



Jersey Financial  
Services Commission

# **Registrar of Companies report**

## **Registry Supervision inspection programme 2024**

**Quarterly feedback paper – 1 January to 31 March**

**Adequate, accurate and current information assessments**

Issued: May 2024

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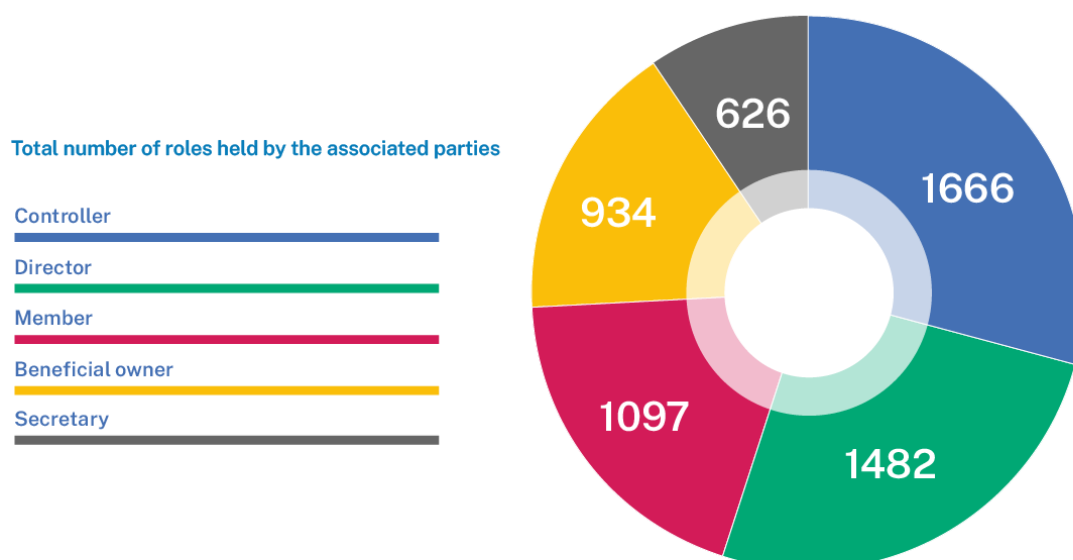
# 1 Introduction

- 1.1 In 2021, the [Financial Services \(Disclosure and Provision of Information\) \(Jersey\) Law 2020](#) (the **DPI Law**) came into force, which enhanced and consolidated requirements for all entities to provide and update basic and beneficial ownership information, and to confirm these details annually.
- 1.2 To be effective and to demonstrate compliance with the DPI Law and international standards, Jersey has implemented an additional proactive monitoring mechanism in the form of Registry Supervision. The role of Registry Supervision is to authenticate and verify information on the register, ensuring that the data held is adequate, accurate and up to date.
- 1.3 Established at the start of 2022, the Registry Supervision function develops and expands existing Registry oversight activities by undertaking additional risk-based supervisory activities. These new functions accord with existing legislation and the DPI Law.
- 1.4 A core focus for our transparency regime is to ensure that basic, beneficial ownership and controller information is adequate, accurate and up to date, and can be made available to competent authorities on a timely basis.
- 1.5 Inspection appointments are a key part of this process, where relevant individuals meet in-person with Registry examination officers.
- 1.6 During these meetings, Registry examination officers inspect documentation in relation to the entity and the significant persons. We use this information to confirm that the data recorded on the Registry database is accurate. The documentation we review includes details of beneficial owners, controllers, directors, and other significant persons. It may also include the rationale for identifying particular beneficial owners or controllers.
- 1.7 Where we identify breaches of information requirements, we apply penalties when appropriate and proportionate to do so.
- 1.8 This paper provides feedback on the visit programme for Q1 2024. It gives examples of good practice identified during the inspections, and the face-to-face interviews. We encourage boards, senior management, and owner operators to consider the findings and conclusions within this report.
- 1.9 We consider the findings from these reviews during discussions with other competent authorities in Jersey to allow a multipronged response to any issues. The reviews also support continuous assessment of our effectiveness in fighting money laundering, terrorist financing and proliferation financing.

