



Jersey Financial
Services Commission

Accountancy sector

Money laundering and terrorist
financing risk data analysis

March 2025

www.jerseyfsc.org

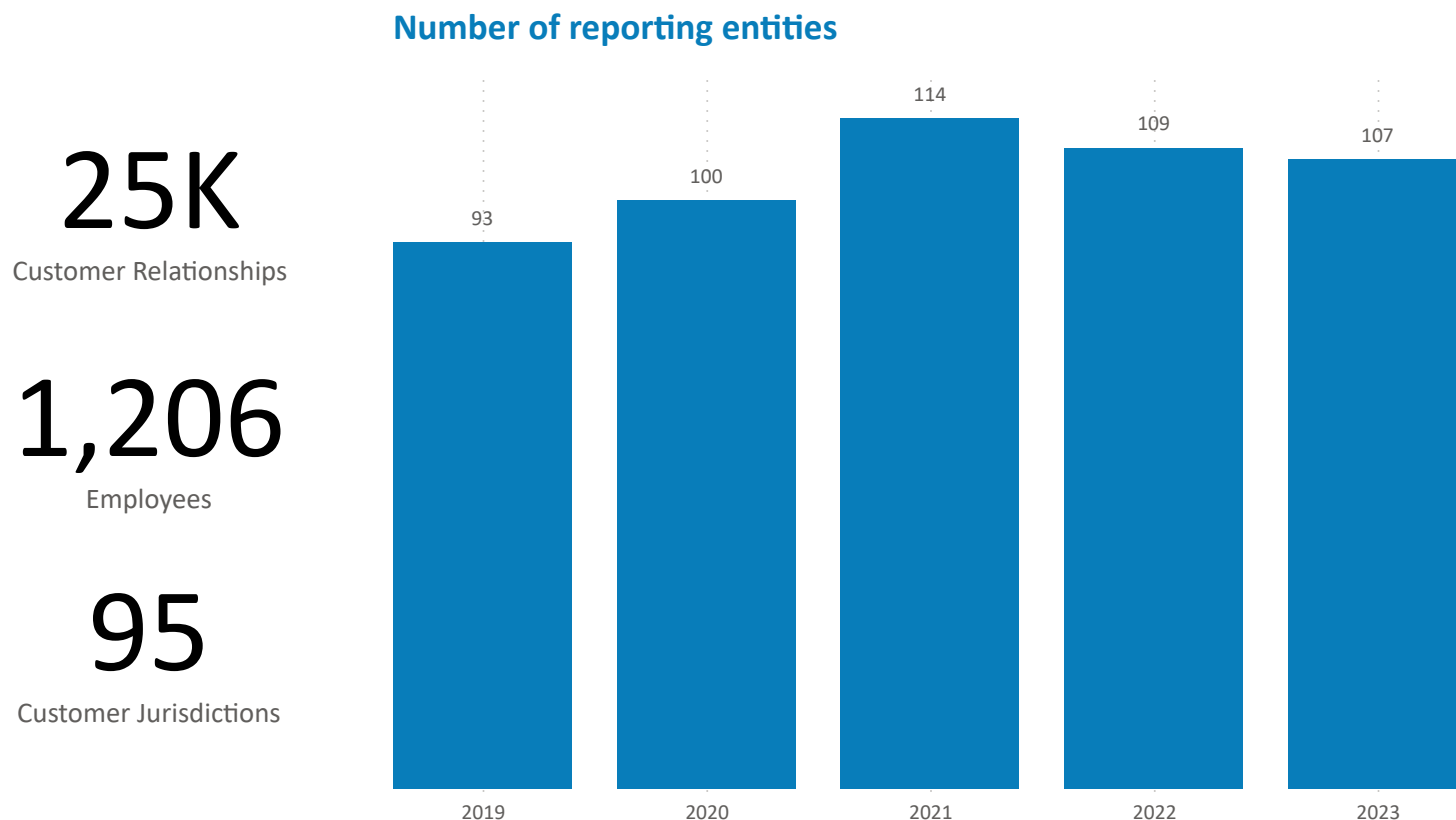
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This report forms part of a series which is being published to improve the understanding of money laundering and terrorist financing risk within a number of sectors, and to enable a comparison across different sectors and activities. Key risk indicators are included for each sector to provide useful benchmarking for supervised persons looking to assess their own money laundering and terrorist financing risks.

These reports are not risk assessments. Each report contains some explanation to support the aggregated data which is presented through a combination of graphs and tables. Whilst some data quality and integrity checks are performed on receipt of the data, we rely on the accuracy and completeness of data provided by industry.

Sector overview



The JFSC is the AML/CFT/CPF regulator for the accountancy sector which includes any person providing one or more of five activities specific in paragraph 22 of Schedule 2 to the Proceeds of Crime (Jersey) Law 1999. The activities include providing: (i) external accountancy services; (ii) advice about the tax affairs of another person; (iii) audit services; and (iv) insolvency services. Additionally, these persons provide other services including: financial due diligence procedures in respect of mergers, acquisitions and other transactions; forensic services; and assistance with addressing regulatory deficiencies. According to the data collected by the JFSC, tax advice is the most common service provided, followed by accountancy services, audit and insolvency.

The vast majority of the sector (nearly 80%) are members of a professional body and nearly 40% are sole practitioners. The sector is small; less than 4.5% of the total financial services sector revenue with the Big 4 accountancy firms dominating – approximately 66% of the income is generated by them and they employ nearly 60% of the staff in this sector.

Data analysed in this report is based on annual supervisory risk data submissions for the period 2019 to 2023. The data collected includes a range of factors which can inform our view of risk at a national, sectoral and entity level. This includes the residence of the reporting entities' customers, exposure to higher risk customers and politically exposed persons (PEPs).

In aggregated form the reference to customers must be understood as customer relationships, the data does not identify the number of unique customers that utilise the services of the sector. Given the nature of services some customers may engage with the reporting entities on a one-off transactional basis rather than building a business relationship, although this does not appear to have influenced the trended data.

