2024 annual report

Jersey
Financial
Services
Commission

Contents

Navigating our annual report

Our annual report consists of three main sections:

- **our performance report**, sharing the strategic and operational work we have undertaken across the year to achieve our vision, our delivery against our ESG agenda, our human rights, anti-bribery and corruption statement, a financial overview and our risk, legal and data protection overview
- **our accountability report**, including a governance statement, remuneration and employee report and our governance structure
- **our financial statements**

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Highlights at a glance
Facilitate business integrity

1,926
Registry inspections

1,373
pieces of information received by Intelligence

18
sanctions issued

130
external policy queries managed

54
whistleblowing calls received

108
external shares of intelligence to **14 different jurisdictions**

Key Persons consultation launched
following industry feedback

520
intelligence reports disseminated

66
iSARs externalised

New guidance issued
for Jersey Private Funds

Highlights at a glance

Harness technology

5
new online forms on myJFSC portal

ISO 27001 and Cyber Essentials
certifications achieved

Registry system core upgrade completed
to enable future user experience improvements

13 publications
from our Innovation Hub, including on RegTech and tokenisation

Develop our people, systems and capabilities

8%
of colleagues are returners

£341,000
spent on learning and development

Chair’s statement

As the regulator for financial services in Jersey, we take our responsibility to enable the island’s economy very seriously. Ensuring the long-term sustainability and prosperity of our industry requires us to manage and balance a range of priorities and perspectives. We listen to our stakeholders, learn from their feedback and take action to ensure ongoing regulatory effectiveness.

Jane Platt CBE
Chair
Jersey Financial
Services Commission

Since joining the organisation in April 2024, I have been struck by the JFSC team's commitment to facilitating business that safeguards Jersey's best economic interests, while protecting consumers and preventing financial crime.

Alongside the significant successes of this year, not least the strong outcome of Jersey's MONEYVAL mutual evaluation, 2024 also presented our organisation with significant challenges, including two data breaches and increased scrutiny. We recognise the impact of these incidents on our stakeholders and have taken lessons forward from them, as we share in this report.

We welcome feedback as we continue to move through a business transformation with performance, service and people at the heart. Our organisation has achieved a significant amount in a challenging year, and we appreciate that we still have work to do. I have confidence that our team will deliver this transformation with the resilience and resolve they demonstrated throughout 2024.

International context

2024 was a major year for global elections, with over a billion people going to the polls. Geopolitical instability increased uncertainty, and inflation remained a concern, resulting in higher interest rates and cost-of-living pressures worldwide.

Supply chains remained disrupted, worsened by an energy crisis and regional conflicts. Labour and skills shortages continued to affect many sectors.

Despite significant headwinds, the global economy demonstrated impressive resilience in 2024, but rising trade tensions have made the outlook for economies and markets more volatile and unpredictable. Breakthroughs in emerging technologies, including in artificial intelligence, have created new opportunities for businesses.

The groundwork continued to be laid for Pillar Two tax reforms, establishing a global minimum effective tax rate of 15% for in-scope companies, including branches of multinational groups. These reforms are due to come into effect in 2025, however at the time of writing there is some uncertainty internationally about their implementation.

Against this backdrop, with both onshore jurisdictions and international finance centres seeking to offer quality services at reasonable prices, Jersey's competitiveness on the international stage is a key focus. Supporting Jersey's long-term economic success is one of our guiding principles. In 2024 we laid the groundwork for several initiatives focussed on competitiveness, including an independent review into our fee model.

In increasingly difficult global conditions, Jersey's stability and strong international reputation as a well-regulated jurisdiction are important assets to leverage.

Our commitment to stakeholders

Strong stakeholder relationships are central to regulatory effectiveness. We must continue to meet international regulatory standards to ensure effectiveness in fighting financial crime and to enable Jersey's long-term success and market access. This year we continued to foster global relationships, including with international regulatory bodies and peer regulators, to share best practice, support cross-border supervision and explore new opportunities.

We work closely with the Government of Jersey to ensure effective implementation of legislation passed by the States of Jersey Assembly. We also seek feedback from industry through regular meetings with industry bodies and our annual survey. This engagement has helped to shape the work we have done in 2024 and our plans for next year.

The year ahead

The Government of Jersey's financial services competitiveness programme provides us with an opportunity to simplify legislation, increase the ease of doing business in Jersey and strengthen cross-agency collaboration. We will also complete the current stage of our strategy and lay the groundwork for the next. Supporting the competitiveness agenda, underpinned by a shared understanding of risk, will be a key focus for the year.

Director General statement

2024 was a combination of both successes and challenges, which our team faced with purpose, commitment and resilience.

Jill Britton
Director General
Jersey Financial Services Commission

2024 overview

On 24 July 2024, MONEYVAL, the Council of Europe's permanent monitoring body, published their Mutual Evaluation Report for Jersey. The report confirmed that Jersey's effectiveness in preventing financial crime is among the highest levels found in jurisdictions evaluated around the world.

This positive outcome from the evaluation is critical to Jersey's long-term economic success. This was a significant part of our story this year, and an achievement that many JFSC colleagues contributed to and are proud of.

We are also committed to addressing the significant challenges that 2024 presented, including two data breaches and increased scrutiny, in an open and solution-focussed way. We have strengthened our cyber security, achieving Cyber Essentials and ISO 27001 certification, and continued to increase our engagement with industry and other stakeholders to enable continuous feedback.

We recognise the importance of balancing effective regulation with an enabling regulatory environment for reputable business. We have listened and learned on where we need to do better, including improving our service levels.

In 2024 we continued to move through the necessary business transformation to make these improvements and remain committed to this process of renewal in 2025.

In our Registry we have seen sustained improvements in service levels including:

- 68% of incorporations completed within the requested timeframe, a **24% improvement** from 2023
- 82% of maintenance submissions completed within two days, a **49% improvement** from 2023
- 84% of phone calls answered in our Registry, a **21% improvement** from 2023

Local context

Jersey continued to face challenges related to inflation and cost of living in 2024, which has affected all islanders, including the local business community. As the financial services regulator, we are very much alive to the island's growth agenda. Our focus in 2025 will be to define and advance delivery of the JFSC's part in that agenda, working alongside the Government of Jersey and industry.

Strategic delivery

Jersey's mutual evaluation remained a significant strategic workstream in 2024, both in the build-up to the publication of Jersey's Mutual Evaluation Report in July and afterwards, as we developed and published our responding action plan in engagement with our stakeholders.

Other key strategic delivery included:

- **completing the first stage of an independent review of our fees by KPMG**, laying the groundwork for revising their structure and competitiveness in 2025
- **developing our conduct and prudential focus**, bringing Jersey in line with Basel III standards for banks among other activity
- **ongoing digital transformation**, digitising key regulatory processes on myJFSC to make them quicker and smoother for industry, launching an AI-powered regulatory chatbot, "Reggie", completing a core upgrade of the Registry back-office system to enable future user experience improvements and preparing our systems to enable obliged entity access to beneficial ownership information, which became available in 2025
- **continued focus on reducing turnover and increasing the knowledge and experience of our people**, maintaining employee turnover well below the highs seen in 2021

2024 operational developments

This year we developed our "operational excellence" framework, delivered through four focus areas: regulatory effectiveness, value for money, service excellence and employee experience. Stakeholder feedback has fundamentally shaped the model and helped us prioritise which improvements to address first.

Alongside the sustained improvement in service delivery in our Registry division, we also launched a new approach to fees consultations, aligning our fee cycle with the budget cycle to provide a clearer link for industry between what we charge and what we spend.

Our next steps are to keep improving service levels to ensure we are accessible and approachable as a regulator, support ease of doing business in the island and contribute to the competitiveness agenda.

The year ahead

As we move into the new year, we will take the lessons of 2024 forward without losing momentum on our important strategic commitments. We have an ambitious programme of work ahead including:

- developing a new strategy, prioritising stakeholder input and stability for industry
- completing JFSC-specific Recommended Actions from Jersey's MONEYVAL mutual evaluation
- conducting a strategic review of our Registry to support Jersey's standing as a jurisdiction of choice
- finalising the framework for consumer credit so that Jersey consumers can benefit from consistently high standards of transparency and best practice
- supporting the Government of Jersey's delivery of its sustainable finance roadmap
- increasing international engagement, alongside the Government of Jersey and Jersey Finance, to support the economic growth agenda
- developing the capability to add intellectual property and trademark registers to the services provided by our Registry
- continuing to deliver digital improvements for industry, including:
  - more enhancements to our portals
  - improving our website's search functionality and user experience
  - developing and enhancing how we collect data to reduce the burden on industry and ensure we are using our resources effectively as part of our risk-based approach
  - working with industry to operationalise our new platform providing obliged entities access to beneficial ownership information, exploring further development of this platform alongside government to provide access to those with legitimate interest
- starting the revision of the structure and competitiveness of our fees following KPMG's independent review in 2024
- supporting the Government of Jersey's financial services competitiveness programme

Read our 2025 business plan here

Performance report

Who we are

We are the regulator for financial services in Jersey, responsible for regulating, developing and supervising the island's financial services industry. We also supervise non-profit organisations, virtual asset service providers and designated non-financial businesses and professions for anti-money laundering, countering the financing of terrorism and countering proliferation financing purposes.

