



Jersey Financial
Services Commission

Estate agent sector

Money laundering and terrorist
financing risk data analysis

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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

1,602

Customer Relationships

134

Employees

7

Customer Jurisdictions

1,336

Property Sales



The Jersey Financial Services Commission (JFSC) is the AML/CFT/CPF regulator for any person providing a service as defined in paragraph 19 of Schedule 2 to the Proceeds of Crime (Jersey) Law 1999 (estate agency services), where the services are provided in or from within Jersey and as a business. The service must be to, for, or on behalf of third parties and the property may be (i) freehold (including flying freehold) or leasehold property (including commercial and agricultural property); or (ii) shares the ownership of which entitles the owner to occupy immovable property. Estate agency services does not include the activity of selling new build properties “off plan” nor the activity of managing properties including lettings.

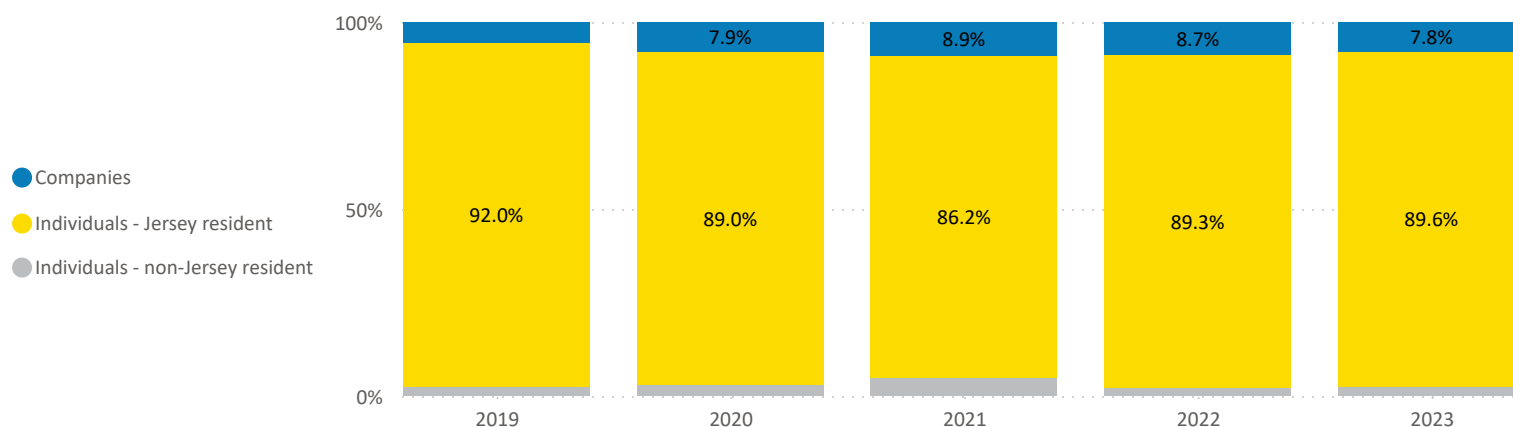
Estate agents may act for the sellers or purchasers of property but are not required to do so; purchases or sales may take place without engaging an estate agent for example inter-family transactions or sales by landlords to sitting tenants.

There is no equivalent to the UK Land Registry in Jersey. All contracts relating to Jersey immovable property must be passed before the Royal Court of Jersey. A public register exists for these contracts, but it does not guarantee title to property. It is the responsibility of the purchaser’s lawyer to correctly research the seller’s title to a property. Consequently, many of the customer relationships reported by estate agents are also reported by the legal sector.

