

Registry Fees Consultation Paper

No. 11 2021

Proposed Fees Under:

- › Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020
- › A consultation on proposals to introduce new Registry late fees.

Note that terms in italics are defined in the Glossary of Terms.

We invite comments on this Consultation Paper. Those who wish to do so, are invited to respond directly in writing by 6 January 2022. If you require any assistance, clarification or wish to discuss any aspect of the proposal prior to formulating a response, it is of course appropriate to contact us.

Direct responses may be sent by email or in writing to:

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It is our policy to make the content of all responses available for public inspection unless specifically requested otherwise.

Glossary of Terms

AML/CFT	Anti-Money Laundering/Combatting the Financing of Terrorism
Commission Law	Financial Services Commission (Jersey) Law 1998
Fees	Unless otherwise specified, the term 'fees' refers to the amount to be paid at the time of submission.
JFSC	Jersey Financial Services Commission
Jersey Finance	Jersey Finance Limited
Minister	The Minister for External Relations
Registrar	The Registrar referred to in Article 196 of the Companies (Jersey) Law 1991
Registry the Law	The Jersey Companies Registry and other registers operated by the JFSC Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020
SBPP	JFSC's Sound Business Practice Policy
TCB	Trust Company Businesses.

Contents

1	Executive summary	5
1.1	Overview	5
1.2	What is proposed and why?	5
1.3	Who will be affected?	6
2	Consultation	7
2.1	Basis for consultation	7
2.2	Responding to the consultation	7
2.3	Next steps.....	7
3	The JFSC.....	8
3.1	Overview	8
3.2	The JFSC's functions	8
3.3	Guiding principles.....	8
4	The Registry	9
4.1	Overview	9
5	Registry fees	10
5.1	Fee notices	10
5.2	Fee changes.....	10
6	The Proposed Registry Fees.....	12
6.1	The proposed Registry fees notices payable under the Registry Laws are set out at Appendix B.	12
7	Question	12
7.1	Do you agree with the proposed late fee levels? If not, please suggest alternative fee levels and explain why the alternative fee level has been suggested?	12
	Appendix A - List of representative bodies who have been sent this consultation paper.....	13
	Appendix B – Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020.....	14

1 Executive summary

1.1 Overview

- 1.1.1 This Consultation Paper sets out the fees we propose to charge from 31 January 2022 for the late submission to Registry of information or documents required under the Law.

1.2 What is proposed and why?

- 1.2.1 This Consultation Paper seeks views on the introduction of new late fees. The consultation is in addition to the usual three year cycle of fee reviews focused on adjusting fees for cost inflation and is a consequence of the Law coming into force, of new requirements and the island's commitment to meeting international standards.
- 1.2.2 The new fees are for the late submission of information or documents provided to us in accordance with the requirements of the Law.
- 1.2.3 There is a fundamental change in what is required of registries in jurisdictions with strong global reputations. The accuracy of the registers is crucial and we are required to ensure the accuracy and integrity of the data, both for vetting and supervision. Late fees are set with the aim of encouraging compliance with the provisions of the Law that require information and documents to be provided and kept up to date.
- 1.2.4 Global standards emphasise the importance of disclosure and information provisions in legislation being effective and of a jurisdiction's ability to enforce the requirements and impose appropriate and proportionate sanctions.
- 1.2.5 Registries are increasingly important as a wide array of businesses and individuals rely on data held on those registers, for example to make decisions about counterparties that they may wish to transact with. Government agencies also rely on the data to inform policy decision-making and to allow regulators, such as us, to undertake regulatory activities. The on-going accuracy of the data is vital both for vetting and supervision. Our verification processes breed confidence in the registers among the business, community and international fora. Recent Government policy identifying future interconnectivity with European financial intelligence agencies and foreign competent authorities is a case in point.
- 1.2.6 Currently, if an entity fails to comply, the registrar is able to send a notice under Article 16(3) of the Law that the entity will be struck off the register or its registration cancelled if it does not comply within 3 months. If the entity provides the information before the end of three months, it will not be struck off. The Law also makes it a criminal offence to fail to provide the required information or documents within the required time period without reasonable excuse. These are significant steps and we consider it preferable to have the ability to impose a less severe measure in the first instance.
- 1.2.7 Article 17(1)(c) of the Law allows us to require the payment of late fees if information or documents are not provided in accordance with the Law, such fees to be payable when the document or information is provided.
- 1.2.8 It is proposed to introduce incremental late fees in relation to each of the relevant requirements of the Law as set out in 1.3.3 below.

- 1.2.9 Given the global environment and the focus on registries as key infrastructure for international financial centres, and for accurate information to be available to competent authorities, we believe these current proposed changes are necessary and sufficient based upon known facts and circumstances.