We aim to deliver balanced, progressive, risk-based financial regulation, built on insight, integrity and expertise. We also operate the Companies Registry, which registers Jersey companies, partnerships, foundations and business names.

Our mission

Our mission is to maintain Jersey's position as a leading international finance centre, with high regulatory standards, and to adhere to our guiding principles, which are set out in law, to:

- reduce risk to the public of financial loss due to dishonesty, incompetence, malpractice, or the financial unsoundness of financial service providers
- protect and enhance the reputation and integrity of Jersey in commercial and financial matters
- safeguard the best economic interests of Jersey
- counter financial crime both in Jersey and elsewhere

What we do

Our statutory responsibilities are set out in legislation and include:

- authorising, supervising, and developing financial services in or from within Jersey
- discharging our functions as set out in the Commission Law and other legislation
- reporting, advising, assisting, and informing the Government of Jersey and other public bodies in relation to financial services matters
- preparing and recommending to the Minister amendments to financial services legislation
- operating the Companies Registry

We aim to fulfil these responsibilities by:

- ensuring that all authorised financial services businesses and individuals meet the appropriate criteria and that we, as the regulator, meet appropriate international standards relevant to the sectors we supervise
- playing our role in combatting financial crime as part of the wider international effort
- working closely with fellow regulators and lawmakers to ensure access to efficient and effective markets for financial services
- reacting to and, where appropriate, anticipating changes in markets and the financial services industry by developing policy and the way we supervise
- acting as an agile, thoughtful, proportionate regulator that gives fair consideration to both the costs and benefits of regulation
- supporting the Government of Jersey in its strategic objectives as set out in the Common Strategic Policy

Our external-facing teams

Supervision

The Supervision division maintains the JFSC's relationship with regulated businesses, assessing the way in which they maintain sustainable business models, treat customers, or develop appropriate controls to mitigate the risks of financial crime. Supervision does this through engagement with firms and taking a risk-based approach to supervision and examinations.

Registry

The Registry's primary function is to consider and assess incorporation applications to ensure they comply with legal obligations and the island's risk appetite.

Our Registry maintains 15 registers including Jersey companies, business names, foundations, partnerships and security interests.

Policy

Our Policy team maintains the regulatory framework keeping legislation and codes up to global standards, working with international policy makers and governments.

Innovation

The Innovation Hub supports the development and adoption of new and innovative technology in financial services. The hub provides a dedicated point of contact for firms to raise enquiries with competent authorities on Fintech and RegTech related issues and seek non-binding guidance on regulatory expectations.

Enforcement

Our Enforcement team investigates and, where appropriate, takes or proposes action against businesses and individuals which do not comply with our regulatory and legal requirements, investigating actual and potential cases of serious regulatory misconduct.

Intelligence

Our Intelligence division works closely with Enforcement, Supervision and Registry, developing intelligence to enhance our activities as a risk-based regulator. The Intelligence division is also responsible for maintaining the JFSC's whistleblowing line and works closely with law enforcement agencies and the Financial Intelligence Unit, Jersey.

Financial Crime Coordination

Our Financial Crime Coordination team supports the embedding and ongoing improvement of our processes for the prevention and detection of financial crime, ensuring ongoing effectiveness in meeting international standards. The team is also responsible for the delivery of the MONEYVAL Recommended Actions Plan (published November 2024).

Risk

Our Risk team support us through the deployment and oversight of a robust enterprise risk management framework and facilitate a deeper understanding of regulatory risk. The Risk team houses the JFSC General Counsel and Data Protection Officer.

Our strategy

Vision

To be a high-performing regulator, building for the long-term success of Jersey

Top strategic priority

Achieving sustainable, long-term excellence in regulatory effectiveness, and increased capability for the island in combatting financial crime

Strategic anchors

Three strategic anchors provide the lens through which we make our decisions:

Facilitate business integrity

Harness technology and influence the digitalisation of financial services

Develop our people, systems, and capability to be a high performing organisation

We launched our current strategic framework in 2021. Our Board will use an extension of the framework to incorporate the Government of Jersey's financial services competitiveness programme into the next strategic cycle and maximise the value from our existing commitments.

Alignment with island priorities

Our strategy aligns with the government's Future Jersey vision, including the following Island Outcomes for economic wellbeing:

- **business environment** – Jersey is an attractive and competitive place to do business
- **jobs and productivity growth** – Jersey encourages talented people to remain employed here, and attracts others who can help businesses grow, become more productive and help create better employment opportunities for islanders

Our culture and approach

We are a values-driven organisation. We promote a culture of listening and responding to our stakeholders to make sure we are continuously improving. We are focussed on strengthening and embedding this approach across the JFSC. We are accountable through our governance structures as set out in law and through a programme of continuous engagement with our stakeholders.

2024 strategic delivery

Facilitate business integrity

Facilitating business integrity involves supporting businesses to:

- reach greater maturity in risk management
- improve their understanding of regulatory standards
- adopt an active approach to compliance

Facilitate business integrity at-a-glance

- significant contribution to Jersey's successful MONEYVAL mutual evaluation
- enhanced financial crime capability embedded into business-as-usual activity
- developed conduct and prudential focus
- completed first stage of independent fees review to support competitiveness
- issued revised Jersey Private Fund Guide, enhancing this product's attractiveness for investors
- asset tokenisation and initial coin/token guidance published, supporting industry to access the benefits of this technology
- green paper issued on changes to Key Persons Regime to support industry's compliance function resourcing

MONEYVAL mutual evaluation

Our team contributed significantly to the successful outcome of Jersey's MONEYVAL mutual evaluation, which was essential for Jersey's global standing and attractiveness to reputable business.

MONEYVAL is the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism. Jersey's Mutual Evaluation Report confirms that Jersey's effectiveness in preventing financial crime is among the highest level found in the world.

Following the publication of the Mutual Evaluation Report in July, our Financial Crime Coordination division, working alongside other JFSC teams, progressed work in response to Jersey's national action plan, alongside publishing our own action plan covering the Recommended Actions specifically for the JFSC to complete. We also embedded our enhanced approach to combatting financial crime into our business-as-usual activity.

Conduct and prudential

We continued work to align our policy framework to prevailing Basel standards to support cross-border banking businesses. This included consulting on and agreeing our proposed roadmap for implementing the final set of Basel III reforms.

As the first step in the roadmap and following consultation with industry, we have implemented some quick wins by updating relevant guidance notes and Codes of Practice, which came into force on 1 January 2025.

We supported the Government of Jersey to draft a new consumer credit law and drafted a Code of Practice for the new regime. Another key focus was supporting government with the development of Jersey's Sustainable Finance Action Plan, laying the groundwork for important developments in this space in 2025.

We have started the rebalancing of our supervisory approach on conduct and prudential matters, alongside our ongoing financial crime focus, through the creation of a new prudential team to focus on firms which exhibit risks to their financial viability. We have started work to examine conduct risks in firms, including banking fraud.

We also continued our work alongside other agencies and the Fraud Prevention Forum to raise awareness among islanders and share best practice in fraud prevention.

Independent fees review

KPMG conducted an independent review of the structure and competitiveness of our fees in close consultation with industry, and we published the executive summary of their findings in December 2024. This has laid the groundwork for a significant fees workstream in 2025 to support Jersey's competitiveness as a jurisdiction of choice.

We have responded to industry feedback requesting more transparency in the fee consultation process by aligning the 2025 fee cycle to our financial cycle, providing greater clarity for industry on the link between what we charge and what we spend.