## 2 Inspection analysis for Q1 2024

- 2.1 It is a legal requirement that the registers at the JFSC are accurate in relation to beneficial owners, controllers, and significant persons. Nominated persons should complete updates within 21 days of knowledge of a change. We continue to focus our inspection programme on assessing whether there have been breaches in updating this information within the 21-day period.
- 2.2 During Q1, Registry examination officers reviewed and authenticated details of 3,814 associated parties (individuals and corporates). The associated parties encompass 5,805 roles, comprising beneficial owners, controllers, members, directors, and other significant persons. The pie chart gives an analysis of this population:

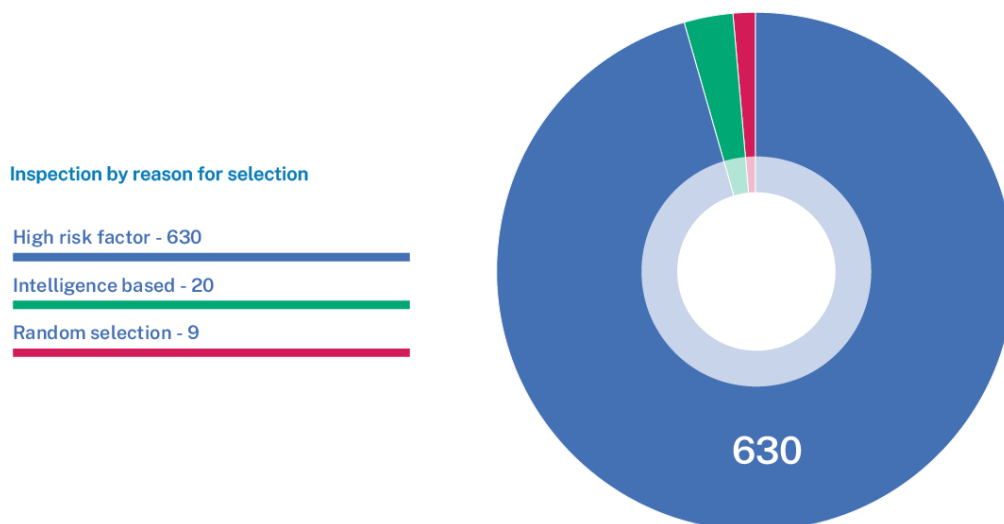
*Pie chart 1: Total number of roles held by the associated parties.*



- 2.3 The objective of the inspections is to assess that:
- › legal persons can demonstrate that they have updated the central register with accurate, adequate, and up to date information
  - › legal persons can demonstrate that they have correctly identified the beneficial owners and/or controllers of the entity; and
  - › no data has been wrongfully provided to the Registry with the intention to mislead

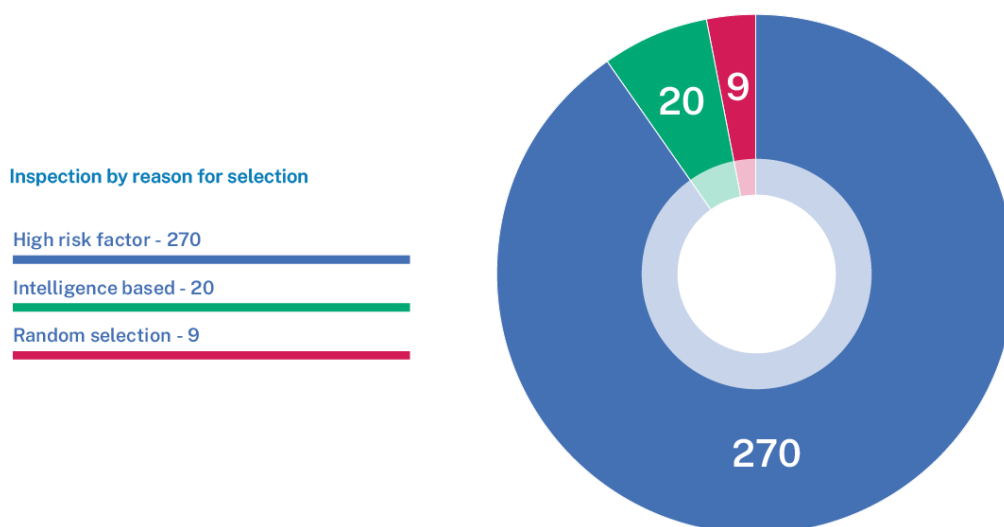
- 2.4 During 2024 the Registry Supervision team will continue to focus on entities containing higher risk characteristics. The rationale for choosing entities for inspection has been explained in earlier reports.
- 2.5 In line with the objectives stated above, the charts below show an analysis of the selected entries for Q1 2024 (which includes a segregation analysis):