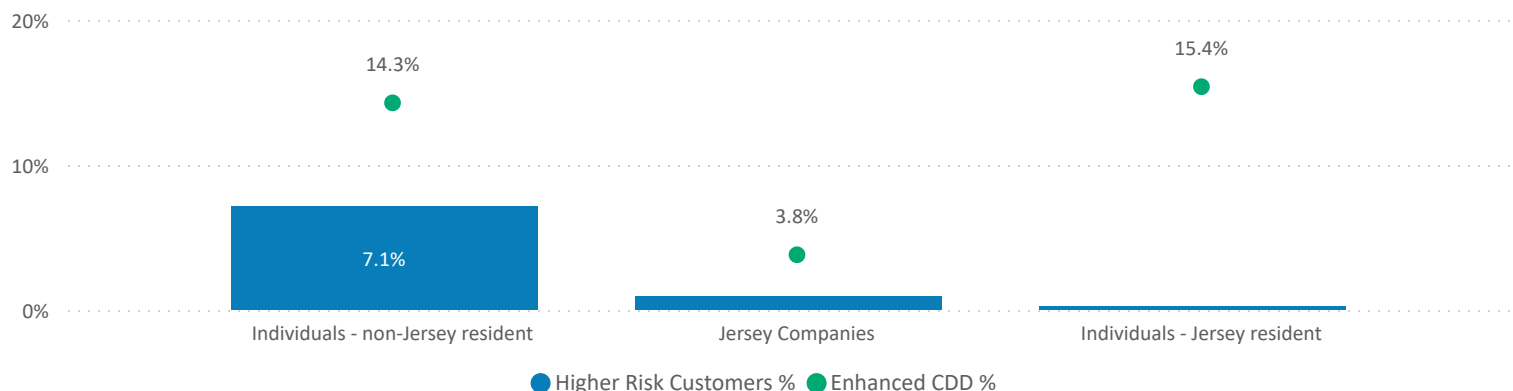
Year on year trends for the estate agency sector highlight the buoyancy, or otherwise, of the Jersey housing market as the vast majority of customers engage in one-off property transactions.

Customers

4.1. Customer type trends



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



Across the period 2019 – 2023, the data submitted highlights the local nature of the customers provided with an estate agency service. The customers are reported as predominately Jersey resident individuals (2023: 89.6%) or Jersey companies (2023: 7.8%). The small number of non-Jersey resident customers almost entirely comprises customers from the UK and Guernsey. The very low number of customers reported from jurisdictions other than Jersey, Guernsey and the UK means that no connections were reported to jurisdictions considered at higher risk of terrorist financing (TF) and no more than one customer in any given year was reported as being connected to a jurisdiction considered to be higher risk for money laundering (ML) purposes.

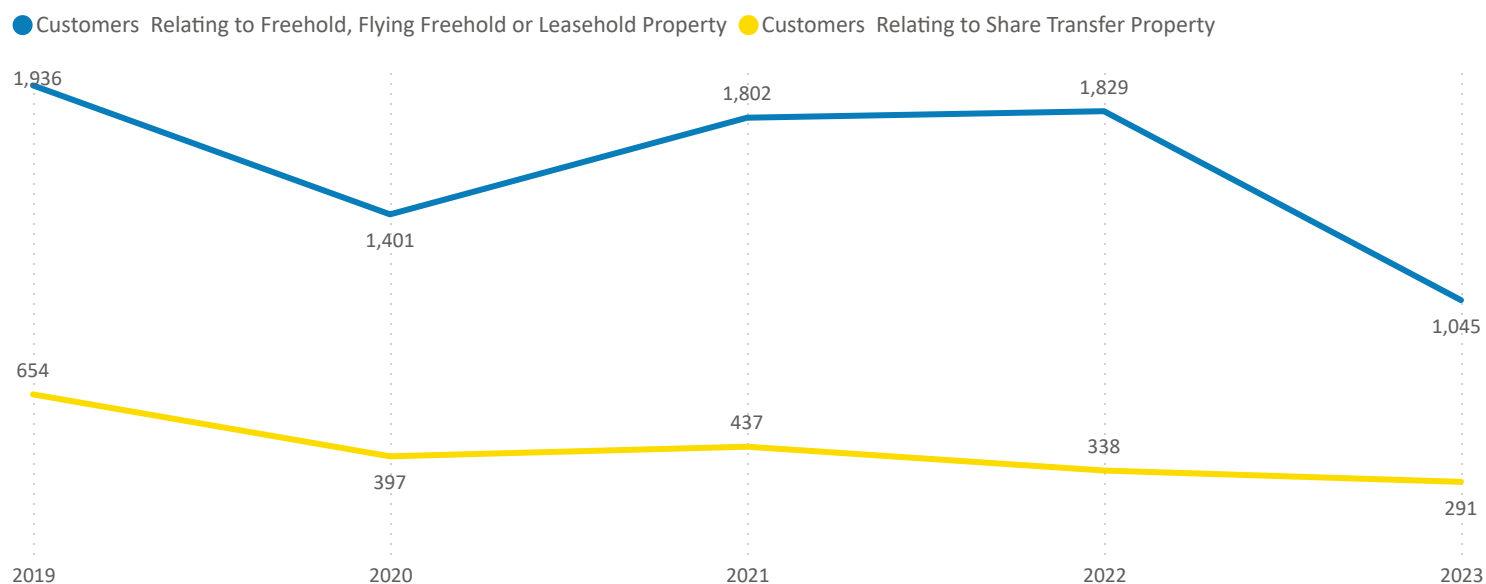
Estate agents are required to risk rate their customers, the reported data shows that overall in 2023 0.6% of the reported customers are rated as higher risk with non-Jersey resident individuals reported as higher risk more often than any other customer type. The reported data also shows that enhanced customer due diligence (CDD) is not only applied to higher risk customers as 14.3% of the non-resident individuals were subject to enhanced CDD whereas 7.1% of them were considered higher risk.