Customer residency

4.1 Top 10 jurisdictions - residence of customers or beneficial owners (2023)

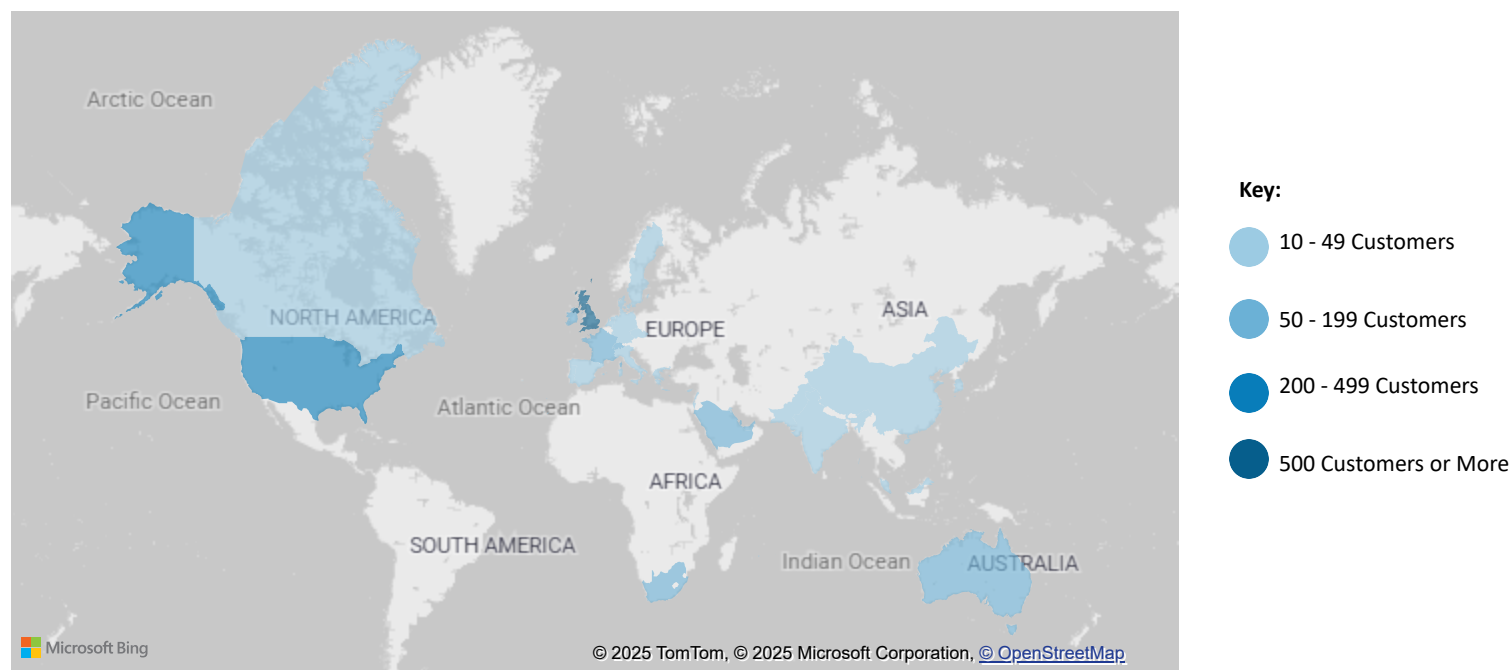
Jurisdiction	%
Jersey	77.1%
United Kingdom	10.1%
United States of America	1.3%
Guernsey	1.2%
Isle of Man	1.0%
Switzerland	0.8%
United Arab Emirates	0.7%
Saudi Arabia	0.6%
Singapore	0.6%
South Africa	0.4%

Key

Jurisdictions Listed in Appendix D2

Other Jurisdictions

4.2 Residence of customers or beneficial owners (2023)



Country data is requested in respect of the residency of customers and the beneficial owners of customers which are not an individual. In 2023, where this data is reported, it highlights connections to 95 different jurisdictions. Whilst this is lower than many other sectors, including the legal sector, it demonstrates the international nature of services provided by some firms.

Unlike some other sectors the reported data shows a significant concentration of connections in the top 10 customer jurisdictions. In 2023, the UK and Crown Dependencies account for 89.4% of the reported connections: Jersey (77.1%), the UK (10.1%), other Crown Dependencies (2.2%). The remaining six jurisdictions are consistent with data reported for other sectors.

Higher risk jurisdictions

Percentage of customers or beneficial owners who are resident in higher risk jurisdictions

5.1. FATF black/grey list or 3 sources in appendix D2

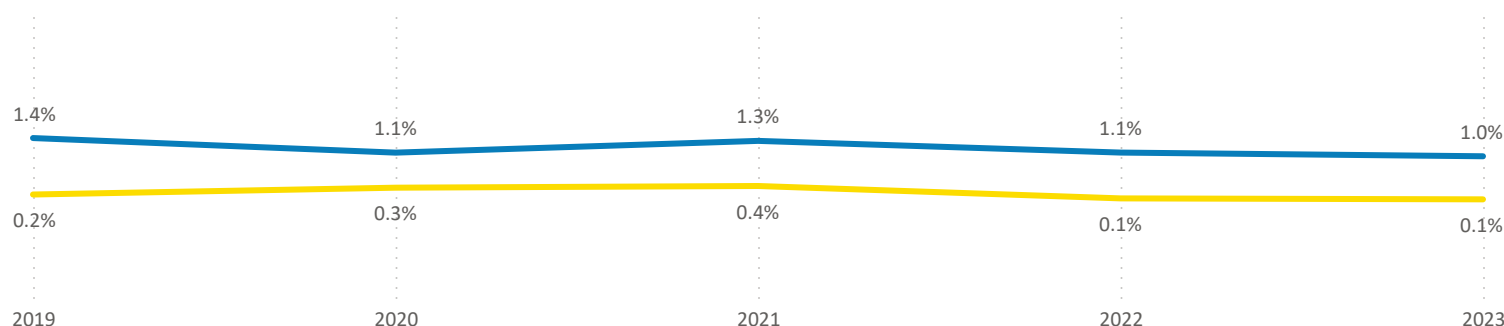
Jurisdiction	2019	2020	2021	2022	2023
South Africa	0.7%	0.4%	0.5%	0.6%	0.4%
Monaco	0.2%	0.2%	0.3%	0.2%	0.2%
Pakistan	0.0%	0.0%	0.0%	0.1%	0.1%
Lebanon	0.0%	0.0%	0.0%	0.1%	0.1%
Zimbabwe	0.1%	0.0%	0.0%	0.0%	0.1%

