



Jersey Financial Services Commission

20th Anniversary Seminar



Sli.do #JFSC20



Welcome and introduction

John Harris, Director General

Agenda



Welcome and introduction
John Harris, Director General



Looking back over the last 20 years
Debbie Prosser, Deputy Chairman



How will the world of financial regulation change over the next 20 years
Lord Eatwell, Chairman



Mid-year update
John Harris, Director General



Supervision developments
Jill Britton, Director of Supervision

Industry
Q&A



Debbie Prosser, Deputy Chairman



Lord Eatwell, Chairman



John Harris, Director General



Jill Britton, Director of Supervision



Lord Eatwell

Closing
remarks



Looking back over the last 20 years

Debbie Prosser
Deputy Chairman

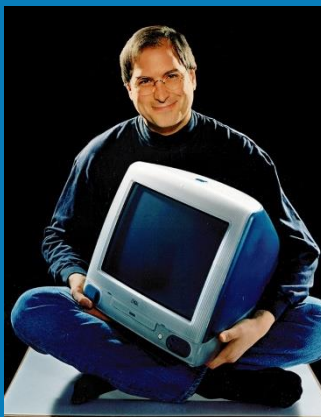


World news

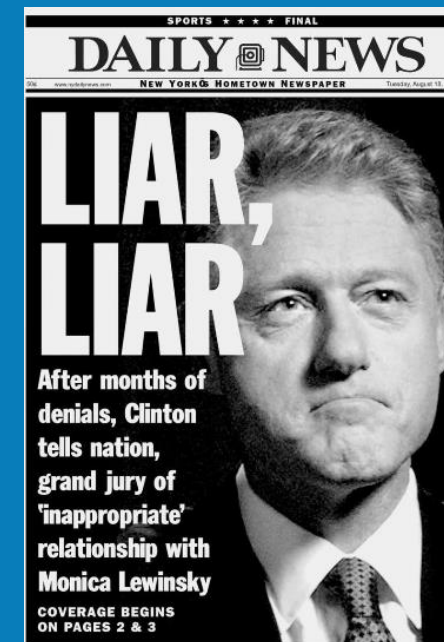
Today is only the beginning, it is not the end



1998:
Northern
Ireland
peace deal
reached



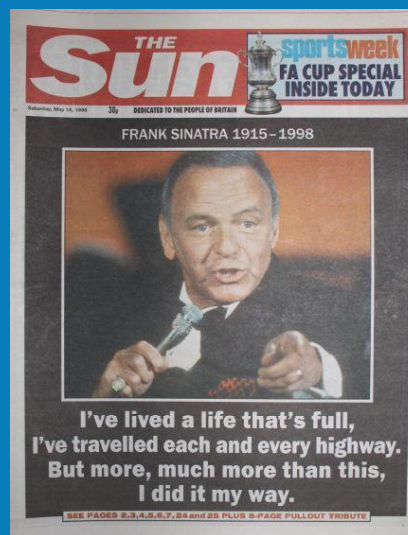
EU agrees on a
single currency the €



Rouble loses 70% of its
value in relation to the
dollar

最新	涨跌幅	成交量	股票名称	最新	涨跌幅	成交量	股票名称	最新	涨跌幅	成交量	股票名称
6.84	9.28	91274	万科地产	4.78	9.62	86821	深发展	43.90	10.10	10	10
6.12	9.28	82735	ST成发	16.20	4.99	1772	中集集团	12.32	10.10	10	10
6.09	10.04	62283	远大化建	8.36	9.23	56767	石化转债	8.97	10.10	10	10
			四川计	5.95	9.85	119898	深宝安				
5.32	9.98	157758	深万科A	8.74	9.71	52643	深万科B	40.63	10.10	10	10
10.09	5.08	34935	深万科C	10.61	10.01	98242	深万科D				
12.08	9.99	77185	中信集团	18.18	10.00	368395	中信集团	12.71	10.10	10	10
8.40	9.39	52237	中信集团	4.96	8.99	298278	中信集团	9.12	10.10	10	10
5.72	9.92	14333	中信集团	6.76	9.87	598226	中信集团				
7.38	9.11	52529	中信集团	9.17	9.66	139459	中信集团	5.34	10.10	10	10
13.79	6.06	22472	中信集团				中信集团	3.46	10.10	10	10
12.90	8.31	65431	中信集团				中信集团	9.51	10.10	10	10
7.94	8.63	67451	中信集团	10.00	9.99	28636	中信集团	11.69	10.10	10	10
7.18	8.39	104393	中信集团	7.30	9.88	270001	中信集团	9.74	10.10	10	10
6.07	9.54	159429	中信集团	27.20	3.75	18392	中信集团	10.41	10.10	10	10
10.46	9.98	47873	中信集团	17.45	5.01	162	中信集团	14.28	10.10	10	10
5.95	9.98	147355	中信集团	12.04	8.72	160051	中信集团	9.83	10.10	10	10
11.25	10.00		中信集团	12.13	6.04	79779	中信集团				
9.71	9.42		中信集团	8.42	10.04	92627	中信集团				
9.1	96		中信集团	4.77	6.84	5134	中信集团				
			中信集团	2.00	3.38		中信集团				

