

Prudential Reporting – JIBs

Requirements and guidance in connection with prudential reporting by JIBs in connection with the Code of Practice for Deposit-taking Business (**Banking Code**), as applicable to persons incorporated in Jersey that are registered under the Banking Business (Jersey) Law 1991 (**JIBs**)

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Glossary

Banking Code	<p>Code of Practice for Deposit-taking Business, published by the JFSC and available at:</p> <ul style="list-style-type: none">› https://www.jerseyfsc.org/industry/codes-of-practice/deposit-taking-business-code-of-practice/
Completion Guide	<p>Guide to data entry for a data entry sheet forming part of the prudential return, available at:</p> <ul style="list-style-type: none">› https://www.jerseyfsc.org/industry/sectors/banking/prudential-reporting/jersey-incorporated-banks/
JIB	<p>Person incorporated in Jersey that is registered under the Banking Business (Jersey) Law 1991</p>
JFSC	<p>Jersey Financial Services Commission</p>
Prudential return	<p>A set of documents, consisting of:</p> <ul style="list-style-type: none">› Submission Template› Submission Certificate› Any further data requirements imposed on a case-by-case basis; and› Any commentary documents.
Validation Guide	<p>Guide to the JFSC's validation of data entry for a data entry sheet forming part of the prudential return, available at:</p> <ul style="list-style-type: none">› https://www.jerseyfsc.org/industry/sectors/banking/prudential-reporting/jersey-incorporated-banks/

Contents

1	Overview	4
1.1	Introduction	4
1.2	Quarterly Banking Code requirement.....	4
1.3	Management Responsibilities.....	4
1.4	Year-End Return.....	5
2	Submission Process	6
2.1	Fundamental requirements	6
2.2	Submission Process.....	6
2.3	General Rules to follow in completing the Prudential Return	7
2.4	Completion Guides	8
2.5	Submission Certificate	8
2.6	Commentary documentation	8
2.7	Enquiries	8
3	Data Requirements	9
3.1	Introduction	9
3.2	Submission Template.....	9
3.3	Other data (case-by-case requirements	9
4	Validation	10
4.1	Introduction	10
4.2	Integrity checks.....	10
4.3	Submission Header checks	10
4.4	Data entry sheet checks.....	10
4.5	Correcting issues.....	11

1 Overview

1.1 Introduction

- 1.1.1 The *Banking Code* requires JIBs to submit prudential returns to the JFSC, consistently with this document and the relevant **Completion Guides** (as set out herein), for each prudential period end date.
- 1.1.2 This document describes
 - 1.1.2.1 The submission process (Section 2)
 - 1.1.2.2 Data requirements (Section 3)
 - 1.1.2.3 Validation (Section 4)

1.2 Quarterly Banking Code requirement

- 1.2.1 The **prudential return** comprises the following documents:
 - 1.2.1.1 Submission template;
 - 1.2.1.2 Submission Certificate;
 - 1.2.1.3 Any further data requirements imposed on a case-by-case basis; and
 - 1.2.1.4 Any commentary documents.
- 1.2.2 The prudential return must be submitted to the JFSC in accordance with Section 6.4.3 of the Banking Code.
- 1.2.3 It is to be completed on a quarterly basis as at 31 March, 30 June, 30 September and 31 December by each JIB.
- 1.2.4 The prudential return should be submitted using the submission process described in Section 2.
- 1.2.5 The prudential return should be submitted to the JFSC on or before the 20th business day after the reporting date.
- 1.2.6 For the avoidance of doubt, only the electronic submission process described in Section 2 is to be followed – no hard copies are required.
- 1.2.7 If the JIB foresees or experiences a delay that will result in a late submission, it must notify the JFSC immediately by email to its Supervisor at the JFSC.

1.3 Management Responsibilities

- 1.3.1 The accurate and timely submission of reports is an indication of effective management control of the JIB. Conversely, failure to report accurately within the time allowed, or to handle unforeseen events that delay reporting, may be viewed as an indication of poor management control.

1.4 Year-End Return

- 1.4.1 The year-end of a JIB may not coincide with the quarter end dates. In this case, subject to the prior agreement of the JFSC, an additional prudential return will be required as at the JIB's year-end, which should be submitted within 20 business days of that date.
- 1.4.2 The prudential return that coincides with the JIB's year-end must be certified by its external auditor. A certified copy is due within three months of the year-end.
- 1.4.3 For a JIB, the completion and submission of the prudential return to the JFSC does not affect the requirement to submit "true and fair" audited accounts to the JFSC within three months of the year-end.
- 1.4.4 The annual certified hard copy of the prudential return must be accompanied by:
 - 1.4.4.1 a schedule prepared by the auditor of any differences between the prudential return submitted and the records of the JIB; and
 - 1.4.4.2 a reconciliation between the balance sheet statement in the certified copy of the prudential return and the published accounts, as required by paragraph 6.4.4 of the Banking Code.

