



Non-Profit Organisations Updates from the JFSC

Friday 31 March

Welcome to the first NPO newsletter

Circulating quarterly to highlight upcoming events, key contacts, and helpful links.



Highlights



We have signed a Memorandum of Understanding with the Jersey Charity Commissioner

On 1 January 2023, amendments to Jersey's NPO legal framework came into force. Because of this, we have worked closely with the [Jersey Charity Commissioner](#) to meet and engage with the NPO sector.

The MOU governs our working relationship and establishes a framework that both parties can exchange information and work together, creating efficiencies for NPOs.

We are delighted to continue our relationship with the JCC as we engage with NPOs.

What makes a Prescribed NPO?

Although NPOs are required to register with the JFSC, it does not mean the NPO is automatically Prescribed. Prescribed NPOs have some additional obligations.

Further information on these obligations can be found [here](#).

The definition of a Prescribed NPO can be found under Article 1 of the [Non-Profit Organisations Order](#):

"...a prescribed NPO is an NPO that, during the preceding 12 months, has -

raised or disbursed funds exceeding £1,000 outside Jersey, Guernsey, the Isle of Man, England and Wales and Scotland

If you are a Prescribed NPO or are concerned you may be a Prescribed NPO, and are considering stopping your activity due to concerns, please do get in touch with us to discuss further. It is important to us that your good work is not impacted. We value the opportunity to discuss options with you prior to any action being taken.

Frequently Asked Questions

Q: If a Jersey NPO is a branch of an English charity, or only donates to an English charity which in turn sends funds to other jurisdictions, would this make the Jersey NPO Prescribed?

A: No - If your NPO only pays to a registered charity in England who then in turns disburses the donations to other jurisdictions, your NPO would not be classed as a Prescribed NPO.

Q: What is a Risk Appetite Statement and what should it include?

A: Prescribed NPOs are required to define and document their NPO's approach to diversion risk in a risk appetite statement (see section 17.3.1 [NPO Handbook](#)). Diversion is the principal way NPOs may be abused for terrorist financing. The Glossary of the Handbook [NPO Handbook Section 17.2](#) defines Diversion as “transactions by NPO Representatives or external parties such as associate NPOs that divert funds away from the NPO’s legitimately intended purposes to a terrorist, terrorist cell or terrorist organisation for them to benefit from, directly or indirectly”.

The purpose of the statement is to provide an overview of what risk the NPO is or is not willing to tolerate in undertaking its activities.

The statement doesn't need to be long, just appropriate and proportionate to the size and complexity of your NPO. A risk appetite statement should confirm, at a minimum, that the Prescribed NPO will not tolerate diversion, nor parties that enable diversion. Areas to consider include:

- are there jurisdictions, territories, or areas the NPO is comfortable to operate? Where it has previous experience and is engaged with known associate NPOs. There may be other places where the NPO is unwilling to operate.

- if the Prescribed NPO will avoid the use of certain payment methods (e.g., cash, pre-paid cards, hawala, mobile money, virtual assets etc.).
- if working alongside certain associate NPOs falls outside the NPO's risk appetite.
- what contractual arrangements and terms it will be prepared to put in place working with an associate NPO, for example seeking undertakings of non-tolerance for diversion.
- what types of donors it will accept funding from.
- who it will distribute benefits to and where.
- certain conflict levels which it will not tolerate, such as delivering aid in an active warzone.

Further details on the appropriate content of the statement can be found within the Handbook.