Financial
crisis hits
much of
South East
Asia



Microsoft becomes
biggest company in
the world



France wins 16th FIFA World
Cup





Jersey 1998

Financial Services Commission (Jersey) Law 1998

4 June 1998

Key moments in history



9/11
Terrorist Attacks



The Edwards Report
1998



2008
Financial Crisis



The Edwards Report 1998 findings:

- › Top division of offshore centres
- › Judicial and prosecution systems, regulation and co-operation with other jurisdictions are remarkably good for such small communities
- › Exemplary assistance in many investigations into drug trafficking, fraud, tax offences and money laundering
- › Endorsed Jersey's long-standing policy of requiring confidential disclosure of ultimate beneficial ownership information for all new Jersey company incorporations

The Edwards Report 1998 recommendations

Key recommendations from the Edwards Report:

- › JFSC to be entirely independent of Government
- › JFSC should not be responsible for the promotion of the Island's finance industry (which led to the formation of Jersey Finance)
- › A dedicated Enforcement division
- › Licensing and regulation of trust company service providers

Post Edwards Report (1998 – 2001)

- › Amendments and extensions to existing legislation introduced to bring trust and company business and investment business into regulation
- › Thirteen different Orders came into force in 2000 and 2001 relating to TCB and IB regulation
- › Proceeds of Crime (Jersey) Law 1999
- › Financial Services Commission Law amended to remove “promoting the Island as a centre for financial services”
- › First FAFT evaluation report endorsed Jersey’s ‘robust’ regulation

WEDNESDAY, SEPTEMBER 12, 2001

Seattle Post-Intelligencer

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ATTACK ON AMERICA: 09/11/2001

'None of us will ever forget'

FULL COVERAGE



'Sadness and... unyielding anger'

The head of the House Intelligence Committee said today that the Sept. 11 attacks were "an act of war."



U.S. military goes into action

Heavy ships on both coasts deployed to help in a defense against terrorism.



Terrorist attack sophisticated

Osama bin Laden's supporters say he is the mastermind behind the Sept. 11 attacks.



Direct hits, then screaming

The Pentagon, the White House, and the Trade Center "bathed in a sea of fire."

MORE INSIDE

- How to help, tips for coping
- Photos from the scene and a timeline of events
- Experts disagree on how many towers can be rebuilt
- Seattle reaches out to help
- Editorial: The United States needs a decisive response - and expects that it gets to those responsible
- Donald Rumsfeld: A political cartoonist's view
- Trading comes to a halt
- Major League Baseball games suspended

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A fireball erupts from the World Trade Center after it was struck by a hijacked aircraft yesterday. The Brooklyn Bridge is in the foreground.

◆ Knife-wielding hijackers carried out deadly plan

◆ Death toll could easily be in thousands

◆ At least 300 firefighters may be among dead

◆ Terrorists 'flew the planes themselves'

NEW YORK — In the most devastating terrorist attack yet witnessed in the United States, knife-wielding hijackers crashed two airplanes into the World Trade Center yesterday, toppling towers 110 stories high.

The deadly attack was witnessed on television across the world as another plane, identified as the Pentagon, and a third, identified as the White House, were also hit.

"Today, our nation was evil," a grief-stricken President Bush said in his first address to the nation. He said thousands of lives were "wrecklessly and coldly" destroyed.

With the country in a state of mourning, government buildings around the country were closed, along with major highways and a variety of other sites, ranging from the White House to the Pentagon.

The first airplane to hit the World Trade Center was the Boeing 767-300ER, piloted by Mohamed Atta, 27, a resident of Tampa, Fla. The second plane was a Boeing 767-200, piloted by Valery Spiridonov, 34, a resident of St. Petersburg, Russia.

The third plane, a Boeing 757-200, piloted by Saeed al-Murayri, 33, a resident of Kuwait, was shot down by a missile fired from a Navy ship in the Atlantic Ocean.

The death toll is still rising, but officials say it could reach 2,000.