For information: ML higher risk jurisdictions have been defined as those listed on the Financial Action Task Force (FATF) black or grey list (Source 1 and Source 2 of Appendix D2 to the AML/CFT/CPF Handbook) or Jurisdictions listed in 3 or more sources in Appendix D2. TF higher risk jurisdictions are those listed on the Government of Jersey's guidance on specific countries that may present a higher risk of facilitating TF. For both ML and TF the sources were used as at July 2024.

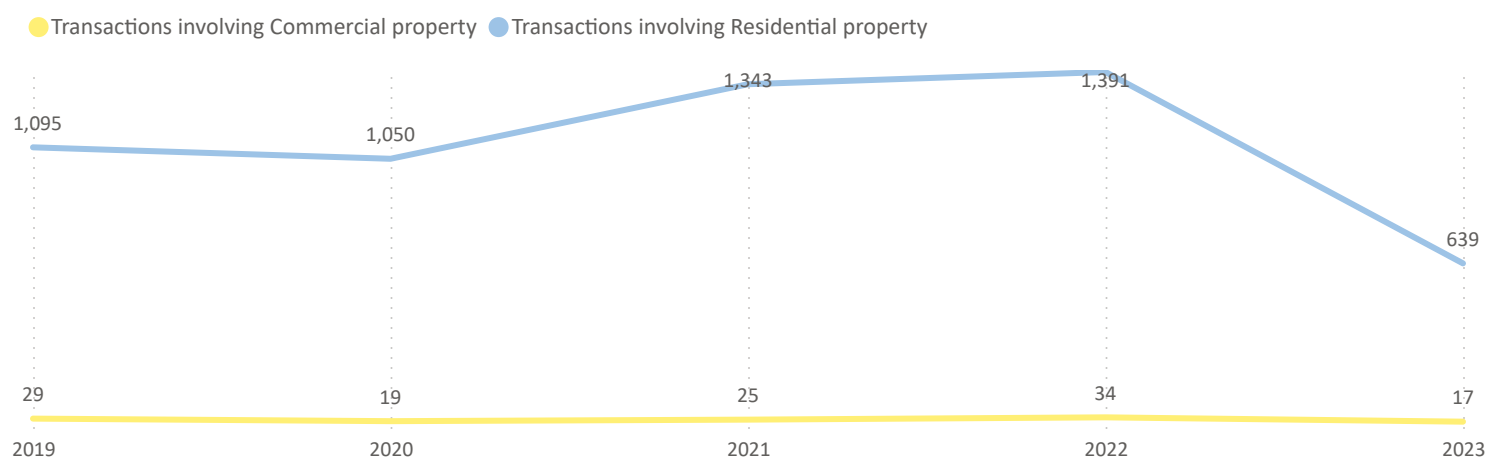


Services provided

5.1. Freehold, flying freehold, leasehold and share transfer



5.2. Commercial and residential property sales



The JFSC collects transactional data relating to the estate agency services provided. The transactions are reported in two ways: (1) whether the property is (i) freehold, flying freehold, leasehold or (ii) share transfer and (2) whether the property is (i) commercial or (ii) residential.

Across the period 2019 - 2023 the trended data highlights that the majority of transactions relate to residential property which is freehold, flying freehold or leasehold. The decrease in transactions reported for 2023 is consistent with the housing statistics published by the Government of Jersey. However, the actual numbers differ due to differences in data definitions.

