



Watch: Feedback from our thematic examination on Jersey Private Funds



On Tuesday, more than 200 members of Industry joined us for a webinar on the Jersey Private Fund (JPF) thematic examination feedback.

The event was hosted by our Head of Examinations, Amanda Reilly, Examiner Drew Livingston and Policy Adviser Kate Berry.

The webinar covered:

- the background and scope of the examination
- our findings
- the survey results
- the next steps for Industry and the JFSC

A recording of the session can be found below.



Jersey Private Funds (JPF) thematic examination webinar - April 2021
from Jersey FSC



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 [JPF thematic examination webinar slides](#)

During the session, Amanda, Kate and Drew answered a number of questions. They have also summarised below the answers to some additional questions that were asked.

Jersey Private Fund Thematic Review Webinar Q&A

Could you please clarify if separate AML/CFT Business Risk Assessments (BRAs) and Compliance Monitoring Plans (CMPs) are required for each JPF in all cases?

Can the Designated Service Provider (DSP) and Jersey Private Fund (JPF) BRA and/or CMP be consolidated in some cases for example where the DSP only administers a single JPF?

BRAs

We expect to see separate BRAs for the DSP and the JPF. Given the nature of the risks faced by the DSP and JPF it is hard to envisage a situation where they could be successfully consolidated. Whilst the DSP may only act as DSP to one JPF, we are not aware of any DSP which provides no other (non-DSP) services either to the JPF or other customers and the DSPs BRA needs to reflect all services provided. Where a DSP and JPF decide to consolidate their BRAs we expect to see significant written justification, in the BRA approved by both parties, for why this was felt appropriate.

CMPs

CMPs should: (i) be designed having regard to the degree of risk of money laundering faced by the business; (ii) test the systems and controls of the business; and (iii) result in compliance reporting to the businesses Board, or equivalent. DSPs and JPFs have distinct compliance responsibilities which must be tested and, whilst it is recognised that many individual tests in the CMPs may overlap, they should form part of distinct CMPs and be reported separately to the governing bodies of the DSP and the JPF.

Is it necessary to appoint an individual (natural person) as the MLRO/MLCO of a JPF, or is it sufficient to appoint a body corporate (i.e. the DSP) as the MLRO/MLCO?

Can the role of the MLRO/MLCO be designated to the DSP? If so I presume this will still require a named individual to be appointed? Would they therefore be expected to be the same individual who is formally appointed to that role for the DSP itself?

Articles 7 and 8 of the Money laundering (Jersey) Order 2008 (the **Order**) require Relevant Persons to appoint individuals (natural persons) as the Money Laundering Compliance Officer (**MLCO**) and Money Laundering Reporting Officer (**MLRO**) respectively. Therefore it is not permitted for a body corporate to fulfil these roles.

The individual or individuals appointed as MLRO or MLCO should be appointed by the governing body of the JPF in relation to the JPF and this should be reflected in the board minutes of the governing body of the JPF. When appointing the MLCO and MLRO please note that the Order requires that these individuals have an appropriate level of seniority and timely access to all records that are necessary or expedient for the purpose of performing their role.

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be acceptable.

Is it expected that compliance reports are produced for the Boards of JPF entities on a quarterly basis, or are annual reports sufficient (as well as ad-hoc when required)?

The governing bodies of JPFs must themselves consider what would be an appropriate interval between compliance reporting having regard to the specific risk factors identified in the JPFs BRA and its customer risk assessments as well as the nature of the results of completed CMPs. The governing body should be prepared to justify any decisions made.