The hijackers, who were all men, were seen on television as they flew the planes into the towers. They were seen holding knives and other weapons.

The attack was a "declaration of war" on the United States, President Bush said.

The hijackers were all from the Middle East, and many were from the same area.

The attack was a "declaration of war" on the United States, President Bush said.

World Trade Centre razed ● 10,000 feared dead in suicide attacks



It was either be burnt alive or jump'

The horror unfolded around Paul McCullough as he watched the towers of New York.

200 YEARS ON: ANOTHER FRENCH REVOLUTION.



CS

With the launch of the Citroen C3, the company is celebrating its 100th birthday.

U.S. ATTACKED

HIJACKED JETS DESTROY TWIN TOWERS AND HIT PENTAGON IN DAY OF TERROR

CREeping HORROR



Buildings Burn and Fall as Onlookers Search

President Vows to Enforce Punishment for 'Evil'



DAILY EXPRESS

THE MOST COMPLETE AND UP TO DATE COVERAGE



DECLARATION OF WAR

THE Sun

DAY THAT CHANGED THE WORLD

Wednesday, September 12, 2001 30p



Post 9/11 attacks (2001-2008)

- › Financial crime became central to country security
- › Terrorism (Jersey) Law 2002 plus six related Regulations and Orders
- › Money Laundering (Jersey) Order 2008
- › IOSCO developed multilateral MoU to improve regulatory co-operation
 - JFSC founding signatory
- › First AML Handbook published
- › Other businesses brought into regulation
- › First IMF Review on Jersey's financial regulation and AML regime

YNETH: MY T-NATAL RESSION

THOUSAN

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ASHM. SUMME

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Crisis on Wall Street as Lehman Totters, Merrill Is Sold, AIG Seeks to Raise Cash

First Will Expand Its Lending Arsenal in a Bid to Calm Markets; Moves Cap a Momentous Weekend for American Finance

The American financial system was shaken to its core on Sunday as Lehman Brothers filed for Chapter 11 bankruptcy, Merrill Lynch was sold to Bank of America, and AIG sought to raise cash to avoid collapse.

Lehman's collapse was the first of a major US financial institution to fail since the 1930s. The company had been struggling for months, with its stock price falling from over \$100 to under \$10. It had also been accused of covering up the collapse of its investment bank, Bear Stearns.

Merrill Lynch's sale to Bank of America was a surprise move that was seen as a sign of the government's efforts to stabilize the financial system. The sale was valued at \$50 billion, but the price was subject to regulatory approval.

AIG's situation was equally dire. The company had been providing guarantees for other financial institutions, and its collapse would have had a devastating impact on the market. It sought to raise \$20 billion in cash to avoid bankruptcy.

Bank of America to Buy Merrill

Bank of America announced on Sunday that it had agreed to buy Merrill Lynch for \$50 billion. The deal was subject to regulatory approval and was seen as a major move to stabilize the financial system.

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Japan	Europe	World
Up 0.1%	Up 0.2%	Up 0.1%
Up 0.1%	Up 0.2%	Up 0.1%

Lehman collapse sends shockwave round world

Oil prices plunge, thousands lose jobs

The collapse of Lehman Brothers has sent shockwaves around the world, with oil prices plunging and thousands of jobs at risk. The company's failure has led to a loss of confidence in the financial system, and many investors are withdrawing their funds.

Oil prices have fallen sharply, with some analysts predicting a further decline. This is due to concerns that the global economy will slow down as a result of the financial crisis.

Thousands of jobs are at risk, as companies are forced to cut back on spending. Many businesses are struggling to stay afloat, and some are facing bankruptcy.

Ultimatum By Paulson Sparked Frantic End

Paulson's ultimatum to Lehman Brothers to raise \$20 billion or face bankruptcy sparked a frantic end to the company's existence.

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Stock markets slump in worst week since Lehman collapse

Share plunge is biggest since 2008 banking crisis

Emergency meeting of G7 ministers called



BANKING QUAKE

After Lehman fell, the economic tectonic plates shifted

HOW THE CRISIS UNFOLDED

- August 9, 2007**
Credit markets freeze over and Northern Rock requests support
- September 7, 2008**
US government takes control of Fannie Mae and Freddie Mac
- September 15**
Lehman Brothers files for Chapter 11 bankruptcy. Bank of America buys Merrill Lynch
- September 16**
US injects \$85bn into insurer AIG
- September 24**
Warren Buffett injects \$5bn of capital into Goldman Sachs
- September 26**
UK nationalises

