



# Non-Profit Organisations Updates from the JFSC

Tuesday 04 July

## Welcome to our Q2 NPO newsletter

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

## Highlights

### The 'six-month mark'



Following the effective date of the NPO legislation on 1<sup>st</sup> January 2023, we have now had six full months of Prescribed NPO supervision in Jersey.

During this time:

- C.100 new NPO applications received
- 400+ interactions with the NPO sector including amongst others:
  - 50+ meetings including 8 onsite assessment visits
  - A memorandum of understanding signed with the Jersey Charities Commissioner
  - 4 drop-in sessions
  - 2 live events and a recorded video
  - Our first ever NPO newsletter launched in March.

We are grateful to the NPO sector in Jersey for their engagement and commitment to protecting Jersey's non-profit sector. We continue to be

incredibly proud of the work being undertaken by our NPO sector in Jersey and take our role in the protection of this sector seriously so that it can continue its good works for years to come.

## Topics of the quarter

### **One size does not fit all - What is meant by proportionate and appropriate?**

Our NPO sector is very varied in terms of the size and complexity as well as the activity being undertaken, and it is important that the implementation of Jersey's legislation reflects this.

If you are a Prescribed NPO it is important to read the NPO Order (statutory requirements) and Handbook (Codes of Practice requirements) in tandem.

[Read the NPO Order](#)

[See NPO Codes of Practice requirements](#)

The Handbook is designed to provide further information on the requirements a Prescribed NPO must follow from a statutory and Code of Practice perspective. The Handbook also provides in-depth best practice guidance on how an NPO may implement the requirements. This guidance includes what the variation may look like between NPOs and how to determine what to implement for an NPO of your size, nature, and complexity.

Remember, Section 17 of the Handbook is the dedicated section for Jersey's non-profit organisations.

[See section 17 of AML/CFT/CPF Handbook](#)

Our website provides a short overview to help in using the Handbook.

[See NPO handbook guidance](#)

If you have any questions, please get in touch at NPO Enquiries  
[npoenquiries@jerseyfsc.org](mailto:npoenquiries@jerseyfsc.org)

## Sanctions

From the **1 July 2023**, under Section 6 of the Handbook, Supervised Persons are obliged to sign up to receive Sanctions e-mail alerts from the JFSC and Sanctions notices from the Government of Jersey.

[See section 6 of our Handbook](#)

Whilst not a mandatory requirement for prescribed non-profit organisations, we would encourage NPOs to do the same using the following links:

[Subscribe to our Sanctions alert](#)

[Subscribe to Government of Jersey Sanctions](#)

## Onsite assessments

### What is an onsite assessment?

To continue to raise awareness of the risk of NPOs being misused for terrorist financing purposes and to protect our NPO sector, we conducted the first on-site assessment of the NPO sector in Q2 this year. Onsite assessments are a normal part of our ongoing supervision and are a key tool in the delivery of our regulatory functions.

When conducting an onsite assessment, a particular topic, or topics, known as the theme, are selected for consideration, and reviewed across a number of different NPOs. This enables the standard of compliance and associated risks on the topic to be assessed more broadly. The theme selected for the Q2 2023 NPO onsite assessment was Significant Donors. Under Article 5 of Non-Profit Organisations (Prescribed NPOs – Additional Obligations) (Jersey) Order 2022 (the [NPO Order](#)) there is an obligation to keep and retain records of significant donors.

### What is a significant donor?

A significant donor has a specific definition under the law, and section 17 the JFSC Handbook provides further detail on what this means in practice. Extracts from the NPO Order and Handbook are below.

Article 5 of the NPO Order notes:

#### ***Obligation to keep record of significant donors***

***(1) A prescribed NPO must keep a record of significant donors.***

***(2) A “significant donor” means a person who, during the preceding 12 months, donated to the prescribed NPO (as a single donation or cumulatively) -***

***(a) £10,000 or above; or***

***(b) over 50% of total donations made to the prescribed NPO during that period.***

***(3) A prescribed NPO must retain the record kept under paragraph (1) for at least 5 years.***

***In addition, within section 17 the Handbook, the following areas are relevant to Article 5:***

***17.4.3 - NPO Donors***

***17.7 - Record Keeping***

**[See the NPO Order](#)**

**[See section 17 of our Handbook](#)**

### **What happens next?**

**Look out for our feedback paper!** Following the onsite assessments, we will be sharing a best practice paper with the wider NPO sector, to support training and awareness. This anonymised report is designed to provide feedback to the sector on the chosen theme, significant donors, but also on any wider points noted during the onsite assessments. This will consist of both best practice we have seen as well as areas for enhancement. The best practice paper will be published in Q3 2023.

Thank you to those NPOs we visited as part of this onsite assessment. Your participation will allow Jersey as a jurisdiction to develop and continue in its aim to protect its NPO sector.

## **Watch this space! Suspicious Activity Reporting for Non-Profit Organisations**

A suspicious activity report, also known as a SAR, is the format by which knowledge, suspicion, or reasonable grounds for suspicion of money laundering and terrorist financing are reported. A SAR allows information and intelligence to be formally passed to law enforcement agencies – helping them prevent, detect, investigate, and prosecute crime.

We here at the JFSC are working closely with the Jersey Financial Intelligence Unit (FIU) to put together guidance to assist non-profit organisations in identifying such instances and how to report them should they arise.

This guidance will be released shortly via the JFSC website and will consider:

1. What ‘knowledge’, ‘suspicion’ and ‘reasonable grounds for suspicion’ of terrorist financing mean.
2. How terrorist financing abuse may happen in the context of NPOs. [See the article on our website](#)
3. What steps to take if you have knowledge, suspicion, or reasonable grounds for suspicion.

## Coming up

1. An event will be hosted by the FIU in September on the topic of terrorist financing and the JFSC will be in attendance and presenting on the day.
2. Following the publication of the onsite assessment best practice feedback paper, we will be hosting an event to discuss the feedback in more detail.



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

## Get in touch

Is there a topic you'd like us to cover in our next newsletter? Get in touch and let us know:



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**Sam Davison** Senior Manager



## Links 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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