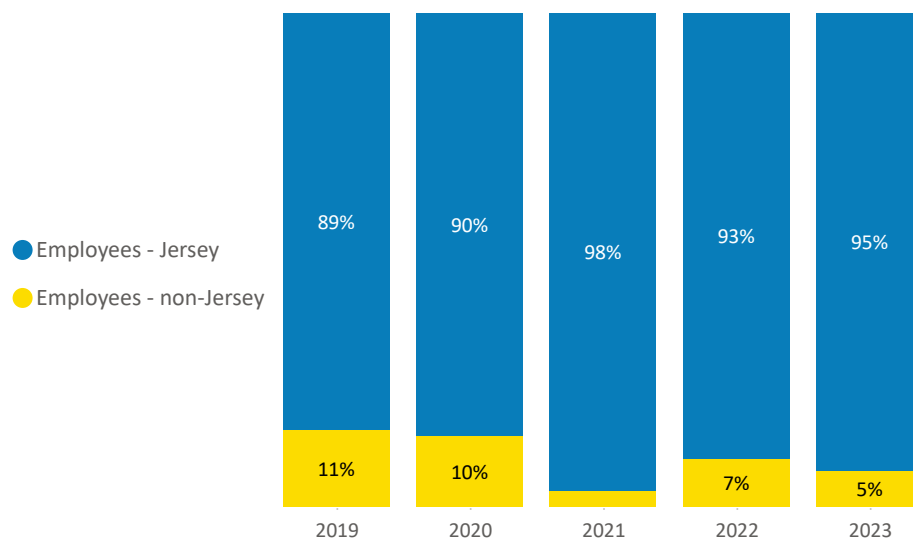


Employees

6.1. Employee Trend

Year	Employees - Jersey	Employees - non-Jersey
2019	89%	11%
2020	90%	10%
2021	98%	2%
2022	93%	7%
2023	95%	5%

6.2. Jersey and non-Jersey Employees



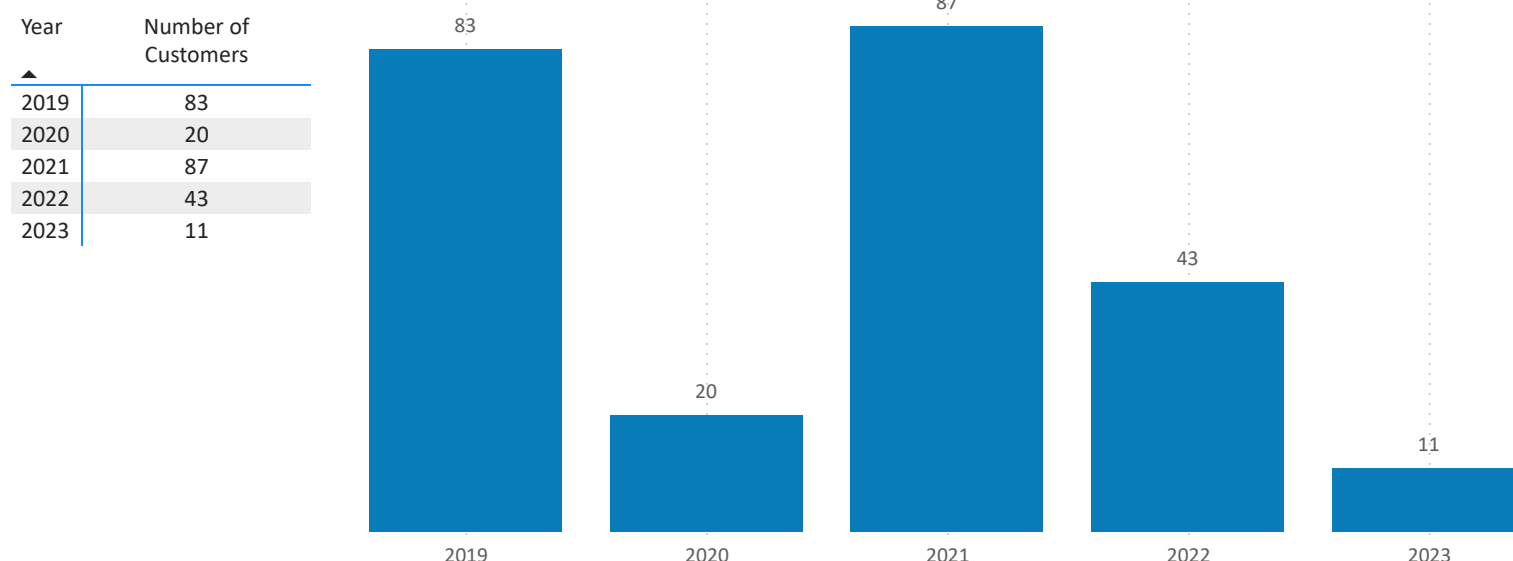
6.3. Compliance and risk employees

Year	Compliance Employees - Jersey	Compliance Employees - non-Jersey	Vacancies in Compliance and Risk
2019	18	5	5
2020	14	6	0
2021	15	8	0
2022	15	7	0
2023	18	7	1

The Jersey/non-Jersey split of total employees has been presented as a ratio as work remains ongoing to verify this data. Notwithstanding this, across the period 2019 – 2023 the reported employee data highlights a drop in total employee numbers in 2020 with a gradual increase in the following years. The number of staff reported as working in compliance or risk function is stable across the period.