Japan	Europe	World
Up 0.1%	Up 0.2%	Up 0.1%
Up 0.1%	Up 0.2%	Up 0.1%

Emma Kerr
How can any
bear to go on
with
children?
Family

They're back!
Football return
(as if it's ever
been away)
Sport

Hugh Fearnley
Whittington
Delicious red
with beans
Weekend

Post financial crisis

- › First draft of the AIFMD published by the EU
- › Jersey signed co-operation agreements re AIFMD
- › Jersey's Retail Distribution Review came into force
- › Depositor Compensation Scheme introduced
- › Problem banks exited
- › Regulation of advice in relation to defined benefit schemes
- › Second IMF Review of Jersey's regulation and AML regime

Post financial crisis

- › Jersey's Retail Distribution Review came into force
- › JFSC granted power to impose civil financial penalties
- › MONEYVAL evaluation report published on Jersey AML/CFT standards
- › Jersey/UK agreement on Central Register of Beneficial Ownership & Control
- › Start of National Risk Assessment data collection
- › Regulation of advice in relation to defined benefit schemes

Business as usual at the JFSC

- › Membership of various international registry fora and serial award winner
- › Investors in People award
- › Incorporated and Separate Limited Partnerships
- › Jersey joined SEPA
- › Landmark judgements for enforcement cases
- › Jersey Private Fund Guide to modernize the regime
- › Amendments to Companies Law (now up to number 11)
- › Jersey Expert Fund Regime
- › Protected cell and incorporated cell companies

Innovation at the JFSC

- › Online registry filings and searches enabled with electronic signature
- › Security Interests register – fully automated
- › JFSC portal
- › Cyber-security self-assessment and tools
- › JFSC's first public awareness campaign on investment mis-selling
- › Central Register of Beneficial Ownership & Control and application programme interfaces (APIs)
- › Jersey joined Jersey Fraud Prevention Forum as founding member

Modernisation - the journey so far...

Jersey Financial Services Commission

JFSC Cyber-Survey Results

129 financial services firms completed the Services Commission's (JFSC) Cyber-Security Survey. The main findings are illustrated below.

Top five threats selected by survey respondents:

Unintentional leakage of information

Fraud

Deliberate leakage of information

Malicious

Social engineering attacks

The incidents experienced by most organisations surveyed were:

59%
Fraudulent email

58%
Malware

I'VE PAID THE PRICE

IS IT WORTH THE RISK?

The mis-selling of investments is often hard to spot. Make sure you don't pay the price.

www.jerseyfsc.org/yourownbestinterests

Jersey Financial Services Commission

In association with

Personal Finance Society
Standards | Professionalism | Trust

Jersey Financial Services Commission

JERSEY FRAUD PREVENTION FORUM NEWSLETTER

JANUARY 2018

Living in Jersey we can all too easily be overly trusting of our surroundings. In the misguided comfort that the Island is a safe place and that we are protected from falling victim to fraud and scams. But this may not be the case.

The Jersey Fraud Prevention Forum has been formed to raise awareness about the dangers, helping to educate and protect residents as well as offering them advice and support.

Chief Inspector Chris Beechey, Chairman of Jersey Fraud Prevention Forum

MORE THAN £217,000 STOLEN IN BANKING SCAM

In the run up to Christmas, a number of Channel Islanders were caught out by a banking scam after responding to fraudulent emails and texts purporting to be from NatWest and Lloyds. In less than 24 hours fraudsters stole tens of thousands of pounds by sending messages claiming that there had been fraudulent activity on people's accounts and directing them to urgently call their banks fraud prevention team on the number provided. Islanders who made the call were then tricked into disclosing their personal banking details. One local professional had more than £8,000 siphoned from his account but fortunately had it returned by his bank. Recounting his own experience Ed Prow warns: "The levels of sophistication of bank fraud is at an all time high. I would simply warn people to be extra vigilant."

The Jersey Fraud Prevention Forum is urging Islanders to never disclose passwords and other information regardless of how genuine the correspondence may seem. Anyone who receives a text or email of this nature should not respond but instead contact their bank and the States of Jersey Police.

TIGHTEN YOUR SAFETY NET

Being safe online is vital – and you expect to feel safe at home. But using Jersey-based websites and social media pages does not guarantee protection from cyber-crime. Many Islanders get caught out on locally administered 'buy and sell' and auction pages, such as Jersey eBay, because they assume the person they are dealing with is a legitimate buyer/seller here in the Island. But fraudsters, based both locally and remotely, operate on these pages by setting up fake profiles and products to target unsuspecting Islanders.

