Jersey Financial Services Commission

Deputy Inna Gardiner
Chair Public Accounts Committee
Government of Jersey
Union Street, St Helier
Jersey, JE2 3DN

11 September 2025

Re: Arm's Length Bodies, Grants and Subsidies Review - letter received 6th August 2025
Jersey Financial Services Commission (JFSC)

Dear Deputy Gardiner,

Firstly, my apologies for the delay in responding.

Please see below the JFSC's responses to the questions raised in the letter from the Public Accounts Committee, in support of the review of arm's length bodies, grants, and subsidies.

Please note that the JFSC is primarily funded through fees charged to regulated financial services businesses, individuals, and Registry users. Over the past five years, approximately 1% of total income has been provided by the Government of Jersey per annum. This funding has been allocated for specific services or new initiatives, agreed under the wider Government Plan.

If you have any questions or require further information, please do not hesitate to get in touch. We would also be happy to arrange a meeting to discuss any points in more detail, if required

Yours sincerely

Jill Britton

Director General

Email: j.britton@jerseyfsc.org

JFSC Sensitive

JFSC's Response to questions:

Question 1: Total income of your organisation for each of the past 5 years

Please note JFSC's annual accounts are publicly available on our website Annual reports — Jersey Financial Services Commission – reports dating back to 2014 are available. Table below includes the information requested.

£000s	2024	2023	2022	2021	2020
Total Income	33,613	29,733	27,289	22,504	22,758
Income from Government of Jersey*	393	224	342	0	0
% Income from Government of Jersey	1.17%	0.75%	1.25%	0%	0%
Other income**	n/a	n/a	n/a	n/a	n/a

***Income from Government of Jersey –** relates to 3 elements across 2024-2022 outlined below.

2024/2023: JFSC oversees **Non-Profit Organisations** (NPOs) on behalf of the Government of Jersey, primarily to support national efforts in preventing terrorist financing and financial crime. It was agreed by the Minister of External Relations and Financial Services that the cost of supervision would be supported by the Government of Jersey rather than applying costs to the registered NPOs.

The JFSC is mandated under the **Non-Profit Organizations (Jersey) Law 2008** to:

- **Register NPOs** that meet the legal definition.
- **Monitor compliance** with legal obligations, especially for **Prescribed NPOs**—those with higher risk profiles due to international financial flows or use of non-traditional payment methods.
- **Collect and maintain data** on NPOs to ensure transparency and accountability.

And

2024: Development and Implementation of new Intellectual Property (IP) Registry. The Government Plan 2024-2027 included funding to reform Jersey's intellectual property legislation and registry infrastructure, with a focus on the delivery of a new, modern system of primary registration for trademarks and modernised secondary patents and registered designs registries. This is expected to go live in August 2026. Current funding is under a grant agreement and ongoing funding, if needed, will be under contract for services.

2022: cost recovery for Basel III expenses incurred by the JFSC.

Other income the total and percentage of your funding that you have raised yourself over each of the past 5 years. Where received through private funds and organisations please could you specify where this was received from.

Not applicable for the JFSC.

Question 2 – Object of our organisation

The JFSC is an established independent body; our statutory responsibilities are set out in the Financial Services Commission (Jersey) Law 1998 (Commission Law) and include:

- authorising, supervising, overseeing and developing financial services in Jersey.
- enforcing the Commission Law
- reporting, advising, assisting and informing the Government of Jersey and public bodies.
- developing policies
- operating the Companies Registry.

The JFSC is primarily funded through fees charged to regulated financial services businesses, individuals, and Registry users. These fees are set by the JFSC in accordance with legislative provisions and are subject to consultation with industry stakeholders (2026 Fees Consultation was issued in August 2025). Key points to note with regards to funding model:

- **Self-Financing**: The JFSC does not rely on direct government funding. Instead, it sustains its operations through the fees it collects.
- **Fee Structure**: The fees may vary by sector and are influenced by factors such as the size and responsibilities of the JFSC, the composition of Jersey's financial industry, and legislative requirements.

3 Please can you provide details of the Key Performance Indicators you have as an organisation (both internal and any set by the Government of Jersey) and how you measure the success or otherwise of these indicators.

a. Have your KPIs changed since your initial objectives were set?

b. Do you have any KPI's set for funding received external to Government?

Please find link to the 2024 Annual Accounts which outlines the key performance indicators, under the section of "Performance Analysis" page 42.

Annual report 2024 — Jersey Financial Services Commission

From 2025, the JFSC committed to publishing operational performance reports each quarter. These quarterly reports outline our performance in areas that matter most to industry, particularly user experience and turnaround times. Please see link to Q2 JFSC Services Report, published on our website q2-2025-service-report.pdf.

