we will continue in business.

The Commissioners have considered the financial statements on pages 68 to 83, and are satisfied that they show an accurate and fair view of the deficit for the year and our financial position at 31 December 2021.

The Commissioners have considered the Annual Report and, taken as a whole, confirm that they believe the Annual Report is fair, balanced and understandable.

For and on behalf of the Board of Commissioners

L Roe
Commission Secretary
7 July 2022

Independent auditor's report

JERSEY FINANCIAL SERVICES COMMISSION - 2021 ANNUAL REPORT

Independent auditor's report

To the States of Jersey

Opinion

We have audited the financial statements of Jersey Financial Services Commission ("the JFSC"), which comprise the Income and expenditure account, Statement of financial position, Statement of changes in accumulated reserves, Statement of cash flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies. The financial statements framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

> give a true and fair view of the state of the JFSC's affairs as at 31 December 2021 and of its surplus for the year then ended;

> are in accordance with United Kingdom Generally Accepted Accounting Practice; and

> have been prepared in accordance with the requirements of the Financial Services Commission (Jersey) Law 1998.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the JFSC in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Jersey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Commissioners made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the JFSC, the accounting processes and controls, and the industry in which the JFSC operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Commission materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	£387,000 (2020: £348,700)
How we determined it	1.75% (2020: 1.75%) of the JFSC's total revenue (2020: average income over three-year period)
Rationale for the materiality benchmark	We believe that revenue is the key performance measure and is a key metric used by the Commissioners in assessing and reporting on overall performance by the JFSC. Surplus may not be a relevant benchmark as the JFSC is not a profit oriented entity rather a public service provider. In line with these, any Statement of financial position items may also be deemed inappropriate to use as benchmark.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

JERSEY FINANCIAL SERVICES COMMISSION - 2021 ANNUAL REPORT

Independent auditor's report continued

The key audit matter	How the matter was addressed in our audit
Risk 1 **Risk of fraud in revenue recognition** Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition. The risk is mainly around completeness and cut off of revenue. **Completeness Risk** Due to the ad-hoc nature of some revenue lines, there is a risk that not all revenue transactions occurring during the period have been billed to the customer and recorded in the accounting records. **Cut-off Risk** The main revenue streams of the JFSC are regulatory and registry fees, of which annual fees are charged on different dates throughout the year depending on the specific fee. There is a risk that revenue may not be recorded in the correct period. Details of the accounting policies applied during the year are given in note 1 to the financial statements and details of regulatory and registry fee income are given in notes 4 and 5 to the financial statements respectively.	**Registry income** Our audit approach included but was not limited to: • We performed a walkthrough of annual confirmation fees posting on the Regsys system to understand the workflow from creation through to acceptance and posting into the NAV accounting system. • We then utilised data analytics to interrogate the Registry (ERS) system to obtain all annual confirmations which were created and registered during 2021. • Transaction line items were then analysed to ensure that total fees for each submission were in line with the published fees on the JFSC website (generally £220 or £225) and that the net fee (after deduction of the government levy) is what was recorded in total in the general ledger. • Fees originating from orders on the portal have been reconciled in total through to the NAV accounting ledger. • All material revenue postings in relation to registry fees have then been analysed using data analytics to ensure that they have been credited to revenue and debited either to debtor control accounts or to the bank and covered by our balance sheet testing accordingly. • Any remaining postings are considered as part of our approach to the testing of manual journal entries. **Regulatory fee income** Our approach to the audit of regulatory fee income was as follows: • Identify an entity which from our own experience received its regulatory license at the end of the prior year. Walkthrough the data for this entity from the public registry to the list of regulated entities on the JFSC website, and then follow the license through to the underlying CRM system to ensure that the data captured is in line with our expectations and the entity was included...