2 Submission Process

2.1 Fundamental requirements

- 2.1.1 The JIB must have access to the JFSC Portal, which is at:
 - 2.1.1.1 <https://myprofile.jerseyfsc.org/>
- 2.1.2 The JIB must nominate employees to act as the nominated submitter of its quarterly prudential returns. The JFSC will need these details in order to enable successful technical uploading of these returns via the JFSC portal. JIBs must have at least two nominated individuals recorded on the JFSC's system at all times, to allow for absences. JIBs should ensure that nominated individuals names and contact details remain current on the JFSC's system.
- 2.1.3 The forms to be used in connection with nominating submitters and ceasing nominations are available at:
 - 2.1.3.1 <https://www.jerseyfsc.org/industry/sectors/banking/banking-forms/>
- 2.1.4 Completed forms should be scanned and sent as a .pdf attachment to an e-mail to: RegulatoryMaintenance@jerseyfsc.org.

2.2 Submission Process

- 2.2.1 The nominated submitters will be notified by the JFSC by email that a prudential return is required. However, it remains the primary responsibility of the JIB to ensure that the deadlines for submission (outlined at **1.2.3** and **1.4.1**, if applicable) are met. Nominated submitters can also log into the JFSC Portal and see that submission is required.
- 2.2.2 The JIB can download the Submission template (an Excel document) via either:
 - › the JFSC Portal; or
 - › the prudential reporting part of the JFSC's website, at:
<https://www.jerseyfsc.org/industry/sectors/banking/prudential-reporting/jersey-incorporated-banks/>
- 2.2.3 JIBs can choose to work from a previously downloaded template unless the JFSC has notified the JIB that a new version has been released and is available.
- 2.2.4 The JIB must complete the template, the Submission Certificate (see 2.5), any additional data required (see Section 3, case-by-case basis only), along with any commentary documentation (see 2.6).
- 2.2.5 A nominated submitter must then upload all documents via the JFSC Portal.
- 2.2.6 At this point, the template goes through validation checks and messages are sent to the JIB (via the nominated submitters) either stating that these checks were passed and the workbook has been accepted or noting those failed, in which case the submission is not accepted.

- 2.2.7 Submitters can view a list of files that they have uploaded via the JFSC portal (names only, no contents) and can delete any file uploaded in error. They can also request that a submission is re-opened if they want to start again.
- 2.2.8 When the JIB is sure all relevant documentation has been uploaded and accepted as valid, a nominated submitter must use the JFSC Portal to confirm its submission.
- 2.2.9 After this date, a submitter can still re-open the submission to provide a fresh submission if, for example, an error is uncovered.
- 2.2.10 The Portal will become unavailable once the deadline for submissions (normally 20 working days) is past. If a JIB becomes aware that it is likely to fail to meet the deadline, it must notify the JFSC immediately by email to their Supervisor at the JFSC and agree an extended deadline for submission.
- 2.2.11 The JFSC may also re-open a submission where necessary, for example, where errors are identified or data has been omitted.
- 2.2.12 If re-opened, the JIB will be able to re-submit documents as per the above (including the confirmation process), except that a new deadline will be specified.
- 2.2.13 All re-submissions must be accompanied by a refreshed Submission Certificate.

2.3 General Rules to follow in completing the Prudential Return

- 2.3.1 Cells where data should be entered are clearly indicated to the user within the spreadsheet, as white areas within the tables. Shaded areas within tables are calculated fields or fields where no entry is required/permitted.
- 2.3.2 The prudential return must be completed in Sterling. JIBs who account in a currency other than Sterling should convert all values to Sterling and state on the form the accounting currency and the exchange rate used. The rate used should be the mid-market rate obtained at close of business on the reporting date.
- 2.3.3 All monetary amounts should be entered in thousands: i.e. an entry of 1 on the sheet equates to £1,000.
- 2.3.4 For the avoidance of doubt, this does not apply to non-monetary amounts, which should not be divided by 1,000. For example, if reporting headcount of 1,234, enter 1,234.
- 2.3.5 Figures entered on the prudential return should be entered as rounded off to the nearest thousand (no decimal places), unless the completion guidance for a section specifies otherwise. For example, an amount of £499.99 should be entered as "0" and an amount of £3,500 should be entered as "4".
- 2.3.6 Debit balances should not be set-off against credit balances unless a legally enforceable specific netting agreement is in place between the JIB and its counterparty or customer.