Some simple steps to avoid being scammed:

- Don't take payment by cheque
- Use a secure payment method such as PayPal
- Only exchange money/goods if you're sure it's genuine
- Do your research and make sure you have all the details before you commit. Read reviews but be mindful that they may not be legitimate.

0	3	3	2.0	2
	1	1	0.7	1
Total	55	92	147	100.0
				57

Our people – Chairmen



Frank Walker OBE
1998 – 1999



Colin Powell CBE
1999 – 2009



Clive Jones
2009 – 2013



Lord Eatwell
2014 - present



Our people – Director Generals



Richard Syvret
1998



Richard Pratt
1998 – 2003



David Carse
2003 – 2006



John Harris
2006 - present






Mike and Dawn video



**How will the world of
financial regulation change
over the next 20 years?**
Lord Eatwell, Chairman

The background of the slide features a complex, overlapping display of financial data. It includes several line charts with various colored lines (red, green, blue, purple) and bar charts. Some numerical values like '111.8', '111.7', '111.5', '111.4', '111.3', and '111.1' are visible on the right side of the charts. The overall aesthetic is high-tech and data-driven, typical of a financial or trading environment.

Changes in financial regulation that have taken place in Jersey have been due to circumstances essentially beyond our control

International regulatory changes that we are forced to mimic usually follow on from severe shocks to the financial system

Underlying forces that tend to precipitate the financial crises that in turn stimulate regulatory reform

Risk – task of the JFSC to attempt to mitigate all these threats to the economic well-being of Jersey



An aerial photograph of Lower Manhattan, New York City, showing the dense cluster of skyscrapers. The Twin Towers of the World Trade Center are prominent on the left side of the image. The Hudson River is visible on the left, and the East River is on the right. The image is used as a background for the text.

Innovation precedes a financial crisis

Innovation in financial markets or products can have an
equally devastating effect

Blockchain: a digital ledger in which transactions made in bitcoin or another cryptocurrency are recorded chronologically and publicly



International agreement re settlement risk



The background is a vibrant digital collage. It features a central wireframe head in profile, facing right, composed of blue and white dots. The head is set against a dark blue background filled with glowing yellow and orange binary code (0s and 1s). To the right, there are several vertical bars of varying heights, resembling a bar chart, also in glowing yellow and orange. The overall aesthetic is futuristic and technological, with a strong emphasis on data and digital communication.

What is the future of Fintech for regulators?

The background of the image is a European Union flag, featuring a blue field with twelve yellow stars arranged in a circle. The flag is heavily distressed, with numerous cracks and tears visible across the blue fabric, particularly around the stars and in the center. The text is overlaid on this background.

Eurozone uncertainties

**Severe regulatory
strictures**

Unstable Euro

**Managing emerging
market risk**



What can Jersey do to prepare for the future?






The JFSC is a sophisticated regulator
working in a small jurisdiction



Regulatory “sandbox” environment



An aerial night photograph of a city, likely Jersey, showing a complex network of roads and buildings. The image is characterized by long, bright yellow and orange light trails from moving vehicles, particularly prominent on a major highway running diagonally from the top left towards the bottom left. The surrounding urban area is densely packed with buildings, some of which are illuminated from within, and parking lots filled with cars. The overall scene conveys a sense of constant activity and infrastructure.

Jersey – Regulator, Industry, Government all
working together to our advantage



The JFSC's
commitment to
enhancing the
economic life of
the people of
Jersey will not
change over the
next 20 years

This is what we are
here for.



Mid-year update

John Harris, Director General

Regulation - trends in Jersey

- › Still very much aiming to meet international standards
- › Match fit for the Central Register of Beneficial Ownership & Control, but policy debate (public/private) rages on
- › Embracing a more overt consumer protection approach:
 - › Lending
 - › Pensions (advice and provision)
 - › Mis-selling campaign
 - › Jersey Fraud Prevention Forum
- › Risk-based, data-led, outcome focused
- › Working with other stakeholders in the Jersey jurisdictional interest



Increased focus on AML

- › Arguably our biggest, certainly most insistent, risk
- › Not quite zero failure but reputational damage remains uppermost
- › NRA work will further inform us about our emerging vulnerabilities and areas of threat





Increased focus on AML

- › Supervision resource shift – more AML/CFT focus
- › Why? AML/CFT is where the exam questions will be posed
- › Not a level playing field
- › Super equivalence demanded!
- › Public registers – continued pressure

Enforcement

- › Ever more challenging in a small jurisdiction
- › Recent case(s) emblematic of these challenges
- › Substance, process, people
- › Very structured decision-making process – separation of investigation, judgment, appeal
- › Investigation and litigation – different disciplines, different resourcing
- › Not enforcement led – prefer remediation
- › Narrower “indictment” approach likely
- › Close liaison with law enforcement – but regulatory actions must not displace the criminal stream