5.2. Government of Jersey, higher risk jurisdictions for terrorist financing

Year	Customers	% of Total
2019	28	0.2%
2020	53	0.3%
2021	58	0.4%
2022	14	0.1%
2023	12	0.1%

5.3. Percentage of customers or beneficial owners who are resident in higher risk jurisdictions

● D2 % ● TF Higher Risk %



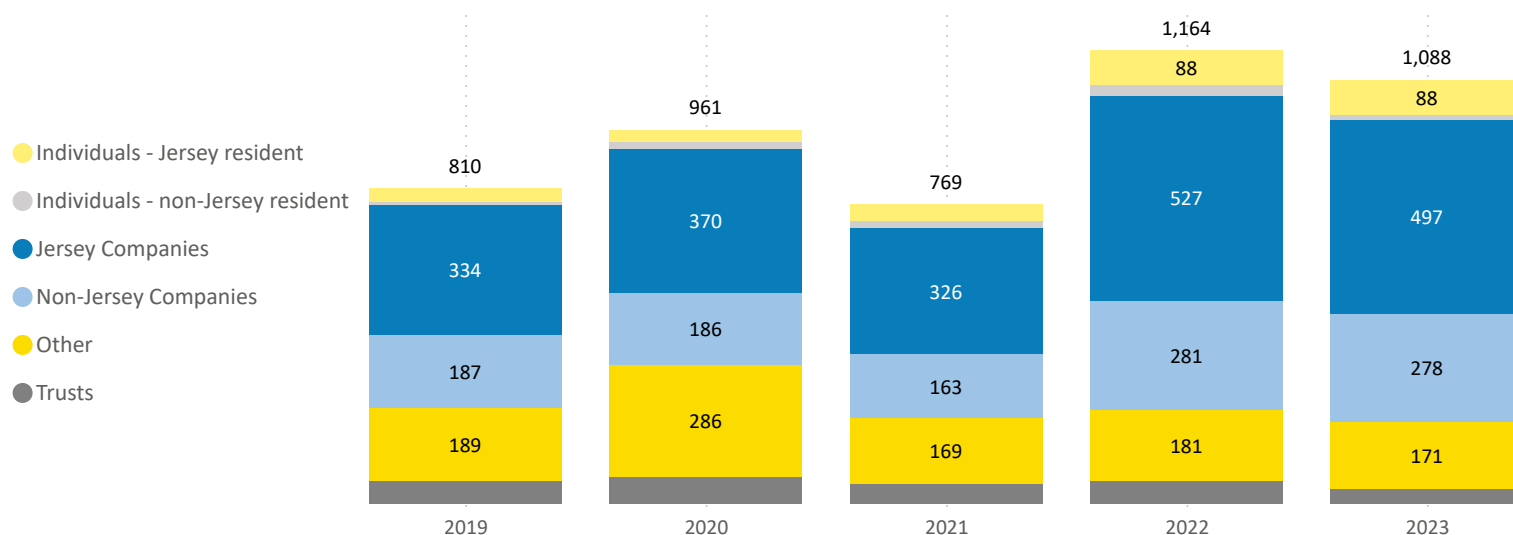
Appendix D2 of the AML/CFT/CPF Handbook provides details of countries, territories and areas that have been identified by reliable and independent sources as presenting a higher risk of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction. The analysis above is based on the jurisdictions listed in Appendix D2 at July 2024. For the purpose of 5.1, higher risk jurisdictions have been defined as those listed on the FATF black or grey list (Source 1 and Source 2 of Appendix D2) or Jurisdictions listed in 3 or more of the remaining Appendix D2 sources.

Of the 70 jurisdictions which meet this criteria, there were no connections to 54 jurisdictions and minimal connections (less than 0.05% of all customers) to another 11 jurisdictions. In 2023, the number of reported customer relationships from these jurisdictions is low at 1.0% of which almost half relate to South Africa (0.4%) and another 0.2% to Monaco. It is important to note that both South Africa and Monaco are included in the higher risk jurisdiction list solely as they currently appear on the Financial Action Task Force (FATF) list of jurisdictions under increased monitoring (Grey List). South Africa was added in February 2023 and Monaco June 2024.

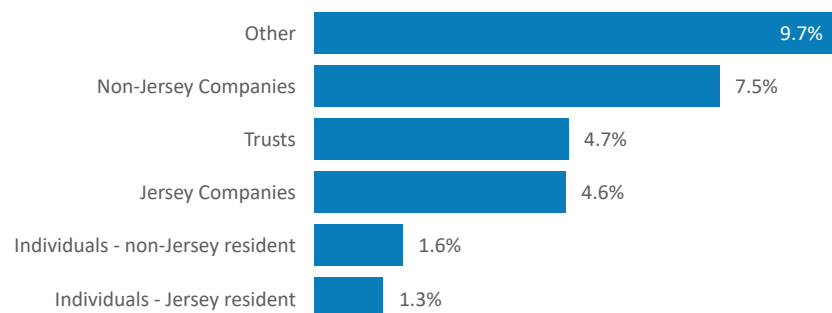
As part of the Government of Jersey's programme of combatting financial crime, guidance has been produced on specific countries that may present a higher risk of facilitating terrorist financing (TF). The analysis at 5.2 is based on the jurisdictions listed as at July 2024. In 2023, 0.1% of customers were from these jurisdictions. Of the 14 jurisdictions listed as higher risk for terrorist financing, there are no reported residential connections to 10 jurisdictions. Of the remaining four jurisdictions, customers from Kenya and Nigeria have the greatest number of connections although, in 2023, there are fewer than 10 customer connections from each jurisdiction.