The key audit matter	How the matter was addressed in our audit
	...within the 2021 fee runs appropriate for the licenses held. • Review the software code utilised to generate the fee run for each key regulatory class. • Review the XML code which is used to calculate the fee for each entity based on their submission, to ensure that it is in line with published fees. This was reviewed once for each class. • Using data analytics ensure that all expected entities are included within the relevant fee run and that the fee charged is consistent with the anticipated rate. • Perform a proof in total to ensure that all invoice lines within the CRM system agree to the revenue totals posted to the general ledger and within the correct accounting period. • Perform a proof in total to validate the deferred income balance. • Sample test transactional regulatory revenue to originating documentation. As a result of our work, no material exceptions were noted.
Risk 2 **Impairment of intangible assets** Impairment assessment and the resulting carrying value of intangible assets requires management estimation and judgement, hence an increased risk of material misstatement. At 31 December 2021, the Commission carried a balance of £ 7,181,697 for Intangible Assets. This comprised of computer software. Intangible assets are stated at historical cost less accumulated amortisation and any impairment losses. The JFSC's accounting policy and disclosures of intangibles held are included in notes 1 and 9 of these financial statements respectively.	Our audit work included, but was not restricted to: • We reviewed the basis of the carrying value of intangibles as at the balance sheet date, which we noted to be cost less amortisation and impairment. • We reviewed the useful life assigned to the intangibles for reasonableness. • We tested additions on a sample basis to supporting documentation. • We assessed the appropriateness of the JFSC's capitalisation policy compared to the requirements of accounting standards. • Based on our inquiry with management, impairment review is performed when there are indicators of impairment such as when legacy computer software is replaced. We have critically examined these assumptions based on our knowledge of the JFSC's operating environment and supporting documents such as minutes of meetings. As a result of our work, there were no material issues noted. In addition, where management determined that impairment was required, we found that these judgements were supported by reasonable assumptions and approvals through audit committee minutes.

Independent auditor's report continued

↗ Other information in the Annual Report

The Commissioners are responsible for the other information. The other information comprises the information included in the 'Annual Report', but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

↗ Responsibilities of the Commissioners for the financial statements

As explained more fully in the Responsibility for annual report and accounts set out on page 57, the Commissioners are responsible for the preparation of the financial statements which give a true and fair view and for such internal control as the Commissioners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioners are responsible for assessing the JFSC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commissioners either intend to liquidate the JFSC or to cease operations, or have no realistic alternative but to do so.

↗ Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the JFSC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioners.
- Conclude on the appropriateness of the Commissioners' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the JFSC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the JFSC to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Commissioners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Commissioners with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Commissioners, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the States of Jersey in accordance with Article 21(3) of the Financial Services Commission (Jersey) Law 1998. Our audit work has been undertaken so that we might state to the States of Jersey those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the States of Jersey, the JFSC and the Board of Commissioners of the JFSC as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton Limited

Chartered Accountants

St Helier

Jersey

8 July 2022

Financial statements

Financial statements

Income and expenditure account for the year to 31 December 2021

Regulatory income	Notes	2021 £'000	2020 £'000
Regulatory fee income	4	16,948	15,866
Registry fee income	5	5,183	6,130
Total regulatory income		**22,131**	**21,996**
Other income	6	366	738
Interest income		7	24
Total income		**22,504**	**22,758**
Expenses			
Staff costs	7	(13,718)	(13,343)
Computer systems		(1,808)	(1,530)
Premises costs		(871)	(895)
Professional services		(1,704)	(1,701)
Investigation & litigation		(1)	(54)
Other operating costs		(850)	(1,000)
Depreciation, amortisation and impairments	8	(3,081)	(1,617)
Staff learning and development		(110)	(182)
Travel costs		(35)	(33)
Total expenses		**(22,178)**	**(20,355)**
Surplus for the year	8	**326**	**2,403**

All the items dealt with in arriving at the net surplus relate to continuing operations.

There are no recognised gains and losses in the current and preceding year other than those included in the net surplus above, therefore no separate statement of other comprehensive income and expenditure has been presented.

Statement of financial position as at 31 December 2021

Fixed Assets	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Intangible assets	9	7,182		7,770	
Tangible fixed assets	10	491		689	
			7,673		8,459
Current Assets					
Trade receivables	11	2,854		614	
Sundry debtors		46		165	
Prepayments		1,562		1,097	
Cash and bank balances	12	11,124		12,136	
			15,586		14,012
Total assets			**23,259**		**22,471**
Creditors - Amounts falling due within one year					
Fee income received in advance		6,941		6,943	
Creditors	13	4,269		3,745	
Provisions	14	35		48	
			11,245		10,736
Total assets less current liabilities			**12,014**		**11,735**
Creditors - Amounts falling due after more than one year					
Fee income received in advance			183		188
Creditors	13		1,887		2,004
Provisions	14		523		448
			2,593		2,640
Net assets			**9,421**		**9,095**
Represented by					
Accumulated reserves			9,421		9,095

The notes on pages 72 to 83 form an integral part of the financial statements.