Read the executive summary of KPMG's targeted review of the JFSC's funding and fee model here

Policy developments

Our Policy team has delivered new and updated guidance, led consultations and supported government to ensure Jersey's policy framework remains current, including:

- **issuing an updated Jersey Private Fund Guide,** developed in consultation with industry, to ensure our policy position is up-to-date and supports the continued attractiveness of this product for investors
- **providing substantive support to the refresh of Jersey's companies law,** working closely with government and industry, providing significant pre-consultation engagement
- **publishing new asset tokenisation guidance and updated initial coin/token offering guidance** to support the finance industry's access to the benefits of tokenisation, such as liquidity, accessibility and transparency – this was well-received both locally and internationally, positioning Jersey as a forward-thinking jurisdiction in this growth area
- **substantive pre-consultation engagement on key projects** such as sustainable finance and the new consumer credit regime
- **publishing a Key Persons Regime green paper** to explore ways we can adjust our regulatory framework to support firms with their compliance resourcing and capacity

Alongside other engagement, the Policy team carried out **six public consultations** throughout the year, with a particular focus on the Basel III reforms.

Supervision developments

Our Supervision division has continued to enhance our supervisory approach, evolving it in line with our risk model. Alongside the developments already shared, other key highlights included:

- **completing our visit assessment programme of regulated organisations and individuals**, including 101 thematic assessment visits, 22 periodic assessment visits and 89 desk-based reviews
- **processing a 40% uplift in background checks** following the removal of exemptions from Jersey's AML/CFT/CPF framework
- **enhancing our outreach and communication style**, including more online content, introducing a new "bite-size" format for examination feedback to support industry understanding of our findings and engaging with regulatory consultants to make it easier for regulated entities to learn from us

Authorisations statistics

Licence type	2022	2023	2024
Alternative investment fund services business	6	11	16
Auditors	7	4	6
Banks	1	0	1
Collective investment funds	26	35	39
Control of Borrowing Order (CoBO)	157	126	153
Fund services business	28	17	25
General insurance mediation business	3	7	4
Investment business	2	3	4
Insurance	7	5	4
Jersey private funds	195	136	115
Money services business	1	0	1
Non-profit organisations	29	117	44
Trust company business	21	25	22
Total authorisations	**483**	**486**	**434**
Total cessations and revocations	**256**	**452**	**409**

Schedule 2 registrations

Licence type	2022	2023	2024
Schedule 2 business (Direct)	27	241	243
Schedule 2 business (AMLSP)	n/a	2,691	1,476
Total Schedule 2 registrations	**27**	**2,932**	**1,719**
Total Schedule 2 revocations	**25**	**48**	**824**[1]

[1]The increase in revocations is due to changes to the anti-money laundering service provider regime, with entities/arrangements subsequently falling out of Schedule 2 registration.

Enforcement developments

Our Enforcement team managed a complex caseload throughout the year, with 75% of those being high-priority cases. The team has seen an increase in scams and frauds, and the other cases we received and investigated are increasing in complexity.

During 2024, Enforcement used the full range of its powers to ensure the JFSC is delivering fair and proportionate actions. This includes considering the individual circumstances of the case and using our powers, such as civil financial penalties, in those cases that represent the most serious risk to our guiding principles.

Key Enforcement activity included:

- receiving and processing 34 referrals
- imposing two civil financial penalties
- issuing three public statements/warnings
- servicing nine requests for assistance
- issuing 40 notices issued for compulsion interviews and production of information/documents
- issuing two directions

Registry developments

Our Registry is important for a broad range of stakeholders, including local businesses alongside international financial services companies. Key developments this year included:

- **completing our visit assessment programme** in conjunction with Supervision where the trust company service provider agreed to this approach, to support the authentication and verification of information on the register. This included 888 regulated entity visits and 1,038 local business visits
- **completing the first full year of overnight screening**, for all significant persons documented within the core Registry and JFSC systems to check for adverse media related to financial crime and financial sanctions. The screening is designed to identify any changes in risk from parties who could harm the island. No new information was discovered in this screening, underscoring the effectiveness of the risk assessments we have performed
- **laying the groundwork for the 2025 strategic review of our Registry**, to support the long-term needs of our stakeholders, including considering the range of products available, streamlining people's interactions with us and supporting ease of access to our services. This includes consideration of international standards and best practice
- **continuing to build knowledge and experience** in the Registry team with the roll-out of updated policies and procedures to support the consistency and quality of the service we provide to Registry users
- **completing the core upgrade to the Registry back-office system**, as shared in the technology and data section below

Registry statistics

	2024	2023
Live entities*	38,820	38,544
Total registrations*	2,859	2,759
Company incorporations	2,501	2,464
Company dissolutions	2,434	2,452
Companies migrated in (continuance in)	129	184
Partnership dissolutions cancellations	148	236

**The live entities and total registrations include all legal entity types.*

Intelligence developments

The Intelligence division has continued to raise its profile and provide consistent and effective intelligence processing within the JFSC. The team provided training to supervisors on the use and handling of intelligence, which has helped it promote its work. Intelligence also regularly met local and international competent authorities throughout the year to improve intelligence sharing between agencies.

In 2024, the Intelligence division saw an increase in whistleblowers, with some calls providing valuable intelligence for ongoing Enforcement cases.

The number of intelligence reports the team disseminated in 2024 was lower than in previous years. This is because of the division's strategy to only produce intelligence that is timely, relevant and actionable. 85% of intelligence shared resulted in some sort of action being taken.

Harness technology and influence the digitalisation of financial services

We aim to enhance our own digital capabilities and technology usage while promoting and supporting technology adoption across the financial services industry. Our goal is to create an environment where digitalisation can thrive without facing unintended regulatory barriers.

Harness technology and influence the digitalisation of financial services at-a-glance

- key regulatory processes made smoother and quicker for industry through adding five online forms to myJFSC
- strengthened cyber security controls, achieving the ISO 27001 and Cyber Essentials certifications
- launched AI-powered regulatory assistant 'Reggie' to increase the accessibility of regulation
- developed systems to provide obliged entity access to beneficial ownership information in 2025 to assist client due diligence
- developed and endorsed a new data strategy to simplify data collection for industry and improve insights into the finance industry
- completed a core upgrade of the back-office Registry system to enable future improvements to user experience

We continued to evolve our industry-facing digital platforms in response to stakeholder feedback. This included more straight-through processing of key regulatory processes for entities and individuals, which has provided faster turnaround times for industry and improved their user experience. These updates have also freed up capacity within our team to deliver more high value work for industry. New/improved features added to our myJFSC portal this year included:

- **functionality to download draft forms**, which industry had identified as a priority update
- **increased ability for portal administrators to self-serve**, saving users time by removing steps in the process
- **an online chat feature** to help users when submitting supervision authorisation application forms
- **better visibility of the status of applications**, in response to industry requests
- **new anti-money laundering service provider (AMLSP) forms** with straight-through processing to replace complex workbook processes, resulting in significantly reduced turnaround times for industry
- **a new cease-to-act online form**, providing straight-through processing and reduced turnaround times
- **improvements to the Schedule 2 Supervisory Bodies Law Registration form**, improving user experience by removing duplicated data entry
- **preparing our systems to provide obliged entities access to beneficial ownership information**, which went live in 2025 - this is to meet longstanding government commitments

Other important technology developments included:

- **gaining ISO 27001 certification**, the international standard for information security management, demonstrating the robustness of our Information Security Management System - a key priority area for us and our stakeholders
- **gaining our Cyber Essentials certification**, ensuring our technical controls are robust and effective in guarding against evolving cyber threats
- **developing a refreshed data strategy** to reduce the current burden on industry and ensure we are able to effectively use our resources to support our risk-based approach
- **a core upgrade of the Registry back-office system**, providing improved functionality internally and to enable future improvements to user experience - a significant workflow involving the Registry, Operational Excellence and Technology and Data teams

Innovation Hub

Our Innovation Hub continued their work to support and enable innovation in financial services by embracing digital technology. This included launching our AI-powered regulatory chatbot “Reggie”, to provide a self-help platform for regulatory questions, increasing ease of access, navigation and understanding of Jersey’s regulatory framework. Initially launched in beta, Reggie currently uses our Codes of Practice and the Anti-Money Laundering and Countering Terrorist Financing Handbook as its knowledge base, with more resources to be added over time.

Alongside new asset tokenisation guidance, we have also provided guidance to support industry in accessing the benefits of regulatory technology (RegTech), including increased team capacity and high standards in regulatory compliance.

Develop our people, systems, and capability to be a high performing organisation

Our goal is for our team to have the support, systems, equipment, training and structure they need to thrive and to deliver a quality service to our stakeholders. This includes attracting and retaining talented employees through a strong employee value proposition and ensuring our systems and processes are fit-for-purpose.

