



Index to the Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism For the Legal Sector

Section No.	Section Title	Page No.
1	Introduction	1
1.1	Objectives of this Handbook	3
1.2	Structure of this Handbook	4
1.3	Legal status of this Handbook and Sanctions for Non-compliance	5
1.3.1	This Handbook	5
1.3.2	Money Laundering Order	5
1.3.3	AML/CFT Code of Practice	6
1.4	Jurisdictional scope of the Money Laundering Order and AML/CFT Codes of Practice	7
1.4.1	Application of the Money Laundering Order and AML/CFT Codes of Practice to Schedule 2 Business carried on in Jersey	7
1.4.2	Application of the Money Laundering Order to Lawyers carrying on Schedule 2 Business Outside Jersey (overseas)	7
1.4.3	Application of AML/CFT Codes of Practice to Lawyers carrying on Schedule 2 Business Outside Jersey (overseas)	7
1.5	Definition of Lawyers undertaking Schedule 2 Business	8
1.5.1	Activities covered by the Money Laundering Order	8
1.6	Definition of Business Relationship and One-Off Transaction	9
1.6.1	Business Relationship	9
1.6.2	One-off Transaction (Articles 4 and 13)	10
1.7	Risk-based Approach	11
1.8	Equivalence of Requirements in Other Countries and Territories	12
1.8.1	Equivalent Business	12
2	Corporate Governance	1
2.1	Overview of Section	1
2.2	Measures to Prevent Money Laundering and Financing of Terrorism	1
2.3	Senior Management Responsibilities	2
2.3.1	Business Risk Assessment	3
2.3.11	Considering and Assessing Service Area Vulnerabilities and Warning Signs	4
2.4	Adequate and Effective Systems and Controls	11
2.4.1	Effectiveness of Systems and Controls	13
2.4.2	Testing of Compliance with Systems and Controls	14
2.4.3	Consideration of Cultural Barriers	15
2.4.4	Outsourcing	16
2.5	The Money Laundering Compliance Officer (MLCO)	16
2.6	The Money Laundering Reporting Officer (MLRO)	18
2.7	Financial Groups	20

Index to the Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism For Regulated Financial Services Business

Section No.	Section Title	Page No.
3	Identification Measures: Overview	1
3.1	Overview of Section	1
3.2	Obligation to Apply Identification Measures	2
3.3	Risk Based Approach to Identification Measures	4
3.3.1	Understanding Ownership Structure – Stage 1.1	6
3.3.2	Information for Assessing Risk – Stage 1.4	7
3.3.3	Source of Funds – Stage 1.4	8
3.3.4	Assessment of Risk – Stage 2.1	8
3.3.4.1	Factors to Consider	9
3.3.5	External Data Sources	13
3.3.6	Clients Business Profile- Stage 2.2	13
3.4	Ongoing Monitoring: Ensuring that Documents, Data and Information are Up to Date and Remain Relevant	14
3.5	Identification Measures – Taking on a Book of Business	14
4	Identification Measures – Finding out Identity and Obtaining Evidence	1
4.1	Overview of Section	1
4.2	Obligation to Find Out Identity and Obtain Evidence	2
4.3	Obligation to Find Out Identity and Obtain Evidence: Individuals	3
4.3.1	Finding Out Identity	3
4.3.2	Obtaining Evidence of Identity	3
4.3.3	Suitable Certification	6
4.3.4	Obtaining Evidence of Identity – Independent Data Source	7
4.3.5	Guarding Against the Exclusion of Jersey Residents	8
4.3.6	Residential Address: Overseas Residents	9
4.4	Obligation to Find out Identity and Obtain Evidence: Legal Arrangements	10
4.4.1	Finding out Identity – Legal Arrangement that is a Trust	11
4.4.2	Obtaining Evidence of Identity – Legal Arrangement that is a Trust	12
4.4.3	Finding Out Identity – Legal Arrangement that is a Limited Partnership	13
4.4.4	Obtaining Evidence of Identity - Legal Arrangement that is a Limited Partnership	14
4.4.5	Copy Documentation Provided by Regulated Trust and Company Service Provider	15
4.5	Obligation to Find Out Identity and Obtain Evidence: Legal Persons	16
4.5.1	Finding Out Identity – Legal Person that is a Company	18
4.5.2	Obtaining Evidence of Identity – Legal Person that is a Company	19
4.5.3	Finding Out Identity – Legal Person that is a Foundation	20
4.5.4	Obtaining Evidence of Identity – Legal Person that is Foundation	21
4.5.5	Finding Out Identity – Legal Person that is a Partnership	22
4.5.6	Obtaining Evidence of Identity – Legal Person that is a Partnership	23
4.5.7	Copy Documentation Provided by Regulated Trust and Company Services Provider	24

Index to the Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism For Regulated Financial Services Business