The financial statements on pages 68 to 71 were approved and authorised for issue by the Board of Commissioners on 7 July 2022, and signed on its behalf by:

Mark Hoban
Chairman

Jill Britton
Director General

Statement of changes in accumulated reserves

	Accumulated reserves £'000
Balance at 1 January 2020	6,692
Surplus for the year	2,403
Balance at 31 December 2020	9,095
Balance at 1 January 2021	**9,095**
Surplus for the year	**326**
Balance at 31 December 2021	**9,421**

The notes on pages 72 to 83 form an integral part of the financial statements.

Statement of cash flows for the year ended 31 December 2021

Cash flows from operating activities	Notes	2021 £'000	2020 £'000
Surplus for the year		326	2,403
Interest receivable		(7)	(24)
Depreciation, amortisation and impairment charges	9, 10	3,081	1,617
Utilisation of provision		(14)	(110)
Movements in creditor provisions		76	83
Movement in doubtful debts provision		(12)	70
Deferred rental incentive		(26)	(26)
(Increase) in debtors and prepayments		(2,574)	(349)
(Decrease)/increase in income received in advance		(7)	548
Increase/(decrease) in creditors		433	(358)
Net cash generated from operating activities		**1,276**	**3,854**
Cash flows from investing activities			
Interest received		7	24
Purchases of tangible and intangible fixed assets	9, 10	(2,295)	(3,146)
Net cash used in investing activities		**(2,288)**	**(3,122)**
Net (decrease)/increase in cash and cash equivalents		**(1,012)**	**732**
Cash and cash equivalents at 1 January		12,136	11,404
Cash and cash equivalents at 31 December	12	**11,124**	**12,136**
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,294	132
Short-term deposits		8,830	12,004
Cash and cash equivalents	12	**11,124**	**12,136**

The notes on pages 72 to 83 form an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 December 2021

↗1. Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The financial statements are prepared on a going concern basis, under the historical cost convention.

The significant accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to both accounting years presented.

The JFSC is a statutory body established under Article 2 of the Financial Services Commission (Jersey) Law 1998.

Our registered address is Jersey Financial Services Commission, PO Box 267, 14-18 Castle Street, JE4 8TP.

We have taken advantage of the exemption available under FRS 102 section 9.3(g) and have not prepared consolidated financial statements.

Income

Income is accounted for on an accruals basis.

Regulatory and Registry annual fees received are recognised as income on a straight-line basis over the relevant period. Annual registry fees and revenue from the operation of the Island's registers include only the share of that income attributable to us.

Annual confirmation fees are deferred in the first instance and released to income in the period in which the related costs are incurred.

Amounts received from the Government of Jersey in the form of grants and other financial assistance are recognised when the JFSC has satisfied all of the conditions necessary for the funds to be released. Amounts received are recognised as income in the period in which the related costs are incurred or in the periods in which any related fixed asset is depreciated or impaired.

Civil penalties are recognised when the penalty has been agreed with the regulated entity and where it has the ability to settle the amount involved. Income from civil penalties is deferred and is released to income in the year in which the amount of fees to be paid by Industry is reduced due to the penalty having been received.

Recoveries of enforcement costs are accounted for only when they have been agreed with the regulated entity or awarded by the Royal Court and it has become virtually certain that they will be received.

Interest received on bank deposits is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable. Sundry income is recognised on receipt.

Expenses

All expenses are accounted for on an accruals basis.

Foreign currency

Foreign currency balances are translated to Sterling at the rate of exchange ruling on the last business day in the financial period. Foreign currency transactions are translated into Sterling at the rate of exchange ruling on the date of the transaction. Profits and losses on foreign exchange are included in the income and expenditure account.

Investigation and litigation costs

Investigation and litigation costs are recognised as incurred. No provision is made for the cost of completing current work unless a present obligation exists at the balance sheet date.

Cash and bank balances

Cash and bank balances comprise cash in hand, deposits and other short-term liquid investments that are readily convertible to a known amount of cash, are subject to an insignificant risk of changes in value, controlled by the organisation and to which the organisation attaches equitable ownership.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price plus attributable transaction costs.

Financial liabilities are de-recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Trade and sundry creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and sundry creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Tangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation of fixed assets is calculated so as to write off their cost less estimated residual value on a straight-line basis over their expected useful lives. The estimated useful lives used for this purpose are:

Motor vehicles	3 years
Office furniture, fittings and equipment	3 to 5 years
Computer equipment	3 to 5 years
Leasehold improvements	Over the remaining lease period

Gains and losses on disposals of fixed assets are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditure account.