1.3 Who will be affected?

- 1.3.1 The proposed fee changes set out in this Consultation Paper may affect regulated businesses and some members of the general public.
- 1.3.2 Regulated businesses and the general public, which will include local residents, are asked to consider the initiatives as a whole. We believe that what is proposed is fair and proportionate.
- 1.3.3 In considering this Consultation Paper, readers are specifically advised of the following proposals:
- 1.3.3.1 Late fee for notification of any change, error or inaccuracy in relation to the entity's beneficial owner or significant person information after 21 days of the entity becoming aware of it as required under Art.4(3)
 - 1.3.3.2 Late fee for notification of the appointment of a new nominated person after 21 days after the revocation or resignation of a nominated person as required under Art.6(6).
 - 1.3.3.3 Late fee for providing any information or documents pursuant to a notice in writing from a local competent authority after the period specified in the notice as required under Art.9(1).
 - 1.3.3.4 Late fee for attending in person to answer questions pursuant to a notice in writing from a local competent authority after the period specified in the notice as required under Art.9(2).
 - 1.3.3.5 Late fee for delivering to the Registrar the Act of Court declaring the dissolution of the entity void after 28 days of the order being made, or after such longer period as the Royal Court may allow, as required under Art.19(6).
- 1.3.4 It is proposed that, as with the regime for annual confirmation statements, the late fees will increase monthly on a sliding scale depending on how late the information or documents are provided as set out in the draft fee notice in Appendix B.

2 Consultation

2.1 Basis for consultation

- 2.1.1 We are issuing this Consultation Paper in accordance with Article 8(3) of the Commission Law, under which we “may, in connection with the carrying out of its functions, consult and seek the advice of such persons or bodies whether inside or outside Jersey as it considers appropriate”.
- 2.1.2 In addition, Article 15(3) of the Commission Law, requires that before we may introduce and publish any fee, we “must first publish a report that must include:
 - (a) details of the duty or power for or in respect of which the fee is to be determined
 - (b) details of the proposed fee
 - (ba) details of the extent (if any) to which any penalties received have reduced the level of fee that would otherwise have been proposed
 - (c) a request for comments on the level of the proposed fee
 - (d) a date, that is at least 28 days after the publication of the report, before which those comments may be made to the Commission.”
- 2.1.3 We consider that this Consultation Paper constitutes such a report as required by the Commission Law.

2.2 Responding to the consultation

- 2.2.1 We invite comments in writing from interested parties on the content of this Consultation Paper and its likely impact on persons accessing information held at, or providing information to, the Registry. Where comments are made by an industry body or association, that body or association should also provide a summary of the type of individuals and/or institutions that it represents.
- 2.2.2 Comments should be received by either Jersey Finance Limited or to us no later than 6 January 2022.

2.3 Next steps

- 2.3.1 Following this consultation, we will publish feedback and the final Fees Notice. If agreed, the fees will be effective from 31 January 2022 or as and when such fees arise thereafter.

3 The JFSC

3.1 Overview

- 3.1.1 We are a statutory body corporate established under the Commission Law. It is responsible for the supervision and development of financial services provided in or from within Jersey.
- 3.1.2 In addition, we have appointed Julian Lamb as the Registrar pursuant to Article 196 of the Companies (Jersey) Law 1991.

3.2 The JFSC's functions

- 3.2.1 The Commission Law prescribes that we shall be responsible for:
 - 3.2.1.1 The supervision and development of financial services provided in or from within Jersey
 - 3.2.1.2 Providing the States, any Minister or any other public body with reports, advice, assistance and information in relation to any matter connected with financial services
 - 3.2.1.3 Preparing and submitting to the Minister recommendations for the introduction, amendment or replacement of legislation appertaining to financial services, companies and other forms of business structure
 - 3.2.1.4 Such functions in relation to financial services or such incidental or ancillary matters:
 - 3.2.1.4.1 As are required or authorised by or under any enactment, or
 - 3.2.1.4.2 As the States may, by Regulations, transfer
 - 3.2.1.5 Such other functions as are conferred on by us or by any other Law or enactment.

3.3 Guiding principles

- 3.3.1 Our guiding principles require it to have particular regard to:
 - 3.3.1.1 The reduction of risk to the public of financial loss due to dishonesty, incompetence or malpractice by, or the financial unsoundness of, persons carrying on the business of financial services in or from within Jersey.
 - 3.3.1.2 The protection and enhancement of the reputation and integrity of Jersey in commercial and financial matters.
 - 3.3.1.3 The best economic interests of Jersey.
 - 3.3.1.4 The need to counter financial crime in both Jersey and elsewhere.