Reliance on Obligated Persons (Article 16 of the MLO) and MLO Exemptions (Article 17 and Article 18)

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



7.2. Number of Customers where Article 18 has been applied

	2019	2020	2021	2022	2023
Article 18	1	1	0	2	0

The Money Laundering (Jersey) Order 2008 (**MLO**) provides for the use of reliance when carrying out CDD as well as specific circumstances where CDD is not required.

Reliance (Article 16 of the MLO): Use of reliance by the estate agents is not widespread. Given that the majority of transactions are “one-off” the variation of data year on year is expected. Between 2019 and 2023 only 15% of the reporting entities had placed reliance on obliged persons.

Specific CDD exemptions regarding identification measures (Article 18 of the MLO): there are five specific circumstances where the exemption can be utilised, of which one specifically relates to estate agents (Article 18(6)).

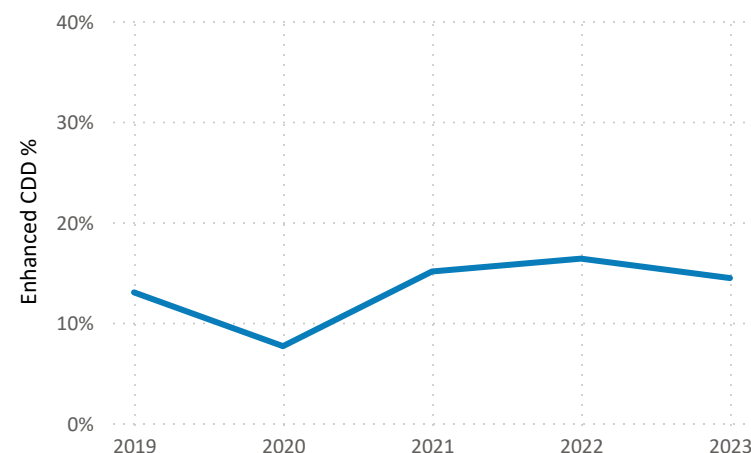
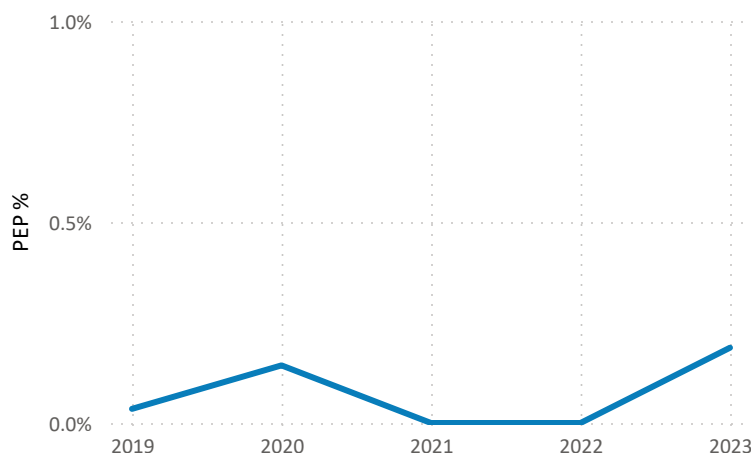
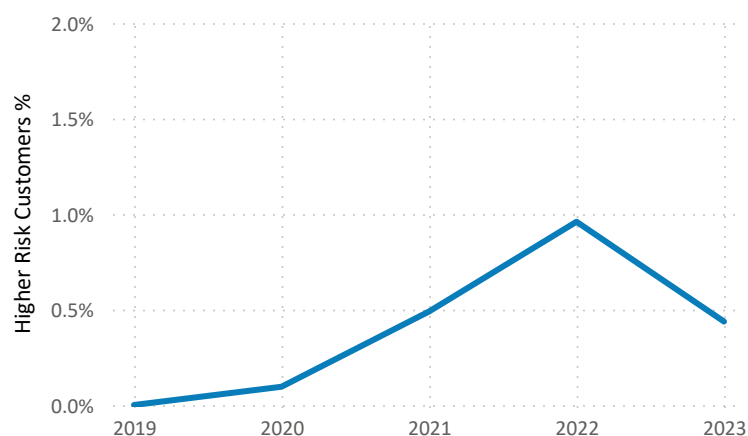
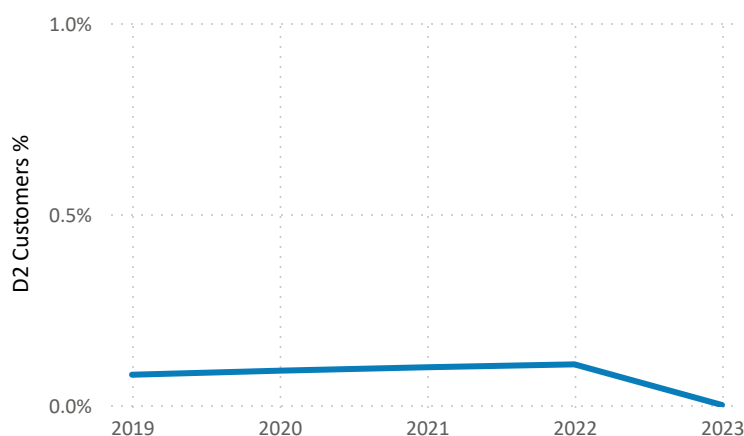