Notes to the financial statements continued

Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and any impairment losses. Historical cost includes expenditure that is directly attributable to the development of the intangible asset. Subsequent maintenance and support costs are charged to the income and expenditure account during the period in which they are incurred.

Amortisation of intangible assets is calculated so as to write off their cost on a straight-line basis over their expected useful lives. The estimated useful lives used for this purpose are:

Computer software	Up to 7 years

The cost of computer software in respect of major systems is capitalised within intangible assets. All other computer software costs are expensed as incurred. Computer systems under development are not amortised until the system has been completed and is ready for use.

Gains and losses on disposal of intangible assets are determined by comparing any proceeds with their carrying amount and are recognised in the income and expenditure account.

In the requirements gathering phase of an internal systems development project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure is recognised as an expense when incurred. Systems developments are recognised as fixed assets from the development phase of a project if, and only if, certain specific criteria are met in order to demonstrate the system will generate probable future economic benefits and that its cost can be reliably measured. If it is not possible to distinguish between the requirements gathering phase and the development phase, the expenditure is treated as if it were all incurred in the requirements gathering phase only.

Impairment

Assets that are subject to depreciation and amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is an indication that an asset may be impaired, it is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Cash flows from registry and supervisory income are separately identifiable and assets are allocated between these cash flows based on their operational application.

Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Leases

Rent payable under operating leases is charged to the income and expenditure account on a straight-line basis over the term of the lease.

We have taken advantage of the exemption available on transition to FRS 102, which allows lease incentives on leases entered into before the date of transition to continue to be released to the income and expenditure account on a straight-line basis over the period to the first lease break.

For leases entered into after the date of adoption of FRS 102, lease incentives received to enter into operating lease agreements are released to the income and expenditure account over the full term of the lease.

Pension costs

The costs of defined contribution pension schemes are accounted for on an accruals basis. The costs of annual contributions payable to defined benefit schemes operated by the Government of Jersey are accounted for on an accruals basis because we are unable to obtain the information necessary to apply defined benefit scheme accounting.

Annual leave pay accrual

A liability is recognised to the extent of any untaken annual leave entitlement which has accrued at the balance sheet date and can be carried forward to future periods. The liability is measured at the undiscounted cost of untaken annual leave that has accrued up to the balance sheet date.

Provision for long leave entitlements

Provision is made for the accrued entitlements to long leave as at the balance sheet date, even when such entitlements may not yet have vested. The provision is increased each year as additional entitlements are earned. The provision is decreased when long leave entitlements are taken and when such entitlements expire.

The provision represents management's best estimate of the amounts expected to be paid out, taking into account long leave entitlements that may be lost when an employee leaves our employment. The provision is discounted if the effect would be material.

Provision for premises reinstatement

Provision is made for the expected costs of reinstating office premises to their original condition upon the termination of existing lease agreements. The balance represents management's best estimate of amounts to be paid for reinstatement. The provision is assessed each year based on changes in the expected costs of reinstatement and discount rates where applicable. The provision will be reduced when related costs are incurred in future periods. Provisions for premises reinstatement costs are discounted if the effect would be material.

↗2. a) Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

Management is required to make estimates and assumptions concerning the future. The resulting accounting estimates may not equal the actual outcomes. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within this and the next financial year are outlined below.

Provision for long leave entitlements

The balance of the provision for long leave has been determined based on a range of estimates regarding the probability that the related leave entitlement will vest and be taken. This represents management's best estimate regarding the expected future cash flows related to long leave entitlements.

Provision for premises reinstatement

The balance of the provision for premises reinstatement has been determined based on the applicable square footage of leased premises and the rate per square foot for such reinstatement works published by the Royal Institute of Chartered Surveyors. The provision is adjusted annually based on movements in the published rate per square foot. This represents management's best estimate regarding the expected future cash flows related to these costs. The balance is discounted if the effect would be material.

Provision for doubtful debts

Provision is made for doubtful debts when the recoverability of a trade receivable is considered uncertain at the reporting date. In the overall assessment of irrecoverability, management considers each amount and debtor individually as well as available information at the reporting date and any other relevant factors pertaining to the trade receivable.