*Pie chart 2: Reason for entity selection*



- 2.6 A breakdown of reasons for selection of entities not managed by trust or company service providers (TCSP):

*Pie chart 3: Reason for entity selection (non-TCSP)*



## 2.7 Entity type segregation statistics for Q1 2024 are detailed below:

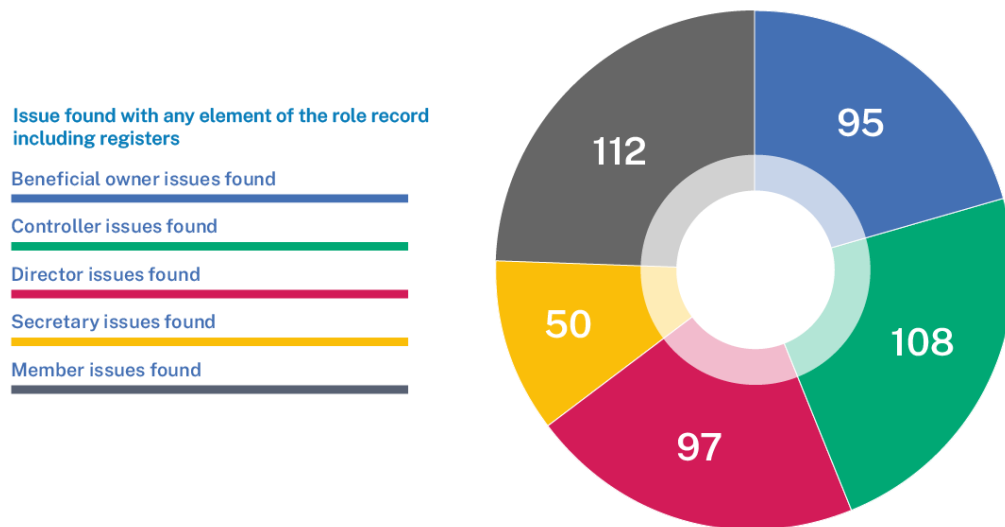
Table 1. Registry Supervision inspection programme findings as of 31 March 2024

Type of entity				TCSP connection	
	Number of inspections	Number of findings letters issued within 21 days of inspection meeting	Compliance with any rectification required %	Yes	No
<b>Companies</b>	631	631	100%	332	299
<b>Limited Liability Company</b>	0	0	100%	0	0
<b>Limited Liability Partnerships</b>	1	1	100%	1	0
<b>Special Limited Partnership</b>	3	3	100%	3	0
<b>Incorporated Limited Partnership</b>	0	0	100%	0	0
<b>Limited Partnerships</b>	17	17	100%	17	0
<b>Foundation</b>	7	7	100%	7	0
<b>Total</b>	659	659		360	299
Total number of associated parties reviewed as part of Q1 2024 inspection programme				5805	

### 3 Summary of key findings for Q1 2024

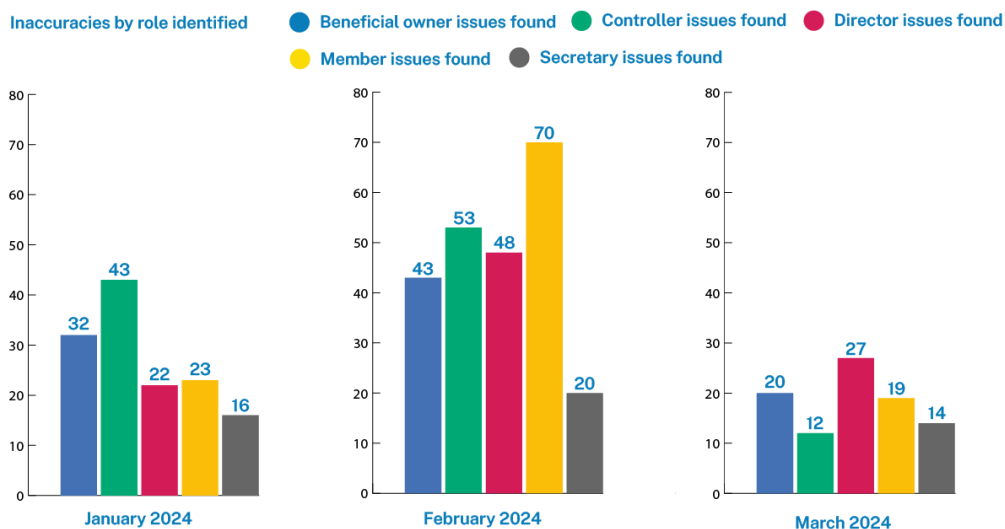
3.1 From the sample population analysis above, the inspections identified several inaccuracies. Of the 3,814 associated parties, we identified 462 role inaccuracies, which the pie chart analyses below:

Pie chart 4: Associated parties (roles) with inaccuracies



3.2 The most common inaccuracies found are:

- › Difficulties associated with recording joint ownership of shares correctly.
- › Failure to disclose the individuals who control a corporate trustee if not JFSC regulated.
- › Structure charts that do not clearly outline the ownership structure or provide sufficient details about the individuals or entities with significant ownership interests and control.
- › Inadequate records and documentation related to address and identity verification.
- › Failure to provide translation documentation for foreign due diligence documentation.
- › Statutory registers containing inaccurate or outdated information.

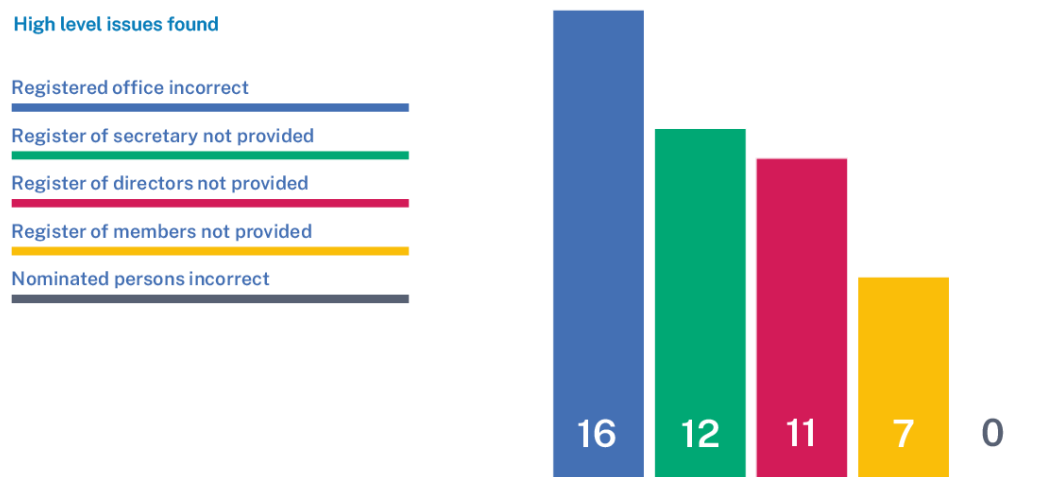


Bar chart 1: Inaccuracies by role identified.

## 4 Other findings

- 4.1 Of the 659 entities we inspected during Q1 2024, 46 entities did not evidence that they had complied with statutory requirements of maintaining registers.

Bar chart 2: Issues found during inspections



Out of 299 non-TCSP inspections, 14.09% had issues with the statutory registers.

Out of 360 TCSP inspections, 1.11% had issues with the statutory registers.

In all cases, after further investigation, we were able to authenticate the data held on the central register. Entities are reminded that there is a requirement to maintain registers and to adhere to the law.

## 5 Good practice (a summary of findings)

- 5.1 Findings show that there are no systemic issues of concern, and most discrepancies are minor. Ensuring that the data is up-to-date and accurate is important, especially to allow competent authorities to operate efficiently and effectively.
- 5.2 We have found that entities who keep up to date due diligence documentation with the registers tend to file the right identification data. This leads to middle names, alias, and maiden names being correct.
- 5.3 In some cases, although registers held at the entity's registered office were up to date, we found that the central register at the JFSC had not been updated to reflect changes. Registry examination officers have observed that entities who are more proactive in updating their registers also maintain accurate data in the Registry's records.
- 5.4 Good practice involves developing a comprehensive pre-inspection readiness plan. A readiness plan ensures that entities are well-prepared, reducing the risk of oversights and streamlining the inspection process.