Develop our people, systems, and capability to be a high performing organisation at-a-glance

- established an Operational Excellence team focussed on a continuous improvement cycle
- employee turnover maintained well below the highs seen in 2021 to provide steadiness and consistency to industry, with a focus on training for new supervisors
- documented our enterprise architecture and decommissioned old systems to boost efficiency, manage costs and support security
- independent expert brought in to review digital user experience of the Registry
- internal service desk transferred to a local third party, increasing capacity of our Technology and Data team to deliver higher value work for industry
- risk and control framework strengthened, including sharing sector-specific data to support industry's understanding and analysis of risk within their business

We recognise that our people and systems are critical for delivering regulatory effectiveness. Key developments in building our organisational capacity and capability in 2024 included:

- **establishing an Operational Excellence team** to embed continuous improvement into how we operate as an organisation. The team's work this year included input on our fees reform to ensure fee accuracy and improve billing and management of fee queries
- **continued focus on retaining colleagues and improving their knowledge and experience.** While employee turnover saw a slight increase in 2024 compared with 2023, at 19% for the trailing 12 months to December 2024, it remains well below the highs seen in 2021, giving us an average length of service of 4.5 years. Our work in this area included:
  - continuing to actively welcome returners to the workforce as part of our recruitment efforts, with 8% of colleagues being returners, rising to 13% in our Supervision and Enforcement teams
  - launching targeted training for our people managers and an in-role career pathways framework to support career progression
  - a positive trend of supporting internal mobility, with internal promotions running at 13% of all appointments in 2024, ensuring industry can benefit from working with experienced employees
  - enhancing our approach to recruitment with candidates scoring 9/10 on recruitment experience and almost 30% of new hires coming through internal referrals, which leads to better outcomes
- **increasing the capability of our workforce** through a sustained focus on learning and development
- **reviewing our technology landscape** to identify areas of duplication, waste and unnecessary complexity so we can "do more with less"
- **engaging a user experience expert in Registry**, to identify how we can better support service users, including improvements to our online content and guidance. The output of their work is helping us design better customer journeys and remove process steps, so colleagues and end users have improved ease of use and simplified functionality
- **internal service desk capabilities transferred to a third-party**, freeing up our Technology and Data team's capacity for strategic delivery and other digital improvements for industry
- Continued enhancements made to our **risk and control** framework - see the risk, legal and data protection section for further details

Performance analysis

We published a set of external key performance indicators in our 2023 business plan and committed to publishing our performance against them in our annual reports from 2023 onwards, for the duration of this strategic cycle.

KPI: **Engagement**

International and industry engagement

Level of local and international engagement by the Board of Commissioners and the Executive Directors Committee

Measure	# of international (off-island) meetings versus target. # of meetings with local
Target	Annual target: 18 international and 30 local engagements
2023 results	23 international engagements (excluding FATF matters) and 27 local engagements
2024 results	**Target exceeded:** 30 international engagements and 126 local engagements

KPI: **Industry perception**

External perception of the JFSC through annual industry survey[1]

Engagement and perceptions of the JFSC divided in 3 areas (based on the categorised heading of the question set posed): (i) JFSC reputation (effective communicator, operating consistently, promoting tech) (ii) JFSC supports Jersey's competitiveness as a jurisdiction of choice for financial services (iii) JFSC acting in the best interest of Jersey

Measure	year-on-year improvement in industry survey results
Target	% year-on-year improvement on industry survey results
2023 results	(i) effective communicator 6.2/10, operating consistently 6.2/10, promoting tech 6.1/10 (ii) 73% (iii) 72%
2024 results	(i) effective communicator 5.6/10, operating consistently 5.7/10, promoting tech 5.6/10 (ii) 67% (iii) 66% It is clear that the scale and pace of essential regulatory change in 2023 had an impact on stakeholders. While important progress was made in relation to myJFSC, employee retention and stakeholder engagement, there is clearly still work to be done. We must target better results, mindful of the context of the MONEYVAL evaluation

[1]Last year the 2024 results were presented under the 2023 data, as the survey began in Q4 2023 and completed Q1 2024. We are now aligning the surveys with the year in which they completed.

KPI: **Service level agreements (SLAs)**
Adherence and improvement of user experience SLA with industry

Monitor, measure and reduce current industry SLAs

Measure	% adherence to published SLAs with year-on-year improvement and reduction in processing times
Target	90% adherence to published SLAs
2023 results	987 MyProfile applications processed in 2023; 69% within SLA. As at 31 December 2023, 97% of annual confirmations returned.
2024 results	1,018 MyProfile applications processed in 2023; 69% within SLA. As at 31 December 2024, 99% of annual confirmations returned.

KPI: **Digital processes**

Online streamlined interactions

Increase in end-to-end digital interaction processes with end users

Measure	One new-end-to-end process per quarter
Target	One new end-to-end process per quarter
2023 results	**Target exceeded:** seven core processes built and deployed by end of 2023
2024 results	**Target exceeded:** five core processes built and deployed by end of 2024

KPI: **Staff engagement**

Annual staff happiness index survey

Measure	Year-on-year improvement in annual happiness index
Target	Year-on-year improvement
2023 results	Average score 7.3/10
2024 results	Our latest survey shows a flat position with an average score of 7.2/10

KPI: **Staff retention**

Increase in staff retention

Measure	% year-on-year increase in average tenure of JFSC staff
Target	Increase in proportion of internal staff with a greater than two year tenure period from 50% to 75%
2023 results	52%. Average tenure was impacted by a 15% increase in our permanent headcount across 2023. Our employee turnover rate has halved since mid-2022 and was 14% at the end of 2023
2024 results	61%. Average tenure was impacted by a further growth in headcount. We grew by 7% across 2024. While employee turnover saw a slight increase in 2024 compared with 2023, at 19% for the trailing 12 months to December 2024, it remains well below the highs seen in 2021

Environmental, social and governance

As an organisation that works with numerous jurisdictions and organisations across the globe, we have drawn from the United Nations Sustainable Development Goals (SDGs) to add structure and rigour to our internal ESG goals.

As this is a global framework, it is more likely to be recognisable to our international stakeholder community, supporting accountability among our various stakeholder groups.

While we are using the UN SDGs as our structure, we recognise the need to focus on areas of most relevance and where we can demonstrate change. We have therefore focussed our attention on:

Environmental targets

- reduction of printer paper usage
- monitoring and benchmarking energy use on a per capita basis
- establishing methods to measure and reduce waste and increase recycling

Social targets

- measuring the sentiment around inclusion and wellbeing and deploying initiatives to build awareness and engagement
- publishing our gender balance
- assessing and publishing our gender pay gap

Governance targets

- publishing ESG aspirations in our annual report and accounts
- creating and deploying a procurement framework with ESG criteria for suppliers
- conducting on-going Board of Commissioners and Executive governance and effectiveness reviews

2024 progress

- **printer paper** - H2 2024 print volumes were 22% lower than H1 2024 following internal campaigns
- **waste and recycling** – new recycling bins were introduced during 2024
- **extensive colleague activities around education and awareness** including volunteering days and support for national events such as Alternative Transport Week
- **gender balance and gender pay gap data** is bring reported for the first time – see below
- our **procurement framework** launched mid-2024 includes ESG considerations
- **our new premises will have a green lease**, taking into account environmental considerations
- the Board **implemented recommendations from the Board Effectiveness review**, completed late 2023
- a commitment to **publishing data on complaints** received, which is included in the stakeholder engagement section of this report

Gender pay gap

We are voluntarily publishing our gender pay gap as part of our ongoing commitment to inclusion and greater transparency.

Definition of the gender pay gap

The gender pay gap is the difference between the average hourly pay for men and women across an organisation. This figure is expressed as a percentage of men's earnings. A positive percentage figure shows that women have a lower average hourly pay than men, whereas a negative percentage shows that men have lower average hourly pay than women. In effect, the gender pay calculation functions as a high-level overview of an organisation's gender pay balance.

What the gender pay gap is not

The gender pay gap is not a reflection on pay equity, which refers to men and women receiving equal pay for doing the same or similar jobs. All JFSC colleagues are remunerated on externally benchmarked pay scales with equivalent pay for comparable positions, therefore ensuring pay equity.

Median vs mean

The median pay gap is calculated by finding the exact middle point between the lowest and highest paid male colleagues in the JFSC and the lowest and highest paid female colleagues. We then compare the two figures. The mean pay gap is calculated by adding up the hourly pay of all the female colleagues in the JFSC and dividing that by the total number of females. We then do the same sum for male colleagues and compare the two figures.