Useful lives and residual values

Fixed assets are depreciated over their expected useful lives, taking into account residual values where appropriate. The actual lives and residual values are assessed annually and may vary depending on a number of factors.

Notes to the financial statements continued

In re-assessing useful lives and residual values, a wide range of factors are taken into account. Changes in these assessments are accounted for prospectively and therefore only have a financial effect on current and future periods.

2. b) Going Concern

The Board regularly reviews our actual and forecast retained liquid asset level to ensure that it meets the minimum requirements in accordance with its retained liquid asset policy. This ensures that by retaining a minimum liquid asset level at all times, we are able to cover a period of operating costs, maintain a reserve for investigation and litigation costs, and cover essential capital requirements. Forecast liquid asset levels also exceed the target liquid reserves for the medium term and therefore the Board has a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future and we therefore continue to adopt the going concern basis in preparing our financial statements.

3. Taxation

We are exempt from the provisions of the Income Tax (Jersey) Law 1961, as amended.

4. Regulatory fee income

	2021 £'000	2020 £'000
Banking	2,249	2,098
Funds	7,751	6,974
Insurance business	1,016	956
General insurance mediation	156	173
Investment business	1,471	1,416
Trust companies	3,570	3,418
Designated non-financial businesses and professions	681	776
Recognised auditors	28	29
Money services business	26	26
	16,948	**15,866**

5. Registry fee income

Registry fees arise from the operation of the Companies Registry, the Business Names Registry, the Registry of Limited Partnerships, the Registry of Limited Liability Partnerships, and the Security Interests Register.

Registry fees include annual confirmation fees. The amount of the annual confirmation fees payable to the Registry includes amounts collected on behalf of and remitted to the Government of Jersey.

In 2021 the annual confirmation fees remained unchanged at £225 with the government portion increasing to £145 (2020: £115) following introduction of the Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020. As a result, we decided to temporarily reduce our portion of these fees to £80 (2020: £110). This resulted in a decrease in fees attributable to us of £992,700 (2020: increase of £0.8m).

In previous years, a portion of Registry fees received was segregated and used for certain current and future enhancements to the Registry and its systems. This capital funding mechanism came to an end in 2020 and therefore no additional fees were received in 2021 (2020: a temporary increase of £1.1m in fees was attributable to us). See note 13 for further information.

	2021 £'000	2020 £'000
Total annual fees collected	**7,401**	**7,873**
This is apportioned as follows:		
Collected on behalf of the Government of Jersey	4,810	3,925
Collected by the JFSC	2,591	3,948
	7,401	**7,873**
Annual confirmation fee income collected by the JFSC	2,591	3,948
Other Registry income	2,592	2,182
Total Registry income	**5,183**	**6,130**

The number of annual confirmations received during the year was:

	2021	2020
Annual confirmations received	**33,090**	**34,130**

6. Other income

	2021 £'000	2020 £'000
Investigation and litigation recoveries	12	10
Financial contribution income*	338	702
Sundry income	16	26
	366	**738**

*As detailed in note 13, an amount of £257,867 from previously segregated and deferred Registry fees has been included in financial contribution income for the year ended 31 December 2021 (2020: £540,000).

7. Staff costs

	2021 £'000	2020 £'000
Staff salaries	11,238	10,920
Commissioners' fees	367	403
Social security contributions	596	550
Pension contributions	875	826
Permanent health and medical insurance	438	435
Other staff costs	219	144
Long leave provision	(27)	19
Annual leave pay accrual	12	46
	13,718	**13,343**

The average number of staff employed during the year was 181 (2020: 151).

Notes to the financial statements continued

↗8. Surplus for the year

The surplus for the year is stated after including the below:

	2021 £'000	2020 £'000
Amortisation of intangible assets (note 9)	(1,513)	(1,272)
Depreciation of tangible fixed assets (note 10)	(334)	(345)
Impairment of intangible assets (note 9)	(1,233)	0
Loss on disposal of tangible fixed assets (note 10)	(1)	0
Research and development costs not capitalised	0	(36)
Foreign exchange differences	(11)	(10)
Operating lease expenditure	(575)	(578)
Contributions to employee pension schemes	(951)	(826)
Movement in doubtful debts	12	(70)
Audit fees	(49)	(53)
Non audit services	0	(3)
	(4,655)	**(3,193)**