Politically exposed persons

6.1. PEP connections by customer type



6.2. Percentage of customers who are, or are connected to, a PEP (2023)



6.3. Non-Jersey PEP connections, by region (2023)

Region	PEP Connections
Middle East	29.6%
Asia & Pacific	25.2%
UK and Crown Dependencies	14.6%
North America	13.8%
Europe	11.6%
Africa	3.5%
South/Latin America	1.7%

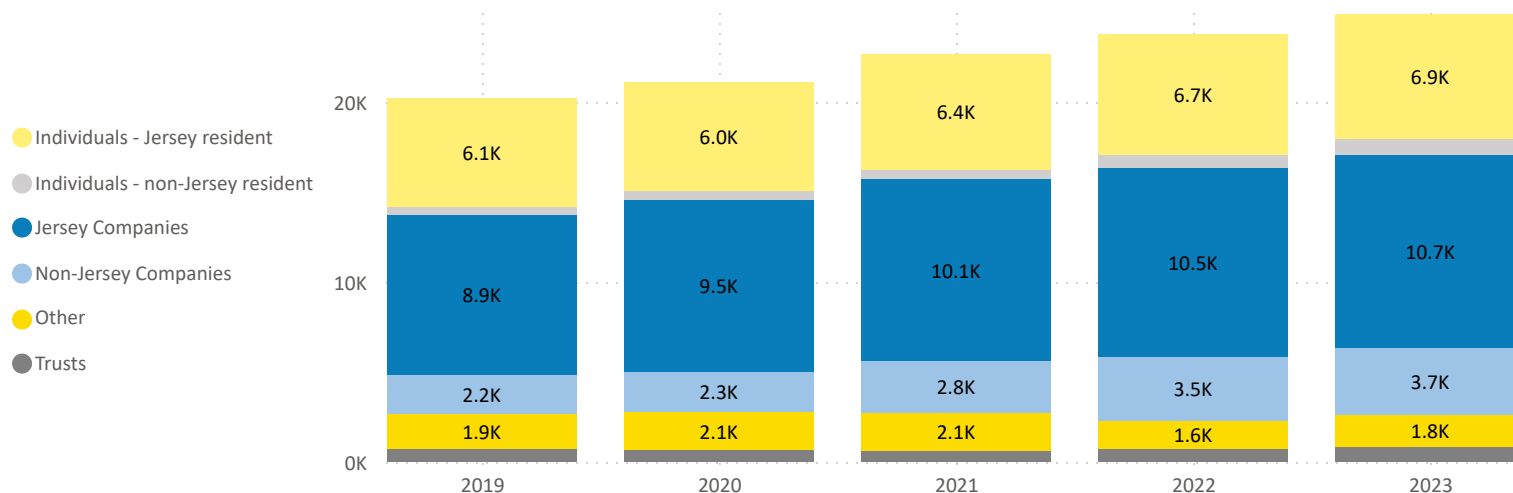
Based on data from 2023, 4.4% of the reported customer relationships include a PEP connection with the majority (71%) being associated with a company (Jersey or non-Jersey). Where a PEP connection is reported the data indicates that the customer type "other", which includes limited partnerships, has the highest ratio of PEPs to customers. Although, this still represents a small proportion of total customers.

In September 2023, the Jersey Money Laundering (Jersey) Order 2008 (**MLO**) was updated to allow for the declassification of PEPs but prior to this any individual which had been classified as a PEP would always remain a PEP. As such, it is likely that the total reported PEP connections could over-estimate the current exposure to PEPs within the sector. Given the complexities involved in de-classifying a PEP it is likely to take some time before this has a material impact on the reported data. The data collected also demonstrates that of all the PEP connections in the sector, only 10% involved business relationships or one-off transactions where property of the PEP was handled.

Of the PEP connections in the sector, 30% are connected with Middle Eastern jurisdictions. Source 7 of Appendix D2 utilises the Transparency International Corruption Perception Index and provides a list of jurisdictions which may present a higher risk of corruption. Consideration of PEP data against this source highlighted only minimal connections to PEPs from these jurisdictions.

Customer risk

7.1. Customer type trends



7.2. Percentage of customers rated as higher risk and percentage of customers to which enhanced CDD was applied (2023)



Data collected from the sector includes the risk ratings the reporting entities apply to each customer relationship and the number for which enhanced CDD was applied.

When considering the make-up of the customer base, the data demonstrates a reasonably consistent mix of customer types across the period. Over all years observed, companies represent the largest proportion of customers (43.1% in 2019, 43.2% in 2023) followed by Jersey resident individuals (29.9% in 2019, 27.9% in 2023).

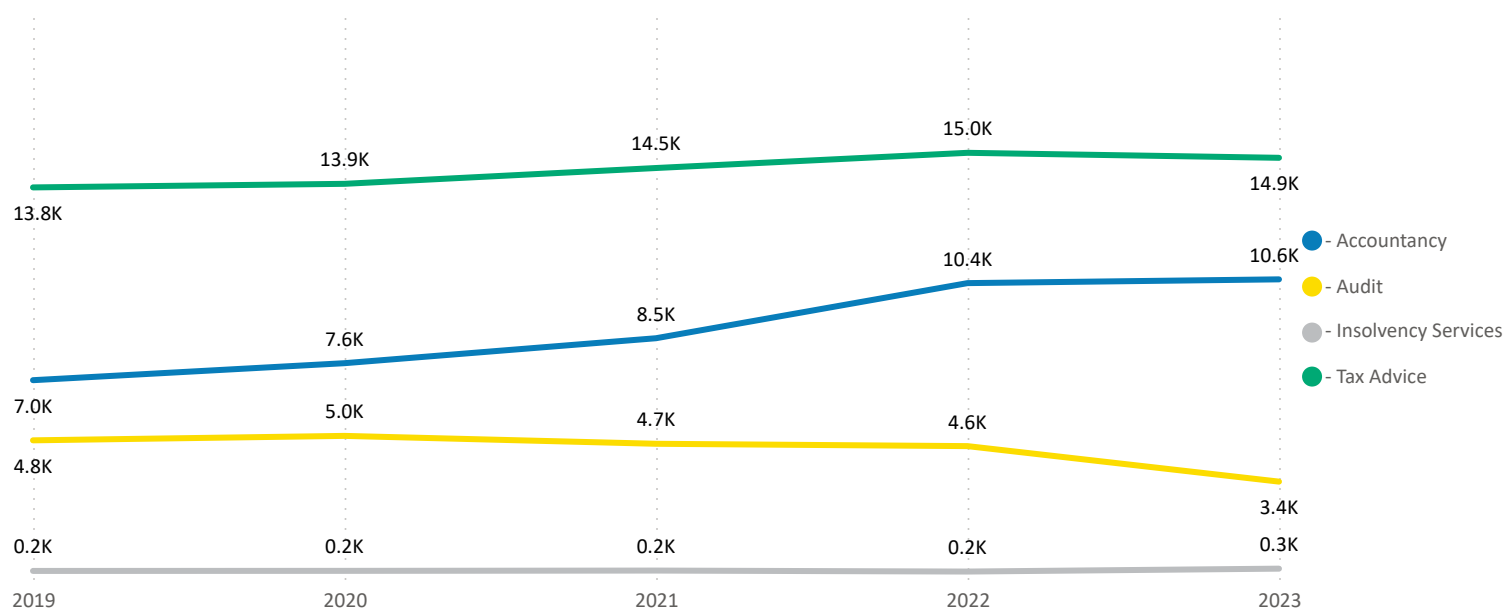
In 2023, 8.7% of the reported customer relationships are rated as higher risk. Risk ratings are highest for other vehicles such as limited partnerships and Trusts (12.2%). Individuals - Jersey resident are considered to be lowest risk with 2.4% of these customer relationships rated as higher risk. Enhanced CDD was applied to 14% of all customers in 2023, which is considerably above than the 8.7% rated as higher risk.

