



**Jersey Financial
Services Commission**

Registrar of Companies report

Registry Supervision Inspection Programme 2024

Feedback paper – 1 January to 31 December 2024

**Adequate, accurate and current information
assessments**

Issued: March 2025

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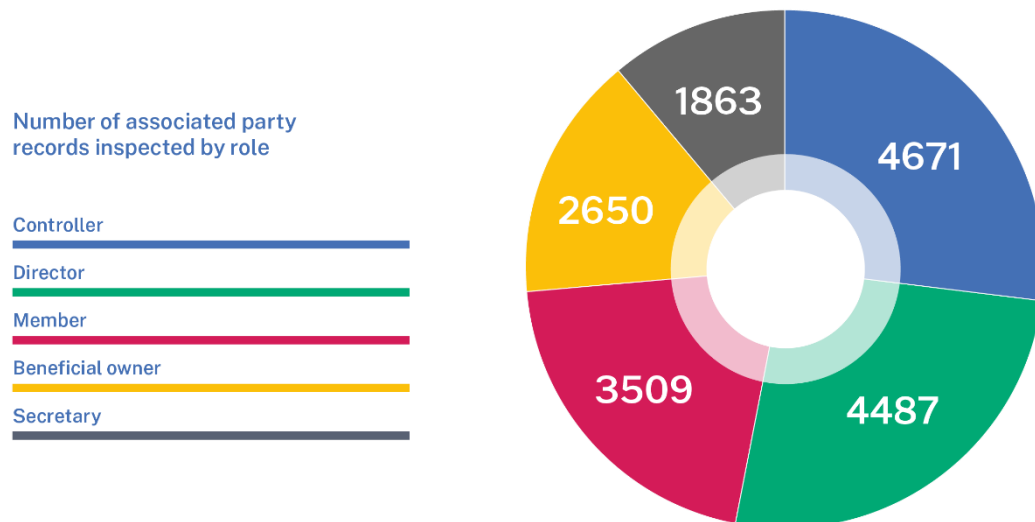
1 Introduction

- 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 recorded with the Registrar of Companies. 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 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 Q4, 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 2024

- 2.1 Our registers are legally required to be 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 Registry examination officers have reviewed and authenticated details of 10,663 associated parties (individuals and corporates). The associated parties encompass 17,180 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
 - › no data has been wrongfully provided to the Registry with the intention to mislead

2.4 In line with the registry supervision objectives, the pie charts below display an analysis of the selected entities for 2024 (including segregation analysis):

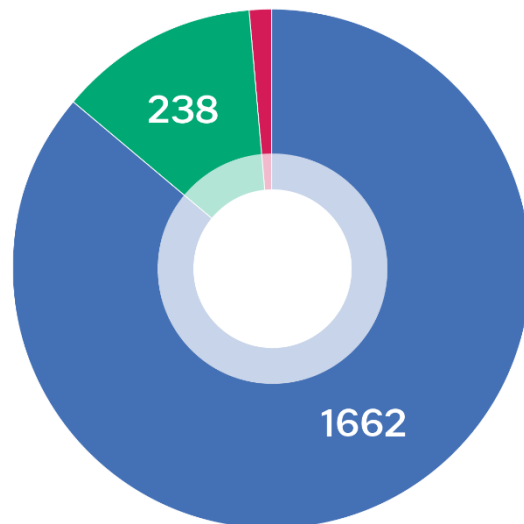
Pie chart 2: Reason for entity selection

Inspections by reason for selection

High risk factor (1662)

Random selection (238)

Intelligence based (26)



2.5 The pie chart below displays an analysis of reasons for selection of entities not managed by trust or company service providers (TCSP) breakdown:

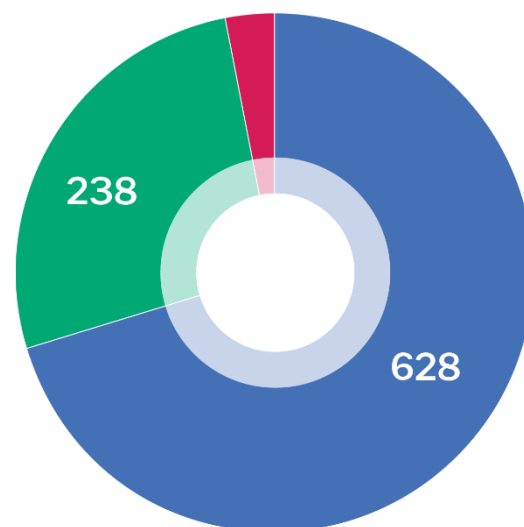
Pie chart 3: Reason for entity selection non TCSP