↗9. Intangible assets

Cost	Computer systems under development £'000	Computer systems £'000	Total £'000
Balance at 1 January 2021	4,106	9,939	14,045
Additions	2,231	0	2,231
Completed computer systems	(3,652)	3,652	0
Transfer (to)/from tangible fixed assets	(95)	22	(73)
	0	0	0
Cost of intangible assets impaired	0	(3,899)	(3,899)
At 31 December 2021	**2,590**	**9,714**	**12,304**
Amortisation			
Balance at 1 January 2021	0	(6,275)	(6,275)
Charge for the year	0	(1,513)	(1,513)
Accumulated amortisation on intangible assets impaired	0	2,666	2,666
At 31 December 2021	**0**	**(5,122)**	**(5,122)**
Net book value at 31 December 2021	**2,590**	4,592	7,182
Net book value at 31 December 2020	**4,106**	3,664	7,770

The principal expenditure during the year related to investment in our enhanced registry systems (£444,131), implementing other key strategic projects (£1,603,319), and other operational initiatives (£183,213).

Following an assessment of intangible assets in 2021, a decision was made to impair 3 systems, the Legacy Supervision CRM system, the HR Talent system and the Legacy HR system. These systems have been decommissioned, reducing their economic value and therefore the remaining net book value of £1.2m has been fully impaired.

↗10. Tangible fixed assets

Cost	Office furniture, fittings & equipment £'000	Leasehold improvements £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Balance at 1 January 2021	641	311	2,027	13	2,992
Additions	39	0	25	0	64
Transfer from intangible assets	0	39	34	0	73
Disposals	0	0	(4)	0	(4)
At 31 December 2021	**680**	**350**	**2,082**	**13**	**3,125**
Accumulated depreciation					
Balance at 1 January 2021	(604)	(223)	(1,463)	(13)	(2,303)
Charge for the year	(18)	(60)	(256)	0	(334)
Disposals	0	0	3	0	3
At 31 December 2021	**(622)**	**(283)**	**(1,716)**	**(13)**	**(2,634)**
Net book value at 31 December 2021	**58**	**67**	**366**	**0**	**491**
Net book value at 31 December 2020	**37**	**88**	**564**	**0**	**689**

↗11. Trade receivables

	2021 £'000	2020 £'000
Trade debtors	2,912	684
Provision for doubtful debts	(58)	(70)
	2,854	**614**

Provision is made for doubtful debts when the recoverability of a trade receivable is considered uncertain at the reporting date. In the overall assessment of irrecoverability, management considers each amount and debtor individually as well as available information at the reporting date and any other relevant factors pertaining to the trade receivable. At 31 December 2021, trade debtors are stated after providing for doubtful debts of £57,682 (2020: £67,734).

Notes to the financial statements continued

↗12. Cash and bank balances

	2021 £'000	2020 £'000
Current accounts	2,294	131
Short-term deposits	8,830	12,004
Petty cash	0	1
Cash and cash equivalents at bank	**11,124**	**12,136**

In order to mitigate the credit risk, these deposit accounts are maintained with five different banks.

↗13. Creditors

	2021 £'000	2020 £'000
Trade creditors	2,068	2,024
Accruals	1,277	1,010
Deferred rental incentive	10	36
Deferred industry fees *	191	126
Deferred registry fees **	2,025	2,283
Registry funds on account	414	0
Sundry creditors	171	270
	6,156	**5,749**
Falling due within one year	4,269	3,745
Falling due after more than one year	1,887	2,004
	6,156	**5,749**

*Deferred industry fees arise from civil penalties received during the year. The Law requires the amount to be credited to Industry by way of reductions in the Industry fees that would otherwise be charged in future years.

**It was agreed with the Government of Jersey that a portion of the additional registry fees charged from 2017 to 2019 be segregated and used for certain current and future enhancements to the Registry and its systems. In 2020 it was confirmed the segregated amount should be utilised for Registry projects and for start-up costs of the MONEYVAL AML inspection unit. As referred to in note 6, an amount of £257,867 has been recognised as financial contribution income during the current financial year (2020: £540,000) as an offset to the charges associated with running the unit, and £2,024,798 (2020: £2,282,665) is carried forward to be released over the useful life of the Registry system, in line with amortisation charges. No further unallocated segregated funds under this arrangement remain.