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4. What decision-making processes do you follow to award bonuses to Senior Executives within your organisation? a. Please can you also provide details of the discretionary payments made to Senior Executives over the past 5 years and, where possible, provide this as separate figures for bonus payments and redundancy/severance payments etc.

Please refer to the annual accounts under "Remuneration and employee report" which refers to the metrics with regards to remuneration, including gender pay gap reporting page 52-54.

[Annual report 2024 — Jersey Financial Services Commission]

5. Please can you provide details of the governance arrangements within your organisation both at an executive and, if relevant, non-executive level. Please also specify if you follow a particular governance framework (e.g. ISO, KING 4 etc.)

Please find link to the 2024 Annual Accounts which outlines the governance framework, under the section of "Accountability Report" page 81.

[Annual report 2024 — Jersey Financial Services Commission]

6/7. How do you meet the principles set out within the Public Finances Manual and how do you monitor your performance against these principles? How is your organisation aligned to Island outcomes indicators and how do you measure your contribution to these outcomes?

The guiding principles of the JFSC are set out in Article 7 of the Financial Services Commission (Jersey) Law 1998 and underpin our activities. These principles ensure that the JFSC operates in a way that balances public interest, industry integrity, and international obligations.

1. Reducing Risk to the Public

The JFSC must work to **reduce the risk of financial loss** to the public caused by:

- Dishonesty
- Incompetence
- Malpractice
- Financial unsoundness of financial service providers.

2. Protecting and Enhancing Jersey's Reputation

It must act to **protect and enhance the reputation and integrity** of Jersey in commercial and financial matters, especially in the international arena.

3. Safeguarding Jersey's Economic Interests

The JFSC must consider the **economic interests of Jersey**, ensuring that regulation supports sustainable growth and does not unnecessarily hinder legitimate business.

4. Countering Financial Crime

A key principle is the **need to counter financial crime**, including money laundering and terrorist financing, both within Jersey and internationally

These principles guide the JFSC's decisions, enforcement actions, and policy development. They are designed to ensure that Jersey remains a **safe, reputable, and competitive international finance centre**.

8. Please answer if applicable (if your organisation has Board): What are the last three strategic decisions that were taken by your board and what evidence and data was used to inform these decisions?

> **a. How does the Board set its agenda and what is required of them in terms of finalising their agenda with government?**
>
> **b. Do you have a board assurance framework and, if so, how often do you update this?**

The JFSC's Strategy is developed through a collaborative, iterative process that balances Commission Board (Board) oversight with executive leadership development. Inputs for the development of the strategy are wide ranging and are refined to inform the direction following deep engagement and debate with key stakeholders, consideration of international standards and external political and economic factors. The Board's responsibilities include setting the strategic direction, ensuring it is clear and aligned with stakeholder interests. In terms of oversight and accountability, the Board monitors performance and ensures the strategy is executed effectively as well as identifying strategic risks and ensuring mitigation plans are in place.

The strategic direction is shared with Government in the interest of transparency and alignment with Government's priorities and financial services strategy, but the JFSC's strategy does not require formal Government approval. The same applies to the JFSC's annual business plans.

The Board's annual meetings agendas are informed by the JFSC's strategy and business plan objectives, risk management, regulatory developments, policy matters, Government initiatives/workstreams, financial matters and other priority items. Agendas are regularly revisited to adapt to changing circumstances.

Annual business plans are informed by the overarching strategy, and the focus is developed through a collaborative, iterative process with the Executive, before ultimate Board sign-off.

The Board has an Audit & Operational Risk Committee and a Regulatory Risk Committee which receives regular reporting from the Executive Risk Committee on operational and regulatory risks. The JFSC's Enterprise Risk Management Team runs a rolling assurance programme, the reports of which are shared with, and discussed by, the Executive Risk Committee and the Board's Audit & Operational Risk Committee.

The JFSC's strategy and business plans are publicly available documents on the JFSC's website.

9. How do you review your operating model to ensure value for money of your delivery?

Per the current JFSC strategy, our strategic anchors guide decisions making and resource allocation to support the long-term success of Jersey's financial services sector.

We are currently developing our strategy for the next five-year period which is continues to focus on delivering value in all areas. A key element of this is how we are working alongside government and industry in **Financial Services Competitiveness Programme** to:

- Improve Jersey's **regulatory and business environment**.
- Deliver **quick wins** and longer-term reforms.
- Align with Jersey Finance's **Vision2050** for innovation, talent, and technology.

Strategic framework 2021-2024 — Jersey Financial Services Commission