Gender pay gap report

Below is our gender pay gap data for 2024 as at 31 December 2024[1]:

Female employees	130
Male employees	93
Median gender hourly pay gap	6.2%
Mean gender hourly pay gap	10.7%
Median bonus pay gap	5.1%
Mean bonus pay gap	(2.4)%
Female employees who received a bonus[2]	92%
Male employees who received a bonus[2]	85%

[1]All gender pay calculations are based on both temporary and permanent colleagues, while contractors, agency employees and secondees have been excluded.

[2]Employees must have passed probation and attain a performance rating of 3/5 or higher to be eligible for a bonus.

The 10.7% mean gender pay gap shows that, overall, women's average (or mean) hourly salary is lower than men's average salary. In many organisations a gender pay gap indicates a lack of women in senior positions, however this is not the case at the JFSC. At all levels other than grade 8, there's either gender balance or a greater proportion of female colleagues. Our Executive team has a 57% to 43% female-to-male ratio, and our Commissioners have a 75% to 25% female-to-male ratio.

The core disparity is in our junior grades 2-4, where there is a significantly greater proportion of women to men which impacts both median and mean gender pay gaps. Our response to the gender pay gap at the JFSC will therefore need to focus more on this gender disparity at junior levels. We will take time to consider this further.

In support of our people strategy vision to be a leading employer in Jersey, we have an aspiration to develop an inclusive culture with a diverse workforce. We include awareness of bias and discrimination within our manager training to drive appropriate decisions around hiring, promotions and allocation of development opportunities. We also have an in-role promotion pathways framework to support career movement in our junior grades.

	Male colleagues	**Female colleagues**
Grade 1	1	2
Grade 2	1	4
Grade 3	5	11
Grade 4	7	21
Grade 5	16	21
Grade 6	29	29
Grade 7	20	32
Grade 8	11	6
Grade 9	3	4
Total	**93**	**130**

Grade 1 is the lowest salary band, and 9 is the highest.

Operational excellence

In 2024 we began to embed our operational excellence balanced scorecard to drive improvement in our operational performance.

We target operational excellence through four focus areas:

- regulatory effectiveness
- value for money
- service excellence
- employee experience

All four areas contribute to developing Jersey's competitiveness as an international finance centre and enabling growth by attracting and retaining quality business.

Progress in 2024 included:

- 167 hours saved by automating the ceasing to act for principal and key persons process
- 281 hours saved by launching the change to anti-money laundering service provider (AMLSP) legal person application form and AMLSP legal arrangement application form
- 380 hours saved by launching the AMLSP Schedule 2 revocation form
- 68% of incorporations completed within the requested timeframe, a 24% improvement from 2023
- 82% of maintenance submissions completed within two days, a 49% improvement from 2023
- 84% of phone calls answered in our Registry, a 21% improvement from 2023

During 2025 we will begin reporting on our Operational Excellence framework with a selection of measures that matter for our stakeholders. These measures will include performance against service level agreements in Registry, Supervision and Authorisations, along with some other relevant indicators of progress.

We will develop this measurement and increase transparency to show progress and build external understanding. Alongside this, relevant teams will engage directly with industry to deep dive on topics, such as our approach to authorisations and data collection.

Stakeholder engagement

We are committed to seeking and acting on stakeholder feedback, which is essential to continuously improving as a regulator.

We conduct engagement through many different channels, including in-person meetings, roundtable discussions and conference attendance with industry bodies, our annual industry survey and our consultations.

Our outreach, both nationally and internationally, is an important part of our role, particularly in supporting Jersey's competitive positioning as an international finance centre.

We interact with more than 30 stakeholders locally and in 2024 participated in 126 engagements on the island. Internationally we are a member of five international organisations and conducted 30 international engagements across the year.

Supervision and Policy representatives attended various plenaries on international standards through our memberships with both the International Organisation of Securities Commissions (IOSCO) and The Group of International Finance Centre Supervisors (GIFCS) – and notably contributed to the work of the IOSCO Assessment Committee and IOSCO's World Investor Week.

Additionally, Financial Crime division representatives attended various plenaries and meetings internationally, including MONEYVAL and FATF engagements, as well as continuing regular engagement with Jersey partner agencies. Following publication of the Mutual Evaluation Report, we also engaged with industry bodies to share our plan for completing the Recommended Actions.

We supported international efforts in combatting financial crime by delivering the Regional Financial Crime Programme, in collaboration with the Toronto Centre and Jersey Overseas Aid. This was a five-day event bringing together financial supervisors from six jurisdictions to advance international cooperation and strengthen regulatory strategies to combat financial crime.

This year we hosted the Italian and Swiss Ambassadors alongside representatives from their accompanying delegations. Both visits presented an opportunity for our jurisdictions to exchange insights and explore areas for future collaboration.

We continued to work closely with local partners such as the Government of Jersey, Jersey Finance and Digital Jersey this year, and are active members in more than 14 government-led working and advisory groups.

Industry engagement has remained a focus for us this year, with both our Director General and Chair meeting with more than 15 senior leaders within industry to discuss key trends and issues.

We have enhanced how we are communicating with industry, with the roll-out of monthly vlogs by Supervision directors, workshops and events tailored to specific stakeholders, including a workshop for regulatory consultants, and significant outreach to designated non-financial business and professions, non-profit organisations and virtual asset service providers.

We are committed to further enhancing our national and international engagement efforts and will be implementing our engagement plan in 2025.

Industry survey

We reported on our most recent set of industry survey results in our 2023 annual report and in our industry survey action plan, published in April 2024. We have delivered the following in response to key themes which emerged from our most recent industry survey:

Theme: **improve user friendliness and functionality of our portals and website** – we delivered a range of digital improvements, including five new forms on myJFSC and a core upgrade of the Registry back-office system

For more information read our strategy section here

Theme: **maintain Jersey's competitiveness as an IFC** – key actions included:

- contributing to the competitiveness sub-group of the Financial Services Advisory Board alongside senior representatives from government and the island's finance industry
- completing the first stage of an independent review of our fees
- aligning our fee cycle with the annual calendar to aid industry's financial planning
- making competitiveness a key focus of our 2025 business plan

For more information read our strategy section here

Theme: ensure the JFSC workforce is stable with adequate training, experience and industry knowledge – while employee turnover saw a slight increase in 2024 compared with 2023, at 19% for the trailing 12 months to December 2024, it remains well below the highs seen in 2021. Our continued focus on our employee value proposition, including on progression and learning and development, will support our efforts to retain our people for longer

For more information read our strategy section here

Theme: improve service levels and responsiveness – we have made service delivery a core part of our operational excellence model

For more information read our operational excellence section here

Complaints

We are a listening and learning organisation, actively seeking and responding to feedback. We are committed to high standards, but we do not always get it right.

In 2023 we relaunched our complaints procedure to support transparency and accountability, including a commitment to publishing annual data on the complaints we receive. This information will be included in our annual reports going forward.