Services provided

8.1. Services provided (2023)

	Service Provided - Accountancy	Service Provided - Audit	Service Provided - Insolvency Services	Service Provided - Tax Advice	Total
Individuals - Jersey resident	5.7%	0.0%	0.0%	20.0%	25.7%
Individuals - non-Jersey resident	0.5%	0.0%	0.0%	1.8%	2.4%
Jersey Companies	21.4%	6.2%	0.5%	23.4%	51.5%
Non-Jersey Companies	2.4%	4.1%	0.3%	3.8%	10.6%
Other	0.8%	5.1%	0.0%	1.3%	7.1%
Trusts	0.6%	0.7%	0.0%	1.4%	2.7%
Total	31.4%	16.2%	0.8%	51.6%	100.0%

8.2. Services provided trend (2019 - 2023)



The JFSC collects data relating to the regulated activities undertaken. During the period, the two most commonly reported activities relate to the provision of tax advice and accountancy services (2023: 51.6% and 31.4% respectively).

Over the period, audit services have decreased with these services provided to 4,846 customers in 2019 and 3,382 customers in 2023. Over the same period the provision of accountancy services has increased with these services provided to 6,979 customers in 2019 and 10,555 in 2023.

It is important to note that a firm may provide more than one service to the same customer.

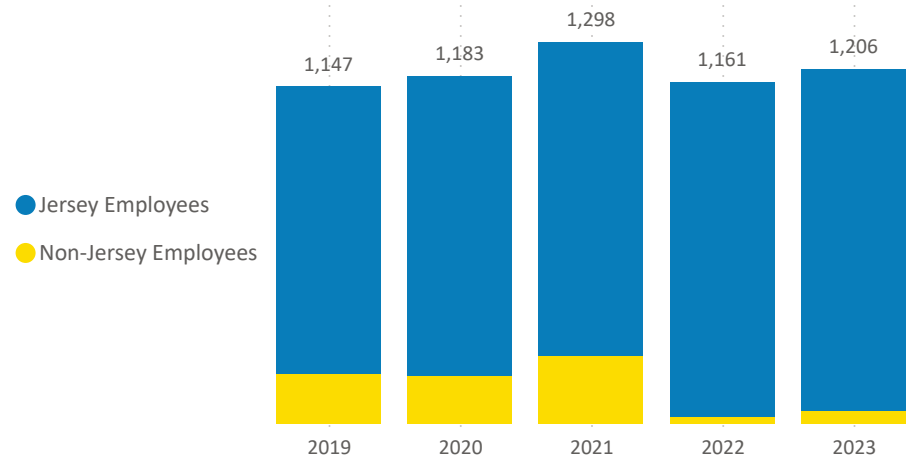


Employees

9.1. Employee trend

Year	Employees - Jersey	Employees - non-Jersey
2019	977	170
2020	1,017	166
2021	1,067	231
2022	1,136	25
2023	1,162	44

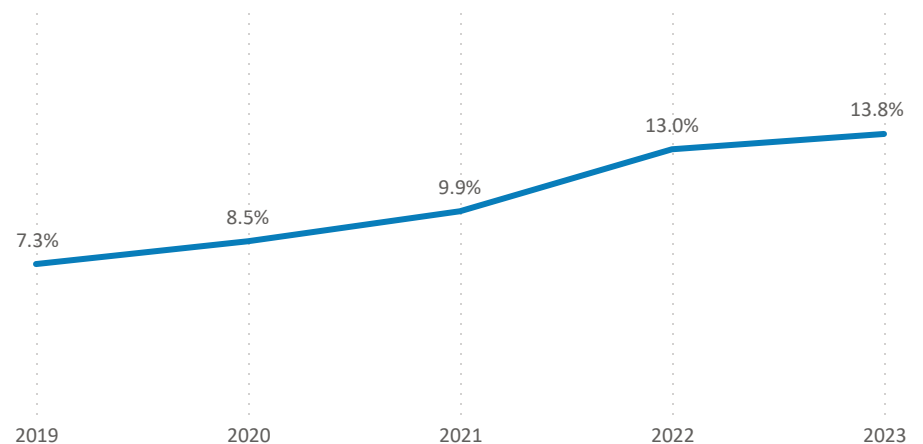
9.2. Jersey and non-Jersey employees



9.3. Compliance and risk employee trends

Year	Compliance and Risk Employees, Jersey	Compliance and Risk Employees, Non-Jersey	Compliance and Risk Vacancies
2019	65	19	0
2020	72	28	4
2021	90	39	3
2022	116	35	7
2023	117	49	13