Inspections by reason for selection

High risk factor (628)

Random selection (238)

Intelligence based (25)



2.6 Entity type segregation statistics for 2024 are detailed below:

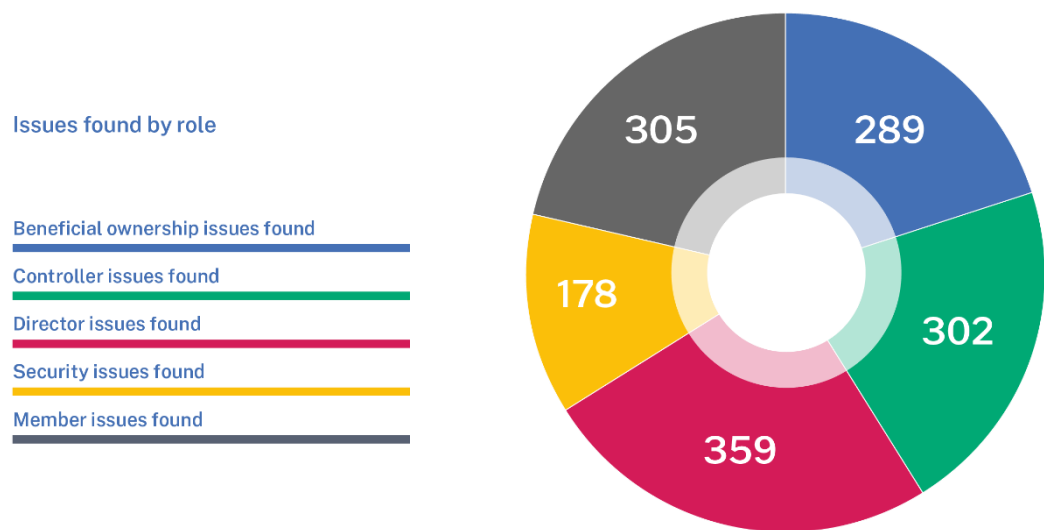
Type of entity				TCSP connection	
	Number of inspections	Number of findings letters issued within 21 days of inspection meeting	Compliance with any remediation required %	Yes	No
Companies	1868	1868	100%	977	891
Limited liability company	0	0	n/a	0	0
Limited liability partnerships	2	2	100%	2	0
Special limited partnership	3	3	100%	3	0
Incorporated limited partnership	0	0	n/a	0	0
Limited partnerships	37	37	100%	37	0
Foundation	16	16	100%	16	0
Total	1926	1926	100%	1035	891
Total number of associated parties reviewed as part of 2024 inspection programme					

Table 1. Registry Supervision inspection programme Findings as of 31 December 2024

3 Summary of key findings for Q4 2024

- 3.1 From the population above, inspections identified several inaccuracies. From the review of 10,663 associated parties, we identified 1,433 role inaccuracies, as detailed in the below pie chart:

Pie chart 4: Associated parties (roles) with inaccuracies



- 3.2 The most common inaccuracies found are:

- 1) The Director's details are sometimes overlooked when personal circumstances change. This data must be kept accurate and up to date on the register by filing an update associated parties' submission within 21 days from the date of knowledge.
- 2) Difficulties associated with recording joint ownership in respect of members. Guidance is provided on our website on how to accurately record and report this information.
- 3) Lack of understanding of the three-tier test, leading to errors and omissions of beneficial owners and controllers.
- 4) Failure to disclose individuals controlling a corporate trustee if not regulated by us.
- 5) 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.
- 6) Inadequate identification of executors where a beneficial owner, controller or significant person is deceased.
- 7) Statutory registers containing inaccurate or outdated information.

4 Other findings

- 4.1 From the 1,926, entities inspected, 257 entities had an issue with providing registers and therefore could not evidence that they had complied with statutory requirements of maintaining registers.



Out of 891 non-TCSP inspections, there were total of 257 issues with the statutory registers. Out of 1,035 TCSP inspections, there were 13 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 keep the registers accurate and up to date, and to adhere to the relevant laws.

- 4.2 During inspection visits there were difficulties associated with authenticating members who held shares of less than 10%, they were recorded correctly, however the TCSP did not hold CDD in relation to those members. One of the requirements under the DPI Law is that a relevant entity must verify within its annual confirmation statement the name and address of each member who holds 1% or more (in nominal value or in number, as applicable) of all the issued shares of a class, and it is within our remit to require the relevant entity to authenticate those details in any manner we reasonably determine.