Key Risk Indicators

The data summarised below demonstrates key risk indicators which can inform our view of risk across the estate agent 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. Given the small number of data points for some of these risk indicators, in depth analysis has not been included in this report.

8.1 Key Risk Indicators

Year	Customers from Higher Risk Jurisdictions (D2)	Customers from Higher Risk Jurisdictions (GoJ TF)	Higher Risk Customers %	PEP %	Higher Risk PEPs %	Enhanced CDD %	Reliance %
2019	0.1%	0.0%	0.0%	0.0%	0.0%	13%	2.9%
2020	0.1%	0.0%	0.1%	0.1%	0.0%	8%	1.0%
2021	0.1%	0.0%	0.5%	0.0%	0.0%	15%	4.3%
2022	0.1%	0.0%	1.0%	0.0%	0.0%	16%	1.9%
2023	0.0%	0.0%	0.4%	0.2%	0.0%	14%	0.7%





Appendix 1 - References

Section I (Footprint) Data

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

Section II (Estate Agent Sector) Data

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

Appendix D2

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

GoJ 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 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	Estate Agents Sector Data	Number of customers - sum of CB1(i) - CB1(v)
4.2	Estate Agents Sector Data	Enhanced CDD % - CB2(i) - CB2(v) as a % of CB1(i) - CB1(v)
4.2	Estate Agents Sector Data	Higher risk % - CB3(i) - CB3(v) as a % of CB1(i) - CB1(v)
5.1	Estate Agents Sector Data	Freehold, flying freehold, leasehold or share transfer CB12(a), CB13(a)
5.2	Estate Agents Sector Data	Commercial and residential property sales CB16(a), CB17(a)
6.1, 6.2	Section I (Footprint) Data	Employees - Jersey - Footprint Data, A18(i).
6.1, 6.2	Section I (Footprint) Data	Employees - non-Jersey - Footprint Data, A18(ii).
6.3	Section I (Footprint) Data	Compliance Employees - Jersey - A19(i).
6.3	Section I (Footprint) Data	Compliance Employees - non-Jersey - A19(ii).
6.3	Section I (Footprint) Data	Compliance Vacancies - A20.
7.1	Estate Agents Sector Data	Customers where reliance has been placed on obliged persons - CD3.
7.2	Estate Agents Sector Data	Article 18 - CD7



Reference	Source	Calculation
Customers from higher risk Jurisdictions (D2)	Estate Agents Sector Data	Sum of CC1, 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)	Estate Agents Sector Data	Sum of CC1, for jurisdictions listed as higher risk for terrorist financing on the GoJ list, as a % all jurisdictions.
Enhanced CDD %	Estate Agents Sector Data	CB2(i) - CB2(v) as a % of CB1(i) - CB1(v)
Higher Risk Customer %	Estate Agents Sector Data	CB3(i) - CB3(v) as a % of CB1(i) - CB1(v)
PEP %	Estate Agents Sector Data	CB4(i) - CB4(v) as a % of CB1(i) - CB1(v)
Reliance %	Estate Agents Sector Data	CD3 as a % of CB1(i) - CB1(v)
Higher Risk PEP %	Section I (Footprint) Data and Estate Agents Sector data	A23(a) + A23(b) for jurisdictions which are listed in source 7 of Appendix D2 divided by the sum of CB1