Section No.	Section Title	Page No.
4.6	Obligation to Find Out Identity and Obtain Evidence: Authorised Agent of Customer	25
4.7	Timing of Identification Measures	26
4.7.1	Timing of Identification Measures during Business Relationship –Obtaining Evidence	28
4.7.2	Timing for “Existing Clients”	29
4.8	Failure to Complete Identification Measures	30
5	<u>Identification Measures: Reliance on Obligated Persons</u>	1
5.1	Overview of Section	1
5.1.1	Assessment of Risk	5
6	<u>On-Going Monitoring: Scrutiny of Transactions & Activity</u>	1
6.1	Overview of Section	1
6.2	Obligation to Perform On-Going Monitoring	1
6.2.1	Scrutiny of Transactions and Activity	2
6.2.2	Monitoring and Recognition of Business Relationships– Person Connected with an Enhanced Risk State or Sanctioned Country or Organization	5
6.3	Automated Monitoring Methods	7
6.4	Warning Signs for the Legal Sector	8
7	<u>Enhanced and Simplified CDD Measures and Exemptions</u>	1
7.1	Overview of Section	1
7.2	Requirement to Apply Enhanced CDD Measures	2
7.3	Higher Risk Client	2
7.4	Client not Physically Present for Identification Measures	4
7.5	Client with Relevant Connection to an “Enhanced Risk State”	5
7.5.1	Application of enhanced CDD measures to a client with a relevant connection	6
7.6	Client who is a politically exposed person (PEP)	7
7.6.1	Determining whether a client is a Politically Exposed Person (PEP)	8
7.6.2	Enhanced CDD measures in relation to PEPs	8
7.7	Non-resident client	11
7.8	Client provided with private banking services	12
7.9	Client that is a personal asset holding vehicle	13
7.10	Client that is a company with nominee shareholders or issues bearer shares	13
7.11	Enhanced CDD measures – transitional arrangements	14
7.12	Exemptions from CDD requirements	15
7.13	Exemption from applying third party identification requirements in relation to relevant customers acting in certain regulated, investment or fund services business	15
7.14	Exemption from applying third party identification requirements in relation to relevant customers involved in unregulated or non-public funds, trust company business or the legal profession	16
7.14.1	Assessment of Risk	19

Index to the Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism For Regulated Financial Services Business

Section No.	Section Title	Page No.
7.15	Further exemptions from applying identification requirements	21
7.15.1	Pension, superannuation, employee benefit, share option or similar schemes	22
7.15.2	Jersey public authority	23
7.15.3	Body corporate with listed securities	23
7.15.4	Regulated person and those carrying on equivalent business	24
7.15.5	Person authorised to act on behalf of a client	24
7.15.6	Jersey property transfers	24
7.16	Simplified identification measures – obtaining evidence of identity for very low risk products/services	22
8	Reporting Money Laundering and Financing of Terrorism	1
8.1	Overview of Section	1
8.2	Reporting Knowledge or Suspicion	1
8.2.1	Requirement to Report Knowledge or Suspicion	2
8.2.2	Protective Report	5
8.2.3	What Constitutes Knowledge or Suspicion	7
8.2.4	Knowledge	7
8.2.5	Suspicion	7
8.2.6	Reasonable Grounds to Suspect: the Objective Test of Knowledge or Suspicion	8
8.3	Procedures for Reporting	8
8.3.1	Internal SARs	9
8.3.2	External SARs	10
8.4	JFCU Consent	11
8.5	Tipping off	12
8.5.1	CDD Measures	15
8.5.2	Terminating a Business Relationship	16
8.6	Disclosure to Group Companies and Networks	16
8.7	Investigation and the Use of Court Orders	17
8.8	Legal professional privileged (LPP)	18
8.8.1	Duty of Confidentiality	19
8.8.2	Application of LLP	19
8.8.3	Advice Privilege	19
8.8.3.1	Principle and Scope	19
8.8.3.2	Advice within a Transaction	20
8.8.4	Litigation Privilege	20
8.8.5	Important Points to Consider	21
8.8.6	Crime/Fraud Exception	21
8.8.7	Determining When to Submit a Suspicious Activity Report	21
8.8.8	CDD Measures and LPP	22

Index to the Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism For Regulated Financial Services Business

Section No.			Section Title	Page No.
9			Screening, Awareness and Training of Employees	1
9.1			Overview of the Section	1
9.2			Screening of Employees	1
9.3			Obligations to Promote Awareness and to Train	2
9.4			Awareness of Relevant Employees	3
	9.4.1		Monitoring and Testing Effectiveness	4
	9.4.2		Technological Developments	4
9.5			Training of Employees	5
	9.5.1		All Relevant Employees	5
	9.5.2		Senior Management	6
	9.5.3		The MLCO	6
	9.5.4		The MLRO and Deputy MLROs	6
	9.5.5		Non-Relevant Employees	6
	9.5.6		Timing and Frequency of Training	7
	9.5.7		Monitoring the Effectiveness of Screening, Awareness and Training	7
10			Record Keeping	1
10.1			Overview of Section	1
10.2			Recording Evidence of Identity and other CDD measures	1
10.3			Recording Transactions	2
10.4			Other Record-keeping Requirements	3
	10.4.1		Corporate Governance	3
	10.4.2		Identification Measures	4
	10.4.3		On-going Monitoring	4
	10.4.4		SARs	4
	10.4.5		Screening, awareness and training of employees	5
10.5			Access to and Retrieval of Records	5
	10.5.1		External Record Keeping	6
	10.5.2		Reorganisation or Termination	6
10.6			Disclosure of Records	6