

Section No.	Section Title	Page No.
<b>1</b>	<b><a href="#">Introduction</a></b>	<b>1</b>
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	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 Schedule 2 business carried on outside Jersey (overseas)	7
1.4.3	Application of AML/CFT Codes of Practice to Schedule 2 business carried on outside Jersey (overseas)	7
1.5	Definition and overview of accountants undertaking Schedule 2 business	8
1.5.1	Accountancy services	9
1.5.2	Tax advisers	9
1.5.3	Audit services	9
1.5.4	Insolvency practitioners	10
1.5.5	Accountants undertaking regulated business	10
1.6	Risk based approach	11
1.7	Equivalence of requirements in other countries and territories	12
1.7.1	Equivalent business	12
1.7.2	Equivalent countries and territories	12
1.7.3	Determining equivalence	12
<b>2</b>	<b><a href="#">Corporate Governance</a></b>	<b>1</b>
2.1	Overview of section	1
2.2	Measures to prevent money laundering and the financing of terrorism	1
2.3	Senior management responsibilities	2
2.3.1	Business Risk Assessment	3
2.3.1.1	Considering client and service risks to the business	4
2.4	Adequate and effective systems and controls	6
2.4.1	Effectiveness of systems and controls	8
2.4.2	Testing of compliance with systems and controls	9
2.4.3	Consideration of cultural barriers	10
2.4.4	Outsourcing	11
2.5	The money laundering compliance officer (MLCO)	11
2.6	The money laundering reporting officer (MLRO)	13
2.7	Financial Groups	15
<b>3</b>	<b><a href="#">Identification Measures - Overview</a></b>	<b>1</b>
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 structures – Stage 1.1	6
3.3.2	Information for assessing risk – Stage 1.4	7

Section No.			Section Title	Page No.
		3.3.2.1	Engagement letters	8
		3.3.2.2	Specific issues that might be covered when drawing up a profile	8
		3.3.2.3	Insolvency cases	9
		3.3.2.4	Auditing standards on acceptance of client relationships	9
	3.3.3		Source of funds – Stage 1.4	10
	3.3.4		Assessment of risk – Stage 2.1	10
		3.3.4.1	Factors to consider	11
		3.3.4.2	External data sources	14
	3.3.5		Client business profile – Stage 2.2	15
3.4			On-going monitoring: ensuring that documents, data and information are up to date and remain relevant	15
3.5			Identification measures – taking on a book of business	16
<b>4</b>			<b><u>Identification Measures – finding out identity and obtaining evidence</u></b>	<b>1</b>
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	2
	4.3.1		Finding out identity	3
	4.3.2		Obtaining evidence of identity	3
	4.3.3		Insolvency cases	5
	4.3.4		Suitable certification	6
	4.3.5		Obtaining evidence of identity – Independent data source	7
	4.3.6		Guarding against the exclusion of Jersey residents	8
	4.3.7		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 services 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
4.6			Obligation to find out identity and obtain evidence: authorised agent of client	25
4.7			Timing of identification measures	26

Section No.		Section Title	Page No.
	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
	4.8.1	Ascertaining legal position	31
<b>5</b>		<b><u>Identification Measures – reliance on obliged persons</u></b>	<b>1</b>
5.1		Overview of section	1
	5.1.1	Assessment of risk	5
<b>6</b>		<b><u>On-going Monitoring: scrutiny of transactions &amp; activity</u></b>	<b>1</b>
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	6
6.4		Money laundering warning signs for the accountancy sector	8
	6.4.1	Secretive clients	8
	6.4.2	Unusual instructions	8
		6.4.2.1 Instructions outside the firm’s area of expertise	8
		6.4.2.2 Changing instructions	9
	6.4.3	Use of client accounts	9
		6.4.3.1 Source of funds	9
	6.4.4	Accountancy and audit services	9
		6.4.4.1 Intent	9
		6.4.4.2 Holding of funds	10
		6.4.4.3 General warning signs	10
		6.4.4.4 Factors arising from action by the entity or its directors	10
		6.4.4.5 Where the client may be unknowingly a party to money laundering	10
	6.4.5	Administration of estates	11
	6.4.6	Charities	11
	6.4.7	Taxation services	12
		6.4.7.1 Innocent or negligent error	12
		6.4.7.2 Unwillingness or refusal to disclose to the tax authorities	12
		6.4.7.3 Adjusting subsequent returns	12
		6.4.7.4 Intention to underpay	12
		6.4.7.5 Offences applicable to Value Added Tax	13
	6.4.8	Business recovery or receiverships	13
		6.4.8.1 Observation of unlawful conduct resulting in advice	13
<b>7</b>		<b><u>Enhanced and simplified CDD measures</u></b>	<b>1</b>
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

Section No.		Section Title	Page No.
	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)	7
	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	12
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	14
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 acting in certain regulated, investment or fund services business	16
	7.14.1	Assessment of risk	18
7.15		Further exemptions from applying identification requirements	21
	7.15.1	Pension, superannuation, employee benefit, share option or similar schemes	19
	7.15.2	Jersey public authority	21
	7.15.3	Body corporate with listed securities	22
	7.15.4	Regulated person and those carrying on equivalent business	22
	7.15.5	Person authorised to act on behalf of a client	22
7.16		Simplified identification measures – obtaining evidence of identity for very low risk products/services	23
<b>8</b>		<b><a href="#">Reporting money laundering and the financing of terrorism</a></b>	<b>1</b>
8.1		Overview of Section	1
8.2		Reporting knowledge or suspicion	2
	8.2.1	Requirement to disclose of knowledge or suspicion within a firm	2
	8.2.2	Protective report	5
	8.2.3	What constitutes knowledge or suspicion	7
	8.2.3.1	Knowledge	7
	8.2.3.2	Suspicion	7
	8.2.3.3	Reasonable grounds to suspect: the objective test of knowledge or suspicion	8
	8.2.4	Auditor' further enquiries	9
8.3		Procedures for reporting	9
	8.3.1	Internal SARs	10
	8.3.2	External SARs	11
8.4		JFCU consent	12
8.5		Tipping off	13
	8.5.1	CDD measures	16
	8.5.2	Terminating a relationship	17
8.6		Disclosure to group companies and networks	17

Section No.		Section Title	Page No.
8.7		The auditor's responsibility for monitoring compliance	18
8.8		Reporting to regulators	19
8.9		Balancing professional work and post-reporting requirements	19
	8.9.1	The auditor's report on financial statements	20
8.10		Investigation and the use of court orders	21
	8.10.1	Feedback from the JFCU	22
<b>9</b>		<b><a href="#">Screening, awareness and training of employees</a></b>	<b>1</b>
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	4
	9.4.1	Monitoring and testing effectiveness	4
	9.4.2	Technological developments	5
9.5		Training of Employees	5
	9.5.1	All relevant employees	6
	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	7
	9.5.6	Timing and frequency of training	7
	9.5.7	Monitoring the effectiveness of screening, awareness and training	7
<b>10</b>		<b><a href="#">Record Keeping</a></b>	<b>1</b>
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	5
	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