Registry – Registry Law

- › Registry law consultation on track for Q4 for 2018, clarify filing obligations for:
 - I. Legal Ownership information
 - II. Beneficial Ownership information
 - III. Accounting records
- › Clarification of Registry powers for:
 - I. Conditioning registrations
 - II. Issuing summary civil penalties for filing deficiencies
 - III. Strike off of companies in the public interest
- › Creation of a central Register of Directors in Jersey





Registry – int. standards

- › OECD Compliant rating (significant Registry input to Report and ability to demonstrate timely disclosure of information)
- › Mutual 6 month review of the BO register by the Cabinet Office relating to Exchange of Notes
- › Public v Private Debate continues - UK push for public BO registers via Sanctions and Anti-Money Laundering Bill / EU push via 5MLD
- › Focus on the accuracy and integrity of our registers

Registry – general developments

- › Introduction of new LLP Law (1 August 2018)
- › Introduction of new Demerger regime (1 September 2018)
- › LLCs on the horizon
- › Registry platform and portal on track – introduction Q4 2019
- › By September 2018 – e-enable outgoing traffic to 99.9% paperless

Supervision

- › Responding to the new demands to be:
 - › Risk based
 - › Evidence (data) driven
 - › Demonstrably effective
 - › Dissuasive, deterrent, directive
- › Two contrasting approaches:
 - › Low impact (not necessarily low risk) – reactive
 - › High impact – proactive, enhanced



- 
- › Proactive, enhanced demands very different:
 - › Curiosity
 - › Intrusiveness
 - › Presence
 - › Relationship bias
 - › Professionalisation / certification
 - › Grow your own
 - › Train in-house – foundation / intermediate / advanced

Supervision video

The Cyber Position

Two overlapping issues for the JFSC

Self-protection at and beyond latest benchmarks

Relentlessly attacked
High concentration risk (B.O. Register)
Investment reality
Human factors programme
Cambridge University – Cyber Crime Lab

New registers and databases will compound the risk
Solution orientated approach

Potential responsibility for setting and supervising against cyber standards in regulated firms

Do existing principles of the Codes cover this general responsibility?
Very concerned not to create “safe harbours”

Eye on international position
No immediate further action



Watch this space!



Cryptos and Fintech

- › JFSC in role of an alert facilitator
- › Sandbox by another name (our licencing regime is already flexible)
- › No compromise on AML/CFT controls
- › Open to all propositions but not going to manufacture bespoke uni-product or sole applicant regimes
- › ICOs – cautious stance but conditioned approvals given

Cryptos and FINTECH

- › Jurisdictional risk appetite will be the real key:
 - › Zug (Switzerland)
 - › Bermuda
 - › Isle of Man
 - › Gibraltar
- › Banking industry largely unsupportive
- › Believe we are currently managing these dilemmas OK
- › But happy to engage in further dialogue

No compromise on reputation

- › Shock to the jurisdiction – unexpected revelations
- › Very much a reflection of the current divided social climate. Hard to assert jurisdictional probity in such cacophony
- › No criminality but feeds into perception that IFC's are a negative influence and a bad business model
- › Misappropriation and manipulation of data
- › NGO and media strength a growing force
- › Responses:
 - › Data security
 - › Ever closer vigilance on standards
 - › Commercial benefit vs jurisdictional interest
 - › Only real way to counter is to demonstrate economic benefit

Website update

- › Yes, a new one is coming in early 2019 – the current site is nearly 20 years old too and officially past its sell by date!
- › Survey and workshops completed with Industry, partners and public
- › Content audit
- › Emblematic of a more modern JFSC
- › First point of contact for our external audiences



Systems

- › Microsoft House (progressively decommissioning old systems)
- › CRM + financials + portal
- › Bespoke Registry solution but all network opportunity taken
- › Power of shared database and development tools (e.g. Supervision and Enforcement simultaneously around “case management” approach)
- › Automating applications and authorisations – JPF first
- › Machine analysed accounts and other reports
- › Data rich risk model by early 2019

Policy making

- › Weight of external challenge
- › Inherently reactive and capacity constrained
- › Stronger pro-active approach needed (in Government, JFSC, or both?)
- › A lot of past policy development done by entrepreneurial industry groups. Funding issues!
- › Jersey Finance has played a role in explaining Jersey business model
- › Need for a fully engaged debate – can we do more or is this as good as it gets?