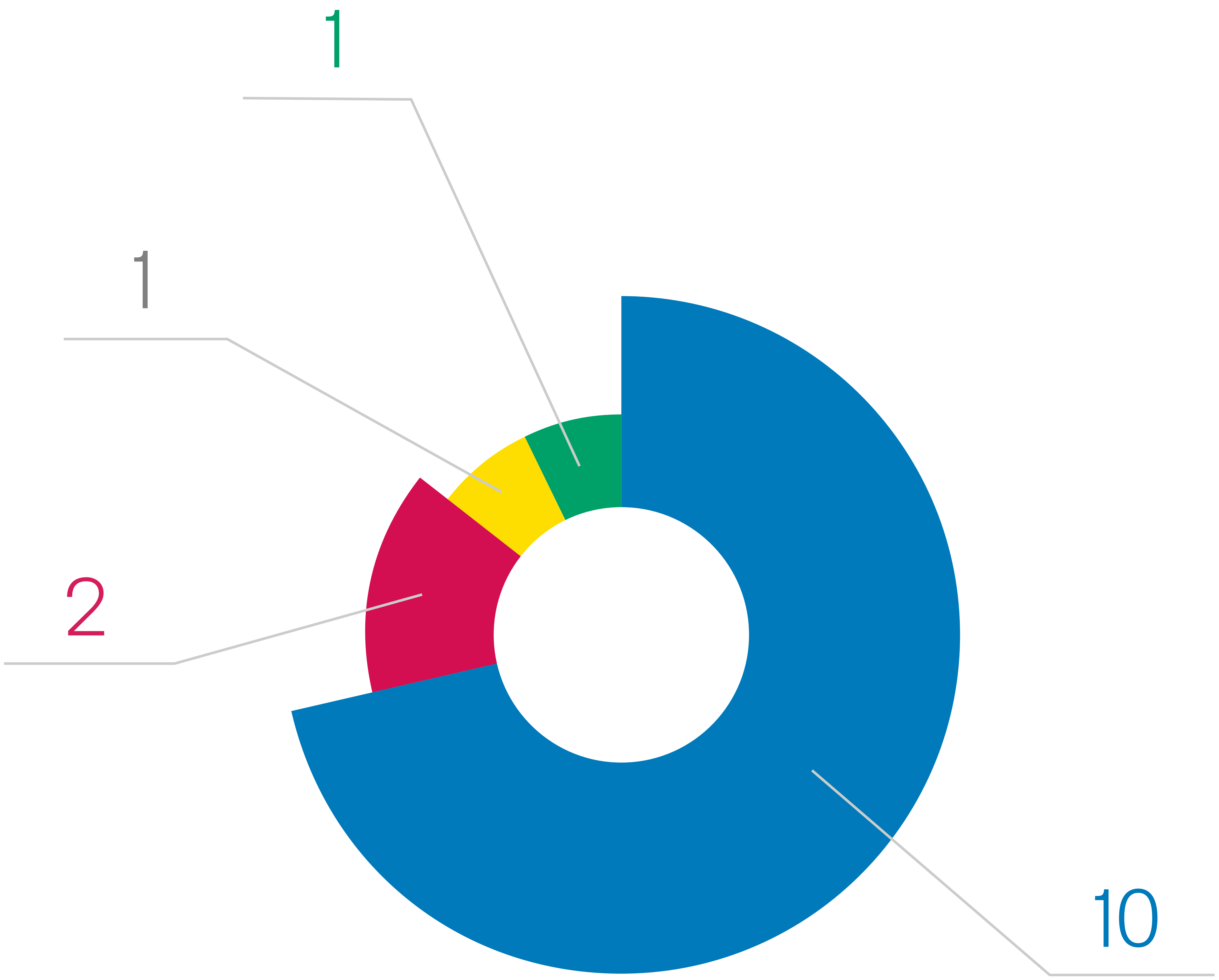
The overall number of complaints is very small in the context of the scale of our activities. Alongside complaints, we also receive and resolve a number of queries and other feedback from our stakeholders, including through our engagement programme. People raising queries have the opportunity to ask for them to be treated or recorded as complaints if they wish.

To provide a more rounded picture, in 2025 we will explore how we can also effectively capture and report on those issues where the individual did not wish to record a complaint.

In 2024, a total of 14 complaints were submitted to the JFSC, which are shown below by division.

2024 complaints by division

Registry	10
Supervision (Authorisations)	2
Enforcement	1
People & Culture	1



Of the 14 complaints received in 2024, 10 were upheld.

We can confirm that the primary issues identified by the complaints were system malfunctions and process-related errors, including miscommunications and delays in actioning queries. To protect confidentiality, we are not able to provide details about specific complaints.

We have apologised to any individual who raised an upheld complaint and rectified the issue where possible. We also explained why the error occurred and the steps we have taken to prevent the issue reoccurring.

The reasons for not upholding the remaining four complaints were:

- two complaints (one in Registry, one in Enforcement) related to actions taken as part of our statutory function, with the Enforcement complaint reviewed by an independent investigator
- one complaint (in People & Culture) was regarding a matter where we had a clear rationale for our approach
- one complaint (in Registry) had no identifiable issue to remedy and regarded an entity rather than the JFSC

In response to the complaints received in 2024, we have:

- identified and resolved instances where our people required training on our complaints procedure to ensure response times are satisfactory
- used systems to minimise human error where possible

One complaint is too many. We are committed to high performance and treat each complaint as an opportunity to listen, learn and improve stakeholder experiences.

Finance and resources

In 2024 we recorded a surplus of £1.2m (2023: deficit of £0.4m).

Income

Total income for 2024 reached £33.6m (2023: £29.7m) following an increase in regulatory income, primarily related to the increase in regulatory perimeter due to designated non-financial businesses and professions income of £3m (2023: £1.9m) together with increased revenue from funds of £9.8m (2023: £9m).

Registry income reached £8.3m (2023: £7.2m) primarily due to the increase in annual confirmation income to £5m (2023: £4m) and the incorporations income to £1.2m (2023: £1m).

Operating costs

Total operating costs increased by £2.3m (8%) to £32.4m.

Staff costs are the most significant item of expenditure, representing 70% of our cost base. Staff costs increased by £3.4m (17%) compared to 2023, driven by a 7% increase in the number of permanent employees. Professional fees decreased by £2.8m, driven by the successful MONEYVAL evaluation. Depreciation, amortisation and impairments remain stable year-on-year at £1.6m, with investment in systems being predominantly operational in nature rather than capital.

Capital expenditure

Capital expenditure for 2024 was £0.2m (2023 £0.2m) and remains negligible due to the anticipated building move, with the focus remaining on systems.

The net book value of fixed assets has reduced to £4.8m (2023: £6.4m), with amortisation being the main movement.

Financial position and look forward

Our retained liquid asset position decreased to £7.6m at 31 December 2024 (2023: £13.2m) driven by the move to an annual invoicing of regulatory fees in January. As a result December is the lowest point in the liquid asset cycle.

The level of retained liquid assets supports the continued investment in our change programme and planned initiatives driving improvements in our core system and website. This also ensures that, if a significant adverse event occurs, we would retain the financial ability to continue with business critical projects, in addition to our normal regulatory and Registry operations, while appropriate action is taken.

Risk, legal and data protection

We acknowledge the internal and external challenges faced by the JFSC in 2024, including two reportable data breaches that drew a level of scrutiny and challenged our reputation. These incidents prompted us to reflect on our practices, identify areas for improvement and act on them, particularly in our data protection capability, as detailed in the data protection section of this report.

By responding to these challenges, we have been able to refine our operations, enhance our processes and reaffirm our commitment to be a high-performing regulator.

In developing our people, systems and capability, during 2024 we made a number of enhancements to our risk and control framework. These included:

- the establishment of a risk assurance function providing independent assurance on the operating effectiveness of our policies and procedures, with regular reporting to our Board of Commissioners
- an enhanced Business Continuity Management capability aligned with industry best practice
- more robust governance and maintenance of our policies and procedures, ensuring we become more accurate and consistent in our decision making
- the attaining of industry-leading information security and cyber accreditations, with the frameworks and ongoing testing in place to ensure these high standards are maintained on an ongoing basis
- improved data protection capability

This work underscored the importance of an effective risk management and governance framework, including our approach to continuous improvement, and has positioned us well as we move into 2025.

Horizon scanning

As we navigate an increasingly complex and dynamic risk landscape, including geopolitical tensions, macroeconomic uncertainty, rapid evolution of emerging technology, and demographic challenges, we remain committed to proactive and adaptive risk management.

We closely monitor global macroeconomic and geopolitical developments, leveraging information and data at our disposal to inform our responses. By keeping track of emerging technologies and their potential impacts, we continue to assess and adjust our risk appetite to support the ongoing competitiveness of Jersey.

To enhance our effectiveness, we have increased our investment in AI technology to drive innovation and efficiency. Open communication with stakeholders remains a focus, ensuring we enhance transparency and collaboration. We have also refined our people strategy to strengthen our capability and resilience, ensuring that our teams are equipped to meet the evolving challenges and opportunities ahead. This approach has enabled us to maintain a robust and responsive stance in the face of an ever-changing risk environment.

Enterprise risk management

Through our enterprise risk management framework, we actively identify, measure and manage principal risk exposures facing the JFSC as an organisation. We work collaboratively within our governance structures to assess these risks and implement appropriate and measured responses that protect the JFSC, evolve our risk culture and ultimately support us in delivering on our purpose.

Some of the principal risk exposure that have been our focus for 2024 include:

Risk: **Cyber security**

Related strategic anchor: Harness technology / Develop our people, systems, and capability

Human or technical weaknesses are exploited, allowing access to critical systems and highly sensitive data.

Mitigation

We align our approach with industry best practice and have attained our ISO27001 certification and Cyber Essentials certifications. This ensures our information security management system and technical controls are robust and effective in guarding against evolving cyber threats.

Risk: **Critical system disruption**

Related strategic anchor: Harness technology

Disruption to business-critical systems and architecture impacting operational efficiency and regulatory effectiveness.

Mitigation

Through our system and infrastructure design, embedded approach to Business Continuity Management, along with regular testing and simulation activity we ensure disruption to critical business systems is kept to a minimum.

Risk: **People**

Related strategic anchor: Develop our people, systems, and capability

Lack of capacity and capability across the JFSC to be able to meet current demands for business as usual as well as strategic delivery.