2.4 Completion Guides

- 2.4.1 Completion guidance notes are available for each section. This schedule and the relevant completion guidance notes must be read and complied with by the JIB.

2.5 Submission Certificate

- 2.5.1 JIBs must complete and submit a Submission Certificate. The certificate must be signed by the two directors, unless only one director is available in which case it must be signed by that director and the most senior local executive.
- 2.5.2 The certificate must also be signed by the person preparing the prudential return.
- 2.5.3 The document submitted should be a scanned in copy of the signed certificate. The original should be retained by the JIB and be available for inspection.

2.6 Commentary documentation

- 2.6.1 Commentary documentation should be provided where the JIB wishes to explain any entry or material movement when compared to the previous return and sufficient explanation cannot be provided within the template (Section 9 of the template).

2.7 Enquiries

- 2.7.1 All enquiries regarding the completion of the prudential return, or the interpretation of these definitions, should be made in the first instance to the relevant Supervisor at the JFSC.

3 Data Requirements

3.1 Introduction

- 3.1.1 All JIBs must complete all relevant sections of the submission template, in accordance with the completion guides.
- 3.1.2 Other requirements may apply where JIBs use advanced approaches or have a trading book.

3.2 Submission Template

- 3.2.1 The Submission Template is a single Excel workbook comprising:
 - › a contents page;
 - › the Submission Header; and
 - › 52 data entry sheets, split into 10 sections.
- 3.2.2 For each section, Completion Guides are available on the prudential reporting part of the JFSC's website, at:
<https://www.jerseyfsc.org/industry/sectors/banking/prudential-reporting/jersey-incorporated-banks/>

3.3 Other data (case-by-case requirements)

- 3.3.1 Other data may be required from JIBs in specific circumstances. These are likely to be where a JIB has a Trading Book or approval for use of an Advanced Approach.
- 3.3.2 These will be agreed on a case-by-case basis.
- 3.3.3 Any relevant submissions agreed must be uploaded along with the submission template and other documentation.

4 Validation

4.1 Introduction

- 4.1.1 On upload, the submission template is validated and an automated email sent to the submitter (usually within 5 minutes) either indicating that validation has passed or failed. In an unlikely event that no email has been received, the submitter should contact their Supervisor.
- 4.1.2 If validation is failed, the submitter will not be able to confirm submission.
- 4.1.3 In order to facilitate correction of issues, the submitter will be provided with a document listing errors identified.

4.2 Integrity checks

- 4.2.1 The validation process checks that:
 - › one Excel file has been uploaded and that it is in the format .xlsx, which will be assumed to be the submission template;
 - › the submission template contains the correct sheets;
 - › no data is entered outside of the data input area; and
 - › no column or row headers have been amended on any data entry sheets.

4.3 Submission Header checks

- 4.3.1 The month and year will be checked versus the period for which the return is expected.
- 4.3.2 The operational risk method and liquidity method will be checked versus the data recorded in our systems.

4.4 Data entry sheet checks

- 4.4.1 For each sheet, Validation Guides are available on the prudential reporting part of the JFSC's website, at:
<https://www.jerseyfsc.org/industry/sectors/banking/prudential-reporting/jersey-incorporated-banks/>
- 4.4.2 Checking reflects the data entry validation, formulae and consistency checks built into the submission template. Each check has a number and the error message will specify the sheet, the number and the cell, as well as the nature of the error.
- 4.4.3 Typically, data entry validation specifies a data type and range, in line with the data validation rules in the submission template.
- 4.4.4 Formulae must give the same result as those specified in the Validation Guide, in line with the formulae in the submission template.

- 4.4.5 Consistency checks will be identified by the validation process in a small number of cases where breakdowns entered in different sheets must sum to the same total. In the submission template, conditional formatting has been applied so that such cells are highlighted in red if the test is failed.

4.5 Correcting issues

- 4.5.1 Generally, data entry issues will be readily fixed by correcting the type of data – for example, by converting figures to integers.
- 4.5.2 Formulae may be corrected by unlocking the relevant sheet and copying and pasting the relevant formulae from the error message or from the validation guide in question.
- 4.5.3 Consistency checks may either be substantive or the result of rounding. The former must be addressed by identifying and correcting errors in the breakdowns. Rounding issues may arise where multiple figures are summed and should be addressed by adding or subtracting one to figures reported where necessary.