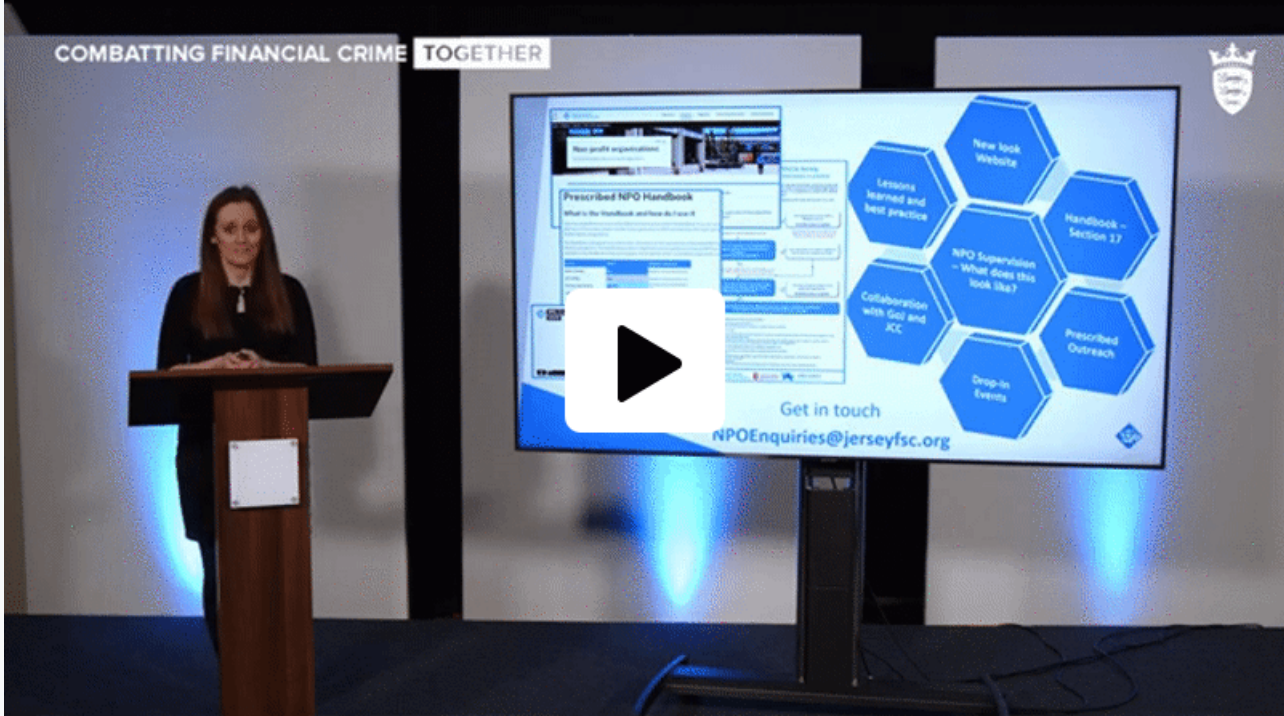
<https://www.jerseyfsc.org/media/6229/handbook-section-17.pdf>

Events



We had a busy first quarter including:

- **Non-Profit Organisation what are the obligations? Library drop in sessions**
- **Government of Jersey's Combatting Financial Crime Together event, where Sam Davison and Kate Rogers presented. You can watch the video below.**
- **A prescribed NPO event at the Grand Hotel**



“We all feel very protective over our NPOs and our charities. Whether we volunteer, we participate. We donate, or we benefit from them. Our aim is to ensure that NPOs are protected from attempts to divert the funds away from their intended, genuine purpose, whilst ensuring that any additional measures do not interrupt the good works that NPOs are doing.”

Coming up



[Keep an eye out for our upcoming events and webinars](#)

Get in touch



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Links

A series of links to the NPO Law, Order and additional guidance.

Visit our [NPO section](#) of the JFSC website for additional information and video guidance.

- [Non-Profit Organizations \(Jersey\) Law 2008 \(jerseylaw.je\)](#)
- [Non-Profit Organisations \(Prescribed NPOs – Additional Obligations\) \(Jersey\) Order 2022 \(jerseylaw.je\)](#)
- [is-your-organisation-an-npo-and-what-that-means-in-practice.pdf \(jerseyfsc.org\)](#)
- [handbook-section-17.pdf \(jerseyfsc.org\)](#) – Section 17
- <https://www.jerseyfsc.org/industry/sectors/non-profit-organisations/>



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Commission**

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