Mitigation

We have a defined people strategy underpinned by best practice approaches to recognition, performance management and learning and development. Supporting key measures that matter are monitored and overseen by our Executive and Board.

The work of the JFSC's Innovation Hub continues to identify and deploy new technologies to enable a more efficient and effective workforce.

Risk: **Third party**

Related strategic anchor: Develop our people, systems, and capability

Inadequate management and oversight of third parties leading to service and quality disruption, as well as reputational risk.

Mitigation

Our response is supported by a newly established third-party risk management approach to ensure risks associated with third parties are identified and managed throughout their lifecycle. This work is overseen by a dedicated procurement function.

Risk: **Data**

Related strategic anchor: Harness technology / Develop our people, systems, and capability

Failure to execute and continually evolve our data strategy impeding our ability to capitalise on the benefits to both the JFSC and industry.

Mitigation

We have a defined data strategy with Executive ownership, supported by a programme to ensure appropriate data governance, training and upskilling, and tooling. Progress against this strategy is overseen by our Board.

Risk: **Insider threat**

Related strategic anchor: Develop our people, systems, and capability

Confidential and/or sensitive information is misused by those with authorised access.

Mitigation

Access to confidential and sensitive information is appropriately restricted and based on individual roles. Our approach to the protection of information undergoes regular independent assurance and testing.

Risk: **Prudential**

Related strategic anchor: Facilitate business integrity

Challenging and enduring macroeconomic conditions expose both the banking and non-banking sectors in Jersey to the risk of financial failure.

Mitigation

We closely monitor the evolution of this risk through data that we collect and horizon scanning activity. A revised and refreshed approach to prudential supervision has been agreed and implementation is continuing. This work includes delivering on our Basel III roadmap, including implementing quick wins, consulting on various elements of the Basel III framework for banks in Jersey, and publishing our Prudential Handbook.

Risk: **Registry operations**

Related strategic anchor: Harness technology / Develop our people, systems, and capability

Challenges in respect of resourcing, capability, system resilience and governance hinder our ability to address service standards sustainability.

Mitigation

Underpinned by the strategic review of Registry, we are undertaking an end-to-end assessment of our Registry division, with a goal of enhancing the effectiveness of its operations, but also the ease of access of the services offered. This review will also seek to align our approach with global best practice and international standards.

Data protection

Compliance with the Data Protection (Jersey) Law 2018 is overseen by the JFSC's appointed Data Protection Officer.

In 2024, we experienced two data protection breaches that required reporting to the Jersey Office of the Information Commissioner (JOIC). This fell short of the high standards we set for ourselves in relation to safeguarding sensitive information. We acknowledge the concern these incidents caused and want to assure our stakeholders that we took immediate and robust action to address these.

As part of our response, we also commissioned an independent forensic review to ensure we thoroughly understood the root cause. The insights gained from this review have been invaluable in informing our efforts to prevent similar breaches from occurring in future.

In addition to our response to the findings from the above referenced independent review, to enhance our data protection capabilities, we also implemented several other key measures:

- **appointment of a new Data Protection Officer (DPO)** - we have appointed a dedicated DPO to oversee and ensure compliance with data protection regulations. This role plays a crucial part in maintaining the highest standards of data governance
- **enhanced governance arrangements** - we have strengthened our governance framework by refining and updating our data protection policies and procedures. These enhancements ensure that our practices align with the latest regulatory requirements and best practice
- **training and awareness** - recognising the importance of a well-informed workforce, we have enhanced our training programme to raise awareness about data protection among all employees. This ongoing education will help foster a culture of vigilance and compliance

These measures demonstrate our commitment to protecting sensitive information and maintaining the trust of our stakeholders. We are confident that the steps we have taken will significantly reduce the risk of future breaches and ensure that our data protection practices meet the highest standards of integrity and security.

Human rights, anti-bribery and anti-corruption statement

Human rights

We are committed to respecting and upholding recognised human rights, and the JFSC is fully compliant with Human Rights (Jersey) Law 2000.

Anti-bribery and anti-corruption

Under the Financial Services Commissions (Jersey) Law 1998 we seek to secure a proper balance between the interests of persons carrying on the business of financial services, the users of such services and the interests of the public at large.

We also require relevant persons' systems and controls to prevent, detect and report financial crime, including measures to mitigate risk associated with money laundering, terrorist financing, financial sanctions, bribery and corruption, proliferation financing and carrying on sensitive business activities.

Conflicts of interest for JFSC staff are strictly managed and are underpinned by documented and published policies, including matters that relate to share dealing, gifts and hospitality. In addition, a Board of Commissioners' Code of Conduct for conflicts of interest is externally published and is designed principally to ensure that regulatory decisions are not improperly influenced by conflicts of interest.

Accountability report

Governance statement

Constitution

The JFSC is a statutory body established under Article 2 of the Financial Services Commission (Jersey) Law 1998 (FSC(J)L) which provides that the JFSC shall be governed by a Board of Commissioners comprising persons with financial services experience, regular users of such services and persons representing the public interest.

Accountability arrangements

The JFSC is an independent body, accountable to the public through the island's elected representatives, namely the Minister for External Relations and the States of Jersey. The relationship with Ministers is set out in a memorandum of understanding to ensure the independence of the JFSC, while facilitating effective dialogue and working practices. Article 12 of the FSC(J)L provides that the Minister may give the JFSC general directions in respect of the policies to be followed by the JFSC in relation to the supervision and development of financial services in Jersey and the manner in which any function of the JFSC is to be carried out, following consultation with the JFSC and where it is in the public interest to do so.

The JFSC produces an annual business plan and separately, this annual report, to inform members of the States Assembly and other stakeholders. The JFSC consults extensively on all proposals to create or amend laws and regulatory requirements and provides feedback statements to explain how responses were taken into account.

Governance arrangements

The Board of Commissioners (Board) maintains overall responsibility for the governance of the JFSC, setting its strategic aims and supporting the Executive Leadership Team to put them into effect; and holding the Executive accountable, within the scope of the FSC(J)L and the powers that the JFSC has been granted under that law. The Board also oversees the running of the Board Committees.

Led by the Chair, Jane Platt, the Board believes in high quality and effective governance arrangements and, in the absence of specific codes or standards for the governance of a financial services regulator, the Board follows the UK Corporate Governance Code as an appropriate benchmark.

In line with the principles of the UK Corporate Governance Code, the JFSC's Board establishes the strategy, and seeks to satisfy itself that this and its culture are aligned. In 2024 the JFSC continued to progress its people strategy to further support the effective delivery of the JFSC's strategic objectives.

The Board is mindful of the level of resource required to negotiate an ever more complex regulatory environment, as well as supporting the need to meet international standards. It seeks to ensure that the necessary resources are in place for the JFSC to meet its objectives and looks to measure performance against those objectives by way of regular reporting on key performance metrics at Board meetings.

The Board has established a framework of prudent and effective controls, which enable risk to be assessed and managed. Led by Commissioner Butler for 2024, the JFSC's Risk Committee oversaw significant development of the JFSC's Risk function following the reorganisation in late 2023. The Risk team comprises nine individuals with its remit covering operational and regulatory risk along with legal, data protection and information management. The Board continues to have regular risk reporting on matters such as its top enterprise risks and performance against risk appetite statements (operational and regulatory).

Mindful of its responsibilities to stakeholders, the Board ensures effective engagement with, and encourages participation from, these parties. This was further supported by an external engagement strategy, with the JFSC seeking to strengthen its relationships both locally and internationally with active participation from Commissioners as well as the senior management teams. This will bolster Jersey's reputation internationally and improve communication and engagement with industry. The Board plays a key role in listening to industry to understand current trends, as well as international developments, and is actively seeking to improve the JFSC's interaction with industry. The Board fully supports strategic engagement with industry bodies.

In terms of the JFSC's employees, through the Remuneration Committee the Board ensures that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The JFSC's workforce is able to raise any matters of concern via the formal route of an internal whistleblowing line or through attendance at the Staff Forum meetings. The JFSC's Staff Forum has been through a process of formalisation, with a dedicated Chair and the formulation of a terms of reference. A number of initiatives were supported by the Staff Forum in 2024, such as educating and promoting financial regulation to primary school aged children and the Kids Executive Board.

Representatives from the Staff Forum were invited to present to the Board in 2024 and Commissioner Laurens was appointed as the Employee Engagement Commissioner, bringing the voice of the employee into the boardroom.

There is a clear division of responsibility between the Chair and the Director General, no individual has unfettered power of decision-making.