9.4. Compliance and risk employees as a % of all employees

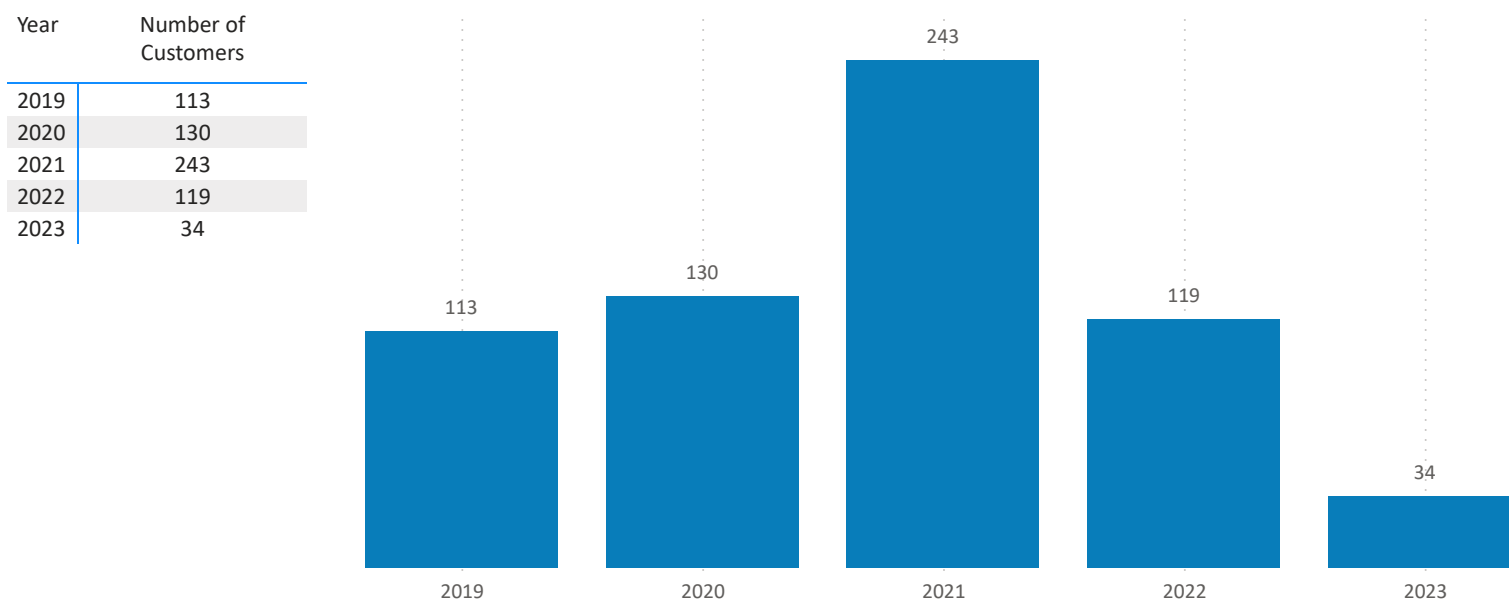


Data collected demonstrates that the total number of employees in the sector has remained stable across the period with over 1,200 employees working in the sector in 2023. The proportion of employees working predominately outside of Jersey has decreased from 15% in 2019 to 4% in 2023 with a marked decline in 2022.

Across the period there has been an increase in the number of employees working in compliance/risk as well as a steady increase in the number of reported vacancies. In 2023, 13.8% of employees are reported as working in a compliance or risk role – an increase from 7.3% on 2019.

Reliance on obliged persons (Article 16 of the MLO) and MLO exemptions (Article 17 and Article 18)

10.1. Number of Customers where reliance has been placed on obliged persons



10.2. Number of Customers where Article 17 or Article 18 has been applied

	2019	2020	2021	2022	2023
Article 17	55	9	11	7	2
Article 18	1,957	2,150	2,186	1,206	1,753

The 2021 data highlights a spike in the use of Article 16 and, to a lesser extent, Article 18 which may be attributable to the Covid-19 pandemic when it was widely reported that firms initially struggled to complete CDD checks.

Reliance (Article 16 of the MLO): Use of reliance in the sector is not widespread and decreased significantly across the period 2021 – 2023.

Exemption from applying 3rd party identification requirements (Article 17B-D of the MLO): Use of the Article 17 exemptions is extremely rare in the sector.

Specific CDD exemptions regarding identification measures (Article 18 of the MLO): there are five specific circumstances where the exemption can be utilised, of which the most widely used are where the relationship is with either (i) a person that is regulated by the JFSC or carries on equivalent business in another jurisdiction or (ii) a public authority or the company is listed on an IOSCO-compliant market or regulated market.

Key risk indicators

The data summarised below demonstrates key risk indicators which can inform our view of risk across the sector. This includes inherent risk factors such as customers from higher risk jurisdictions and PEP connections as well as the application of enhanced CDD, and reliance on obliged persons. For the accountancy sector, this analysis has been split between larger firms with 50 or more employees, smaller firms with fewer than 50 employees and sole traders. Details of how these key risk indicators have been calculated are included in the glossary section to allow entities to benchmark their own data against sector averages.

11.1 All accountancy firms

Year	Customers from Higher Risk Jurisdictions (D2)	Customers from Higher Risk Jurisdictions (GoJ TF)	Higher Risk Customers %
2019	1.4%	0.2%	8.7%
2020	1.1%	0.3%	9.5%
2021	1.3%	0.4%	8.9%
2022	1.1%	0.1%	8.8%
2023	1.0%	0.1%	8.7%