- 5.5 TCSPs that maintain comprehensive documentation of trust structures, ownership, and control information tend to have less findings. For example, maintaining a detailed structure chart that clearly shows the individuals or entities with significant control or interests, including percentage ownership, helps demonstrate commitment to transparency and regulatory compliance, and facilitates the inspection. Most TCSPs were able to identify the trustees, beneficiaries (vested/non-vested), settlors, protectors, and disclosed their roles and powers accurately.
- 5.6 The myParties feature within the myRegistry platform should be used, as this enables users to submit more accurate information. We note from our investigations that human error from data inputting is where most errors occur. Using the myParties feature means users only have to enter the details in relation to the associated parties once. The nominated person can then select those associated parties from their address book, ensuring accuracy and consistency.
- 5.7 The myParties feature provides several benefits, including:
- › allowing users to create a library of regularly used associated parties
  - › reducing the time taken for a customer to complete myRegistry submissions including incorporations/registrations, annual confirmations, and updates to associated parties
  - › improving the quality of data entered in myRegistry
- 5.8 Registry examination officers have reported that, on some occasions, entities have attended to remediation, only for it to be overwritten a few days later by the submission of a draft predating the remediation filing. Best practice is for the nominated person to delete any previously saved draft submissions.
- 5.9 We also remind entities of their requirements under international standards to have a nexus to the Island. We draw your attention to the guidance on our websites on the registered office requirements and the steps to be taken when changing or objecting to a registered office. [Registered office requirements — Jersey Financial Services Commission \(jerseyfsc.org\)](https://jerseyfsc.org)

## 6 Inspection programme 2024

### 6.1 Collaboration with JFSC examinations:

The Registry Supervision team will collaborate with the JFSC Supervision division so that examinations and inspections are held concurrently. The JFSC Supervision manager will offer the option to the TCSP of whether they would like the inspections to be carried out jointly or separately.

Registry Supervision will select between 100-200 entities linked to the TCSP for inspection. The timeframe for the inspections will vary depending on the number of entities selected. We will provide TCSPs the option of our Registry Supervision team attending their offices in person or sending the documentation for review electronically.

Depending on the duration of the inspection, three face-to-face meetings will be held: an opening meeting, a mid-week meeting, and a close out meeting. The Registry Supervision team encourages feedback from entities following the inspection.

Registry Supervision criteria during 2024 will be concentrating on:

- › High Risk indicators
- › Politically Exposed Persons

We will also continue to focus on entities which do not have a TCSP connection, in particular:

- › multiple non-TCSP connected entities using the same registered office address
- › entities for which the location or number of beneficial owners/ members/ significant persons do not appear to fit with the nature of the activity
- › where the same non-TCSP nominated person is providing services to a high number of entities
- › entities previously subject to queries which may have triggered a higher risk profile
- › previous history of late/non-compliance with statutory obligations
- › entities with directors who act as directors on several other entities

6.2 We will review public entities to ensure compliance in respect of shareholders, directors, filings and audited annual reports/accounts.

6.3 Where breaches have occurred in relation to any law, the Registrar may refer the case to the Attorney General for a decision on whether to prosecute.

## 7 Conclusion

7.1 Registry Supervision continues to ensure that the data held by Registry is accurate, adequate, and up to date. This includes desk-based supervision where the regular reports we run on the Registry database identify anomalous data.

7.2 During Q1 2024 we have found inaccuracies to be minor infractions. The Registry Supervision Examination team continues to provide best practices on how to rectify Registry records.

7.3 The Registry Supervision team emphasises the importance of preparation ahead of meetings to ensure that all necessary documentation is in place. This improves the overall efficiency of the inspection and demonstrates the entity's commitment to compliance and transparency. Last-minute documentation gathering and preparation for the inspection leads to increased likelihood of oversights, resulting in a reactive rather than proactive response during inspections.

7.4 We note from the TCSPs we inspected that records were well maintained and that they had provided an up-to-date record of beneficial ownership information on the central register. They clearly defined and identified beneficial owners and controllers in alignment with the guidance, and demonstrated a thorough understanding of who qualifies as a beneficial owner or controller.

7.5 By following good practice, entities can enhance their compliance with ownership and control disclosure requirements, promote transparency, and maintain the trust of stakeholders. We expect the findings to inform entities and related associated parties of the common pitfalls. Each entity should make its own arrangements to ensure compliance with statutory requirements and by doing so can avoid these known pitfalls.

- 7.6 This quarter, entities have filed their Annual Confirmation Statements. This has led to fewer findings by the Examination Officers than previous quarters, as the data has recently been checked and confirmed to be accurate in accordance with Article 5(1) of the Law.

**Beverley Kent**  
**Executive Director of Registry**  
**May 2024**