4 The Registry

4.1 Overview

- 4.1.1 We operate the Registry, which registers Jersey companies, all forms of registrable partnerships, foundations and business names. The Registry aims to maintain a service that is able to supply its users with a customer-centric approach enabling users to have access to accurate and reliable information. In addition, the Registry operates the Security Interests Register (SIR) and the trademarks register.
- 4.1.2 The Registry not only acts as Jersey's second line of defence with regard to AML/CFT requirements (the first line of defence is that of the TCBs) but also a first line of defence where local residents incorporate without the use of a TCB. As part of this defence mechanism, the Registry administers, vets and evaluates:
 - 4.1.2.1 The activities of each incorporation against our SBPP.
 - 4.1.2.2 The ownership and control of the new entity so as to update the central register of beneficial ownership and control.
 - 4.1.2.3 Where relevant, the issuance of consent for the circulation of a Jersey company prospectus.
- 4.1.3 The Registry is medium sized compared to the global registry community. Irrespective of its size the Registry also deals with global continuance, cross-border mergers and international transparency requirements. To ensure registry best practice and interoperability, the Registry is also an active member of a small number of international registry fora.
- 4.1.4 The Registry is seen as a centre of excellence for the Island's registries. Accordingly, and where possible, we have agreed to provide shared services to Government at Government's request to efficiently utilise services provided by the Registry.

5 Registry fees

5.1 Fee notices

- 5.1.1 An outline of the proposals for new late fees is given below. All new fees are detailed in the draft notice at Appendix B attached to this consultation and are in the right hand column.

5.2 Fee changes

Late fees

- 5.2.1 Where an entity is required to provide information or documents to us under the Law, a late fee will be applied where the information or documents are received after the end of the period in which they must be provided.
- 5.2.2 Late fees are already in place for late submission of the annual confirmation statement, following a Registry fee consultation in November 2020. The late fee increases every month from the deadline of the end of February up until the end of September in each year. In each year a notice will be sent by the registrar in June stating that if the annual confirmation statement has still not been submitted by the end of September, the entity will be struck off the register or its registration will be cancelled and the entity dissolved on 1 October.
- 5.2.3 It is proposed that the late fees for providing information or documents set out in 1.3.3. will also increase on a sliding scale at the same levels as the annual confirmation statement late fees. Where information or documents are required within 21 days or within a period specified in a notice, there will be no fee where the entity complies within this period. After that period it is proposed that there will be a late fee which will increase after 60 days and then again every 30 days up to a period of 210 days (see fee notice at Appendix B).
- 5.2.4 Where non-compliance is identified, the Registrar will send a notice to the entity after 120 days, stating that if it does not comply with the relevant article, then at the end of the period of three months from the date of the notice, the name of the entity will be struck off the register or the registration of the entity will be cancelled and the entity will be dissolved.
- 5.2.5 The relevant offences under the Law are set out in the table below:

Article	Offence	Maximum penalty
4(4)	Failure to notify us of a change, error or inaccuracy in relation to the entity's beneficial owner or significant person information within 21 days	Fine and 4 years' imprisonment
5(2)	Failure to provide an annual confirmation statement within the relevant period	Fine not exceeding level 3
6(7)	Failure to notify us of the appointment of a new nominated person	Fine not exceeding level 3
9(3)	Failure to provide further information or documents or failure to attend in person to answer questions	Fine and 4 years' imprisonment

	pursuant to a notice in writing within the period specified in the notice	
19(7)	Failure to provide to the registrar the Act of Court declaring the dissolution of an entity void	Fine not exceeding level 3

- 5.2.6 We will always aim to act fairly and proportionately and it is not our intention to seek to strike off where there is a genuine excuse.
- 5.2.7 We believe it is fair and proportionate to have a system of sliding scale fees to encourage compliance with the Law and to be effective in addressing non-compliance. The purpose of the late fees is to help to ensure the accuracy of the registers and not to raise money. There is still no fee for providing the information or documents within the required time period.

6 The Proposed Registry Fees

6.1 The proposed Registry fees notices payable under the Registry Laws are set out at Appendix B.

6.1.1 Within the proposed Registry fees notices new fees are in the right hand column.

7 Question

7.1 Do you agree with the proposed late fee levels? If not, please suggest alternative fee levels and explain why the alternative fee level has been suggested?

Appendix A - List of representative bodies who have been sent this consultation paper

- › Jersey Finance
- › Jersey Business
- › Chamber of Commerce
- › Charities Commission
- › Jersey Association of Trust Companies
- › Jersey Funds Association
- › Jersey Institute of Directors

Appendix B – Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020

Notice of Fees

Published in accordance with:	Article 15 of the Financial Services Commission (Jersey) Law 1998, as amended
Payable by or in relation to:	Late filing fees for entities
Pursuant to:	Articles 7 and 17 of the Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020

Commencement date

The fees set out in this notice are effective from 31 January 2022.