11.2 Accountancy firms with 50 or more Employees

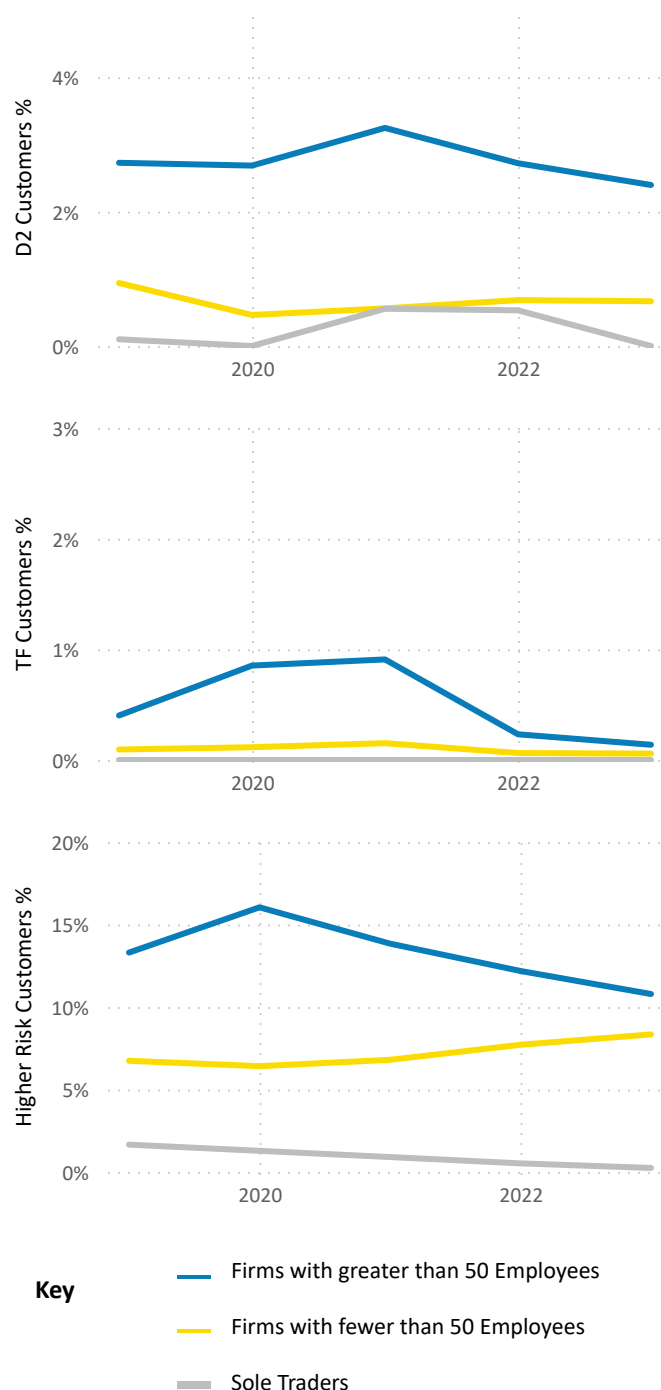
Year	Customers from Higher Risk Jurisdictions (D2)	Customers from Higher Risk Jurisdictions (GoJ TF)	Higher Risk Customers %
2019	2.7%	0.4%	13.3%
2020	2.7%	0.9%	16.0%
2021	3.2%	0.9%	13.8%
2022	2.7%	0.2%	12.2%
2023	2.4%	0.1%	10.8%

11.3 Accountancy firms with fewer than 50 Employees

Year	Customers from Higher Risk Jurisdictions (D2)	Customers from Higher Risk Jurisdictions (GoJ TF)	Higher Risk Customers %
2019	0.9%	0.1%	6.7%
2020	0.5%	0.1%	6.4%
2021	0.6%	0.2%	6.8%
2022	0.7%	0.1%	7.7%
2023	0.7%	0.1%	8.3%

11.4 Sole Traders

Year	Customers from Higher Risk Jurisdictions (D2)	Customers from Higher Risk Jurisdictions (GoJ TF)	Higher Risk Customers %
2019	0.1%	0.0%	1.7%
2020	0.0%	0.0%	1.3%
2021	0.6%	0.0%	0.9%
2022	0.5%	0.0%	0.5%
2023	0.0%	0.0%	0.2%





Key risk indicators

12.1 All accountancy firms

Year	PEP %	Higher Risk PEPs %	Reliance %	Enhanced CDD %
2019	4.0%	0.1%	0.6%	15%
2020	4.6%	0.1%	0.6%	18%
2021	3.4%	0.1%	1.1%	17%
2022	4.9%	0.1%	0.5%	18%
2023	4.4%	0.0%	0.1%	14%

12.2 Accountancy firms with greater than 50 employees

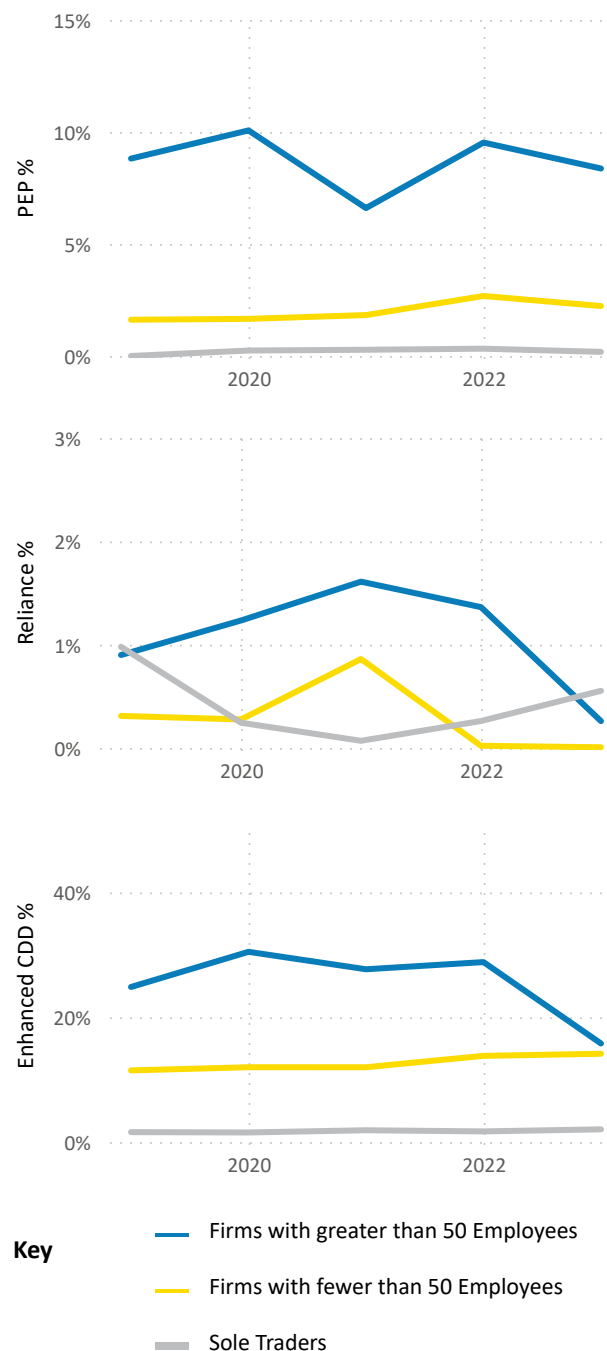
Year	PEP %	Higher Risk PEPs %	Reliance %	Enhanced CDD %
2019	8.8%	0.3%	0.9%	25%
2020	10.1%	0.1%	1.2%	30%
2021	6.6%	0.2%	1.6%	28%
2022	9.5%	0.3%	1.4%	29%
2023	8.4%	0.1%	0.3%	16%