Risk management

- › At the heart of what we do
- › As much a data management and analytics organisation as anything else (but will always be supplemented by the human element of relationships and judgements)
- › Emerging risk management maturity at the JFSC
 - › Environmental (strategic)
 - › Internal (our risks)
 - › External (your risks – drive our supervisory programme)
- › Technical and difficult but real challenges is in culture and ownership
- › Best learning about controls is when they don't work
- › Not a discretionary choice – professionalisation of risk management is here to stay



Supervision Developments

Jill Britton,
Director of Supervision

Risk-based Supervision



Supervision – Our Vision

Demonstrate effectiveness

Move to proportionate risk-based supervision

Adopt a sustainable model for the future

Maximise new opportunities

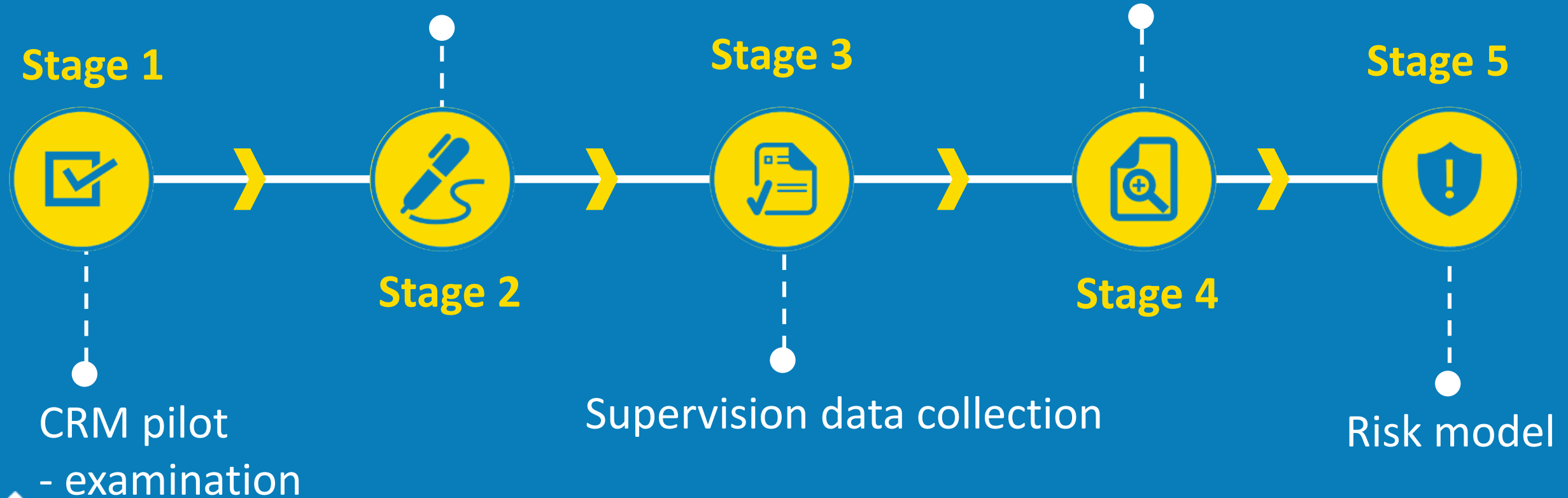
Match resourcing with risk and complexity