↗14. Provisions for liabilities

	Provision for long leave £'000	Reinstatement provision £'000	Total £'000
Balance at 1 January 2020	198	325	523
Amounts provided for during the year	20	81	101
Reversal of unused provision	(18)	0	(18)
Utilised during the year	(110)	0	(110)
Balance at 31 December 2020	**90**	**406**	**496**
Amounts provided for during the year	27	49	76
Reversal of unused provision	0	0	0
Utilised during the year	(14)	0	(14)
Balance at 31 December 2021	**103**	**455**	**558**
Falling due within one year	35	0	35
Falling due after more than one year	68	455	523
	103	**455**	**558**

The provision for long leave relates to the expected cost of long leave entitlements that have accrued up to the date of the Statement of financial position. Long leave entitlements may continue to accrue up to June 2043 if all vesting conditions are satisfied up to that period.

Provision for premises reinstatement

The provision relates to the expected costs of reinstatement of office premises to their original condition on termination of premises leases. The balance at year end has been determined based on a guideline rate of £22.4 per square foot (2020: £20 per square foot) as determined by the Royal Institute of Chartered Surveyors. The provision is adjusted annually based on movements in the guideline rate.

↗15. Commitments under operating leases

We had minimum lease payments under non-cancellable operating leases as set out below:

	2021 £'000	2020 £'000
Not later than 1 year	519	601
Later than 1 year but not later than 5 years	519	248
Later than 5 years	174	0
	1,212	**849**

Rentals payable under this operating lease are subject to periodic review and are based on market rates. The most recent rent review was agreed during 2020 and the resulting rental increase was effective from May 2019. The next rent review is due to commence in 2022.

Notes to the financial statements continued

↗16. Statement of net debt

	Cash at bank and in hand £'000	Short term deposits £'000	Total £'000
Balance at 1 January 2021	132	12,004	12,136
Cash flows	2,162	(3,174)	(1,012)
Balance at 31 December 2021	**2,294**	**8,830**	**11,124**

↗17. Financial instruments

Our financial instruments are analysed as follows:

	2021 £'000	2020 £'000
Financial assets		
Financial assets measured at amortised cost	**14,024**	**12,915**
Financial liabilities		
Financial liabilities measured at amortised cost	**(2,239)**	**(2,294)**

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

↗18. Related party transactions

Transactions with the Government of Jersey

We have been established in law as an independent financial services regulator and as such the Government of Jersey is not a related party.

Remuneration of key management personnel

Key management personnel includes the Commissioners, the Director General and Executive Directors who together have authority and responsibility for planning, directing and controlling our activities. Total remuneration paid to members of key management personnel during the year was £1.5m (2020: £1.5m).

Remuneration of Commissioners

Remuneration of the Commissioners and the Director General is set out on page 57 of this Annual Report. There were no other transactions with key management personnel other than reimbursement of expenses incurred for JFSC purposes.

↗19. Subsidiary undertakings

At 31 December 2021, we had an interest in one wholly owned subsidiary company. Further details are outlined below:

Name:	JFSC Property Holdings No.1 Limited
Country of incorporation:	Jersey
% of shares held:	100%
Principal activity:	Property lease holding

JFSC Property Holdings No.1 Limited (the Company) entered into an agreement on our behalf to lease our office premises. The Company had no expenditure during the year (2020: Nil) and has no assets or liabilities.

Appendix

Appendix

Board of Commissioners

↗ Mark Hoban
Chair

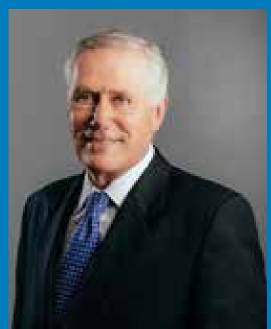
↗ Monique O'Keefe
Deputy Chair

↗ Claire Bowes
Commissioner

↗ Tracy Garrad
Commissioner

↗ Annamaria Koerling
Commissioner

↗ Simon Morris
Commissioner



↗ Peter Pichler
Commissioner

↗ Matt Palmer
Commissioner

Executive team

↗ Jill Britton
Director General

↗ John Gavey
Chief Operations Officer

↗ Julian Lamb
Executive Director of Registry

↗ Diane Maxwell
Executive Director of Policy and Risk

↗ Kerry Petulla
Executive Director of Enforcement

↗ Alexis Dolling
Executive Director of People and Culture

Our vision is to be a high performing regulator, building for the long-term success of Jersey

Notes

JERSEY FINANCIAL SERVICES COMMISSION - 2021 ANNUAL REPORT

Jersey Financial
Services Commission

2021 ANNUAL REPORT

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