Interpretation

In this notice:

Commission Law	Means the Financial Services Commission (Jersey) Law 1998
Disclosure Law	Means the Financial Services (Disclosure & Provision of Information) (Jersey) Law
JFSC	Jersey Financial Services Commission
Registrar	Means the Registrar referred to in Article 196 of the Law
Registry	Means the Jersey Companies Registry

Fees

The following fees are payable to us:

Post Registration

Item	Article(s) of the Law	Function of the Registrar	Current Fee	New Fee
1	4(3)	Plus any additional late filing fee (if applicable) in accordance with Article 15(6) of the Commission Law and Article 17 of the Disclosure Law		
		Receipt of notification of a change, error or inaccuracy in relation to an entity's significant person or beneficial owner information within 21 days:	£0	£0

		(a) Where the notification is provided more than 21 calendar days but not more than 60 calendar days after the entity becomes aware of it; or	£0	£61
		(b) Where the notification is provided more than 60 calendar days but not more than 90 calendar days after the entity becomes aware of it; or	£0	£121
		(c) Where the notification is provided more than 90 calendar days but not more than 120 calendar days after the entity becomes aware of it; or	£0	£182
		(d) Where the notification is provided more than 120 calendar days but not more than 150 days after the entity becomes aware of it; or	0	£242
		(e) Where the notification is provided more than 150 calendar days but not more than 180 days after the entity becomes aware of it; or	£0	£363
		(f) Where the notification is provided more than 180 days but not more than 210 days after the entity becomes aware of it.	£0	£484
2	6(6)	Notification of the appointment of a new nominated person after the appointment of a nominated person is revoked or a nominated person resigns and the entity has no other nominated person within 21 days:	£0	£0
		(a) More than 21 calendar days but not more than 60 calendar days after the revocation or resignation; or	£0	£61
		(b) More than 60 calendar days but not more than 90 calendar days after the revocation or resignation; or	£0	£121
		(c) More than 90 calendar days but not more than 120 calendar days after the revocation or resignation; or	£0	£182
		(d) More than 120 calendar days but not more than 150 calendar days after the revocation or resignation; or	£0	£242

		(e) More than 150 calendar days but not more than 180 calendar days after the revocation or resignation; or	£0	£363
		(f) More than 180 calendar days but not more than 210 days after the revocation or resignation.	£0	£484
3	9(1)	Receipt of information or documents required by notice in writing within the period specified in the notice:	£0	£0
		(a) More than 21 calendar days but not more than 60 calendar days after the specified period; or	£0	£61
		(b) More than 60 calendar days but not more than 90 calendar days after the specified period; or	£0	£121
		(c) More than 90 calendar days but not more than 120 calendar days after the specified period; or	£0	£182
		(d) More than 120 calendar days but not more than 150 calendar days after the specified period; or	£0	£242
		(e) More than 150 calendar days but not more than 180 calendar days after the specified period; or	£0	£363
		(f) More than 180 calendar days but not more than 210 calendar days after the specified period.	£0	£484
4	9(2)	Defined person attending in person to answer questions required by notice in writing within the period specified in the notice	£0	£0
		(a) More than 21 calendar days but not more than 60 calendar days after the specified period; or	£0	£61
		(b) More than 60 calendar days but not more than 90 calendar days after the specified period; or	£0	£121
		(c) More than 90 calendar days but not more than 120 calendar days after the specified period; or	£0	£182
		(d) More than 120 calendar days but not more than 150 calendar days after the specified period; or	£0	£242

		(e) More than 150 calendar days but not more than 180 calendar days after the specified period; or	£0	£363
		(f) More than 180 calendar days but not more than 210 calendar days after the specified period.	£0	£484
5	19(7)	Receipt of Act of Court declaring dissolution of entity void within 28 days (or such longer period as allowed by the Royal Court):	£0	£0
		(a) More than 28 calendar days but not more than 60 calendar days after the specified period; or	£0	£61
		(b) More than 60 calendar days but not more than 90 calendar days after the specified period; or	£0	£121
		(c) More than 90 calendar days but not more than 120 calendar days after the specified period; or	£0	£182
		(d) More than 120 calendar days but not more than 150 calendar days after the specified period; or	£0	£242
		(e) More than 150 calendar days but not more than 180 calendar days after the specified period; or	£0	£363
		(f) More than 180 calendar days but not more than 210 calendar days after the specified period.	£0	£484