12.3 Accountancy firms with fewer than 50 employees

Year	PEP %	Higher Risk PEPs %	Reliance %	Enhanced CDD %
2019	1.6%	0.1%	0.3%	11%
2020	1.7%	0.1%	0.3%	12%
2021	1.8%	0.1%	0.9%	12%
2022	2.7%	0.1%	0.0%	14%
2023	2.2%	0.0%	0.0%	14%

12.4 Sole traders

Year	PEP %	Higher Risk PEPs %	Reliance %	Enhanced CDD %
2019	0.0%	0.0%	1.0%	2%
2020	0.2%	0.0%	0.2%	2%
2021	0.3%	0.0%	0.1%	2%
2022	0.3%	0.0%	0.3%	2%
2023	0.2%	0.0%	0.6%	2%



Appendix 1 - References

Supervisory Risk Data Guidance

Section I (Footprint) Data

[Guidance to Section I of risk based supervision data 2023 — Jersey Financial Services Commission \(jerseyfsc.org\)](#)

Section II (Accountancy Sector) Data

[Guide to Section II of risk based supervision data: Accountants 2023 — Jersey Financial Services Commission](#)

Appendix D2

[Appendix D2 – Countries and territories identified as presenting higher risks — Jersey Financial Services Commission \(jerseyfsc.org\)](#)

Government of Jersey Higher Risk Jurisdictions for Terrorist Financing

[Guidance on countries with higher risk of facilitating terrorist financing \(gov.je\)](#)

PEP Data

The PEP data in this report is based on a combination of responses from the footprint data collection (section I) and the legal sector data (section II). Section I data captures the number of unique PEP connections reported by the jurisdiction that resulted in the persons PEP status i.e. not their country of residence. Section II data provides the number, and type, of customer relationships that involve one or more PEP. Whilst these values may differ, both data points are significant for assessing the level of PEP connections across the sector and the risks associated with these relationships.

Appendix 2 - Glossary

Reference ▲	Source	Calculation
4.1, 4.2	Accountants Sector Data	Sum of question BC1, by jurisdiction. Top 10 jurisdictions by total volume.
5.1	Accountants Sector Data	Sum of question BC1, for jurisdictions listed on the FATF grey-list or on three or more sources in Appendix D2. Values are displayed as a % of the total across all jurisdictions.
5.2	Accountants Sector Data	Sum of question BC1, for jurisdictions listed in GoJ list. Values are displayed as a % of the total across all jurisdictions.
5.3	Accountants Sector Data	Sum of question BC1, for jurisdictions listed on i) the FATF grey-list or on three or more sources in Appendix D2 or ii) in GoJ list of higher risk jurisdictions. Values are displayed as a % of the total across all jurisdictions.
6.1	Accountants Sector Data	Sum of questions BB4(i) - BB4(viii)
6.2	Accountants Sector Data	BB4(i) - BB4(viii) as a % of BB1(i) - BB1(viii)
6.3	Section I (Footprint) Data	Sum of questions A23(a) and A23(b), jurisdictions grouped by region.
7.1	Accountants Sector Data	Number of customers - sum of BB1(i) - BB1(viii)
7.2	Accountants Sector Data	Enhanced CDD % - BB2(i) - BB2(viii) as a % of BB1(i) - BB1(viii)
7.2	Accountants Sector Data	Higher risk % - BB3(i) - BB3(viii) as a % of BB1(i) - BB1(viii)
8.1, 8.2	Accountants Sector Data	Services Provided - sum of BB14(a)(i) - BB14(d)(viii)
9.1, 9.2	Section I (Footprint) Data	Employees - Jersey - Footprint Data, A18(i).
9.1, 9.2	Section I (Footprint) Data	Employees - non-Jersey - Footprint Data, A18(ii).
9.3	Section I (Footprint) Data	Compliance Employees - Jersey - A19(i).
9.3	Section I (Footprint) Data	Compliance Employees - non-Jersey - A19(ii).
9.3	Section I (Footprint) Data	Compliance Vacancies - A20.
9.4	Section I (Footprint) Data	Compliance Employees as a % of all employees - (A19(i) + A19(ii)) as a % of (A18(i) + A18(ii))

Reference ▲	Source	Calculation
10.1	Accountants Sector Data	Customers where reliance has been placed on obliged persons - BD3.
10.2	Accountants Sector Data	Article 17 - AD9(a) - AD9(g).
10.2	Accountants Sector Data	Article 18 - AD10(b) - AD10(f)



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Reference	Source	Calculation
Customers from higher risk Jurisdictions (D2)	Accountants Sector Data	Sum of BC1, for jurisdictions listed on the FATF grey-list or on three or more sources in Appendix D2, as a % of all jurisdictions.
Customers from higher risk Jurisdictions (GoJ TF)	Accountants Sector Data	Sum of BC1, for jurisdictions listed as higher risk for terrorist financing on the GoJ list, as a % all jurisdictions.
Enhanced CDD %	Accountants Sector Data	BB2(i) - BB2(viii) as a % of BB1(i) - BB1(viii)
Higher Risk Customer %	Accountants Sector Data	BB3(i) - BB3(viii) as a % of BB1(i) - BB1(viii)
PEP %	Accountants Sector Data	BB4(i) - BB4(viii) as a % of BB1(i) - BB1(viii)
Reliance %	Accountants Sector Data	AD3 as a % of BB1(i) - BB1(viii)
Higher Risk PEP %	Section I (Footprint) Data and Accountants Sector data	A23(a) + A23(b) for jurisdictions which are listed in source 7 of Appendix D2 divided by the sum of BB1