**Implement a framework for assessed
competence in supervision**

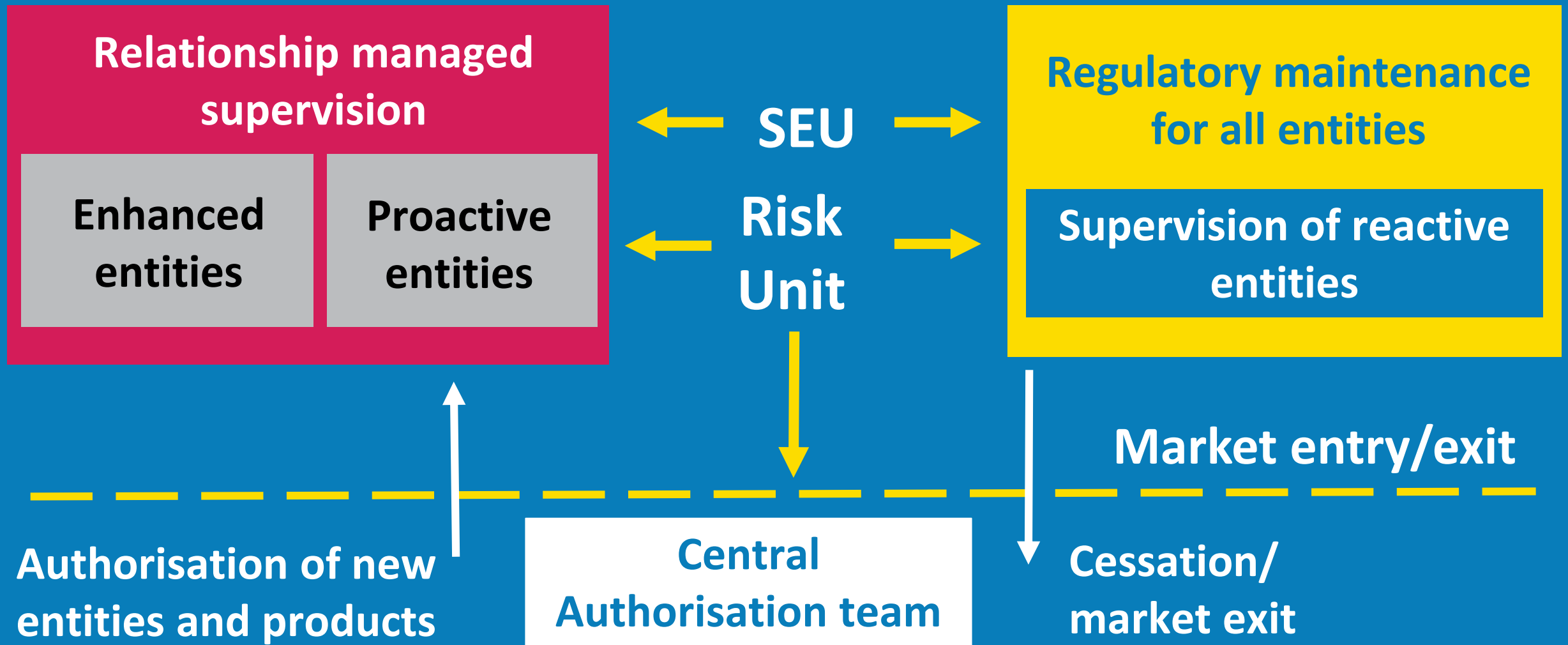
2018 Systems Delivery Prioritisation

Authorisation, maintenance
and cessation tasks,
examination remediation

Financial statements and
notifications



Target Operating Model 2018



Progress to date

People and Structure:

- › Revised Target Operating Model implemented
- › Training & Competency Framework agreed
- › Recruitment of Trainee Supervisors – 2 year programme
- › Over 150 days of training delivered
- › Development of Regulatory Certificate for Regulators in conjunction with JIBS and the University of Buckingham





Progress to date

Systems and Processes:

- › End to end examination process through CRM
- › Supervision data collection in support of the NRA delivered through 'The Portal'
- › Introduction of a Business Rules Management Engine (BRME)
- › Risk event data capture functionality deployed in CRM
- › On-line application submission and approval capability developed
- › On-line notification and reporting capability developed



JPF Application Online

- › Portal sign in
- › Display of entities individual related to
- › Display of services
- › Selection of services
- › Application behaviour

Application completion

- › Dynamic questions
- › Uploading documents
- › Declaring the application

Application submission

- › Submission notice
- › Invoice generation

Application status

Timescales

13 June	Show and tell with volunteer
9 July	Internal and external testing
17 July	Soft launch
31 July	GO LIVE all entities
8 & 13 August	External workshops
31 August	Removal of paper applications



Supervisory Risk Data Collection



Supervisory Risk Data Collection Phase I

- › Collected at entity level, aggregated and anonymised for use by the NRA
- › Collection of Footprint data and some compliance information
- › Important step in delivery of new JFSC core systems – first Industry-wide use of portal and CRM case management functionality – the basis for future model of information exchange
- › Collection now completed, a huge thank you for your efforts – analysis of the data can now begin, and we can move on to Phase II....

Supervisory Risk Data Collection Phase II

- › More complex round of data collection – customer data
- › Again has dual use for supervisory purposes at entity level plus aggregated NRA data
- › Utilises the same technology as Phase I
- › Ambitious in scope – not collected under Notice
- › Ultimate aim of Phases I and II
- › Footprint – more robust and evidence-based allocation of entities into an approach to supervision
- › Compliance and customer data – will inform the risk model and NRA
- › NRA – Important as it must inform our approach to risk-based AML/CTF supervision



Industry Q&A

Sli.do #JFSC20



Facilitated by

John Harris, Director General

Panel members

Lord Eatwell, Chairman

Debbie Prosser, Deputy Chairman

Jill Britton, Director of Supervision

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**Closing remarks and
thank you**