It is generally accepted that individuals with 25% or less shareholding, voting or appointment rights are unlikely to have significant influence or control over an entity. To align the Law's 1% or more membership authentication threshold with that set out in our AML/CFT/CPF Handbook, as well as global norms set by the Financial Action Task Force, Registry Supervision will not require authentication of information or documents provided to us for members of a relevant entity who hold 25% or less (in nominal value or in number, as applicable) of all the issued shares of a class. This exemption will not apply where the relevant entity is considered to carry an associated heightened risk. Those risks may include (but are not limited to):

- › the relevant entity being connected to a high-risk jurisdiction
- › beneficial ownership and/or control, or any of the relevant minority shareholders, is/are associated or connected to a high-risk jurisdiction
- › any PEP or PEP connections as part of the structure
- › the activity of the relevant entity is sensitive and captured in either table of our [Sound Business Practice Policy](#)
- › credible intelligence we receive from a variety of sources indicates that the relevant entity is exposed to other high risks

For the avoidance of doubt:

- › whilst Registry Supervision may not require the relevant entity to authenticate the information of members who hold 25% or less (in nominal value or in number, as applicable) of all the issued shares of a class, the relevant entity must us with verified information in accordance with the Law
- › the authentication exemption does not apply to significant persons of the relevant entity notwithstanding that they may have a shareholding of 25% or less and the exemption otherwise applies to the relevant entity
- › the exemption shall not affect the powers of Registry Supervision to require an entity or its nominated or significant person to provide any information we require pursuant to the Law or any other law
- › Registry Supervision operates within its own framework which is distinct from Jersey's financial crime laws

5 Good practice (a summary of findings)

- 5.1 Findings show that there are no systemic issues of concern, and the majority of 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 our central register 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 our 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 Legal persons and arrangements must apply the three-tier test to identify control of the entity. Entities are required to identify controllers through ownership, through other means, or through position held, and must submit that information to the Registrar of Companies.
- 5.6 TCSPs that maintain comprehensive documentation of trust structures, ownership, and control information tend to have fewer 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. The majority of TCSPs were able to identify the trustees, beneficiaries (vested/non-vested), settlors, protectors, and disclosed their roles and powers accurately.

- 5.7 Where a company is held by an executor of an estate, the company should identify the executor as controller. If a beneficial owner is deceased, even if a death certificate is not yet held, the company has an obligation upon death to submit an update associated parties form and add the executor as controller.
- 5.8 The myParties feature within myRegistry 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 myParties 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.

MyParties 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

- 5.9 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 prior to remediation.**
- 5.10 Entities are required to maintain a Jersey-registered office at all times. Guidance on the registered office requirements and changing or objecting to a registered office is available on our website: [Registered office requirements — Jersey Financial Services Commission \(jerseyfsc.org\)](https://jerseyfsc.org)

6 Inspection programme 2025

- 6.1 The Registry Supervision team have listened to industry feedback regarding the 2024 TCSP Registry inspection visit programme and we are going to amend the process to select entities for inspection which are proportionate with the size of the TCSP.
- 6.2 Industry feedback included concerns that it was a heavy burden on their resource in preparing the documentation regarding the inspections and especially where Registry Supervision were also accompanying our Supervision team on examination visits. In 2025, inspection and examination visits will not be held together.
- 6.3 As part of Jersey's commitment to maintaining its compliance with international standards and to ensure transparency in relation to beneficial ownership, the 2025 Registry Supervision inspection plan includes a target to inspect 10% of the total number of live entities on the corporate register, and a minimum of 30% of the total number of entities administered by the TCSP.
- 6.4 The timeframe for an inspection visit will vary depending on the number of entities selected. We will provide the TCSP with the option of either the Registry Supervision team attending their office in person or the TCSP can opt to send documentation to us for review electronically. The TCSP will be provided with intended dates which will be at least three

months prior to any proposed inspection taking place.

- 6.5 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 2025 will continue to concentrate on:

- › high-risk indicators
- › politically exposed persons

We will 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

- 6.6 We will also focus our review of public entities to ensure compliance in respect of significant persons, beneficial owners and shareholders together with other statutory requirements including the audited annual report and accounts.

- 6.7 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 2024 we have found inaccuracies to be minor infractions. The Registry Supervision team continues to provide best practices on how to rectify Registry records.
- 7.3 The three-tier test assists entities to accurately identify the beneficial ownership of legal persons and legal arrangements. This particularly assists when dealing with complex and cross-border structures.
- 7.4 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.
- 7.5 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.

- 7.6 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.
- 7.7 All entities were required to file an annual confirmation statement, between 1 January and 28 February, to confirm that the information held in the companies register is accurate. This has led to fewer findings by the examination officers, as the data is being reviewed and confirmed to be accurate in accordance with Article 5(1) of the DPI Law.

Beverley Kent
Executive Director of Registry & Registrar
March 2025