Delegation of powers

The Board delegates certain powers to the Director General to ensure that the JFSC can run smoothly on a day-to-day basis. The Director General is responsible for the successful leadership of the JFSC, ensuring that Jersey's position as an international financial centre with high regulatory standards is maintained. In some areas, the power of the Commissioners to delegate is restricted by legislation. For example, the Board acts in a similar manner to a tribunal in relation to contested Enforcement cases. Consequently, the Board is more involved in some areas of detail than a board of a listed or private company.

A full explanation regarding the delegation of powers can be found on the JFSC's website: **www.jerseyfsc.org/industry/guidance-and-policy/delegation-of-powers**

Director General’s responsibilities

The Director General is accountable to the JFSC Board, which is made up of on and off-island Commissioners. The Director General is an ex officio member of the Board.

The Director General:

- provides effective leadership of the JFSC in its day-to-day operations as both a regulator and a registry, ensuring the organisation delivers its strategic priorities
- works collaboratively with the Board and the Executive Leadership Team towards common objectives, fostering effective teamwork
- drives the transformation of capabilities through the implementation of strategy and the development of the JFSC’s annual business plan and budget
- plays a leading role in Jersey’s financial services ecosystem working closely with Government and industry to deliver high standards of regulation and a sustainable future for the sector
- maintains and enhances effective supervision of Jersey’s financial services sector with a particular focus on financial crime
- develops and strengthens good relationships with regulated firms, other regulators, and relevant international bodies
- is responsible for the effective operation of risk management framework and systems of internal control

Composition of the Board and appointment of Commissioners

The Board currently consists of the Chair, Deputy Chair and six other commissioners, including the Director General. Currently three quarters of the Commission Board are women. All of the Commissioners are considered to be independent, with the exception of the Director General. A chart of the current Commissioners is set out on page 139 of this annual report and further information on their skills, knowledge, experience, and significant interests is set out on the JFSC's website at **www.jerseyfsc.org/about-us/board-of-commissioners**

A new Chair, Jane Platt, was appointed in April 2024 following Mark Hoban's retirement as Chair in October 2023. Deputy Chair Monique O'Keefe held the position of Interim Chair until Jane's appointment. Commissioners Pichler and Morris retired from the Board in January 2024, and Helene Narcy was appointed as a new Commissioner in April 2024.

Recruitment of Commissioners follows a rigorous and transparent process in line with the Jersey Appointments Commission's guidance and the recruitment of the JFSC's Chair is directly overseen by the Jersey Appointments Commission.

Board meetings and attendance

The Board met eight times during 2024 to consider strategy, risk and regular business.

In July, the Commissioners and the Executive met for a strategy day to look at the shape of the 2025 business plan and to review progress with strategic objectives. Other topics included discussions on stakeholder engagement, technology strategy and organisational capacity and capability.

The strategic focus of 2024 Board agendas included external engagement, digital transformation, innovation and risk appetite.

Throughout the year, the Executive and Commissioners participated in events with fellow regulators, industry representatives and Government ministers. Frequent discussions took place over the year with Government relating to significant financial services matters.

Board members record their conflict of interests on the JFSC's Register of Interest and are asked to make annual attestations as to those entries. Furthermore, Commissioners consider the potential for conflicts of interest to arise in meetings and recuse themselves should any perceived or actual conflict be identified. Interests are included in Commissioners' biographies on the JFSC website.

Board effectiveness

In 2024, the Board addressed the actions of an external board effectiveness evaluation which had taken place in 2023, conducted by independent expert, Fidelio. The introduction of a new Chair and Commissioner has provided new skill sets and experience. In 2024 the Nomination Committee reviewed and refined the Board Skills Matrix to ensure that it focused on the JFSC's current goals and requirements, including experience in technology, administrative decision making and sustainable finance.

Nomination Committee

The Board's Nomination Committee is chaired by the Chair, Jane Platt. It is responsible for reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and makes recommendations to the Board with regard to any changes.

It met three times in 2024, and its principal focus in Q1 was to finalise the recruitment of a new JFSC Chair and Commissioner. The Nomination Committee also ensured that the Board addressed the actions arising from the 2023 external Board Effectiveness Evaluation and produced a revised Board Skills Matrix.

Audit Committee

The Audit Committee is responsible for monitoring internal financial control systems and to work with the Executive and the external auditor to ensure the quality of the management financial reports and the annual accounts.

Commissioner Narcy joined the Audit Committee in October 2024.

The Committee met five times during 2024. It is chaired by Commissioner Palmer.

Remuneration Committee

As well as monitoring the level and structure of remuneration for senior management (directors at grade nine and above) including individual performance against objectives, the Remuneration Committee provides advice and counsel to the JFSC's executive in the production of remuneration policies and practices to support strategy and promote long-term sustainable success.

Commissioner Bowes is chair of the Remuneration Committee.

The Committee met on four occasions during the year, joined by the Director General and the Executive Director of People and Culture.

Risk Committee

Responsibility for risk and risk management remains with the full Board but the Risk Committee oversees and guides the Executive Risk Committee as the JFSC further develops its risk-based Supervision strategy. The Risk Committee, chaired by Commissioner Butler, advises and partners with the Executive in fulfilling the Executive's accountability to the Board regarding risk management. Other members included Commissioners Laurens and Palmer, each with a wealth of experience in risk management.

The Risk Committee met three times in 2024 and principally spent its time working with the executive, and especially Chief Risk Officer, Chris Gedrych, on the further development of the JFSC's risk governance and the development of risk appetite statements.

We continue to evolve our governance to support regulatory and operational effectiveness. Effective from 1 January 2025, our Risk Committee has become the Regulatory Risk Committee, while our Audit Committee has expanded its remit to become the Audit and Operational Risk Committee.

Auditor

Grant Thornton Limited undertook the annual audit.

Responsibility for annual report and accounts

This annual report and accounts comply with the requirement in the FSC(J)L which require the Minister for External Relations to lay the report and accounts before the States Assembly no later than seven months after the end of the financial year.

The statutory obligations on the Commissioners require that the annual accounts shall be prepared in accordance with generally accepted accounting principles and show a true and fair view of the surplus or deficit for the period and state of affairs at the period end. The Commissioners have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 (FRS102); the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Taking into account general practice, the Commissioners confirm that they are responsible for:

- keeping adequate accounting records sufficient to show the financial position within a reasonable period of time
- safeguarding the assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities
- preparing the financial statements in accordance with applicable laws and regulations
- selecting suitable accounting policies and applying them consistently
- making judgments and accounting estimates that are reasonable and prudent
- preparing the accounts on a going concern basis unless it is inappropriate to presume that the JFSC will continue in business

The Commissioners have considered the financial statements on pages 115-137 and are satisfied that they show a true and fair view for the year and the financial position of the JFSC at 31 December 2024.

As far as the Commissioners are aware, there is no relevant audit information of which the auditor is unaware, and the Commissioners have taken all practical steps to make themselves aware of any relevant audit information and that the auditor is aware of that information.

The Commissioners have considered the 2024 annual report and, taken as a whole, confirm that they believe the annual report is fair, balanced and understandable.

For and on behalf of the Board of Commissioners

Jane Platt

Chair

24 April 2025

PO Box 267
14-18 Castle Street
St Helier
Jersey
Channel Islands
JE4 8TP

Remuneration and employee report

The JFSC's remuneration principles are designed to support our strategic anchor of developing our people, systems and capabilities to be a high performing organisation. We seek to attract, develop and retain high calibre individuals with diverse backgrounds and experiences and to reward them for adding value through focus on delivering outcomes and role modelling enabling behaviours.

We completed an external pay benchmarking exercise to ensure that our remuneration package remained competitive in the jurisdiction, which has a highly competitive labour market.

Metrics

We report on a number of people metrics. The following data is presented as at 31 December 2024:

Gender

- **57%** of our total employee population is female
- Our Executive team has a **57% to 43% female-to-male ratio**
- Our Commissioners have a **75% to 25% female-to-male ratio**

Contract type

- **225** employees on permanent contracts
- **8** employees on fixed term contracts
- **0** employees on zero-hour contracts
- **8** Commissioners

Tenure

(includes only permanent employees)

- Average employee tenure is **4.5 years**

Location

- **233** on-island employees
- **0** off-island employees
- **4** on-island Commissioners
- **4** off-island Commissioners

Learning and development

- **£341,000** spent in 2024

Remuneration (actual salary, including FTCs)

Employees are split between nine grades.

Grades 7 - 9

- **77** employees
- Average salary: **£105,296**

Grades 4 - 6

- **130** employees
- Average salary: **£57,104**

Grades 1 - 3

- **26** employees
- Average salary: **£32,381**

Director General remuneration

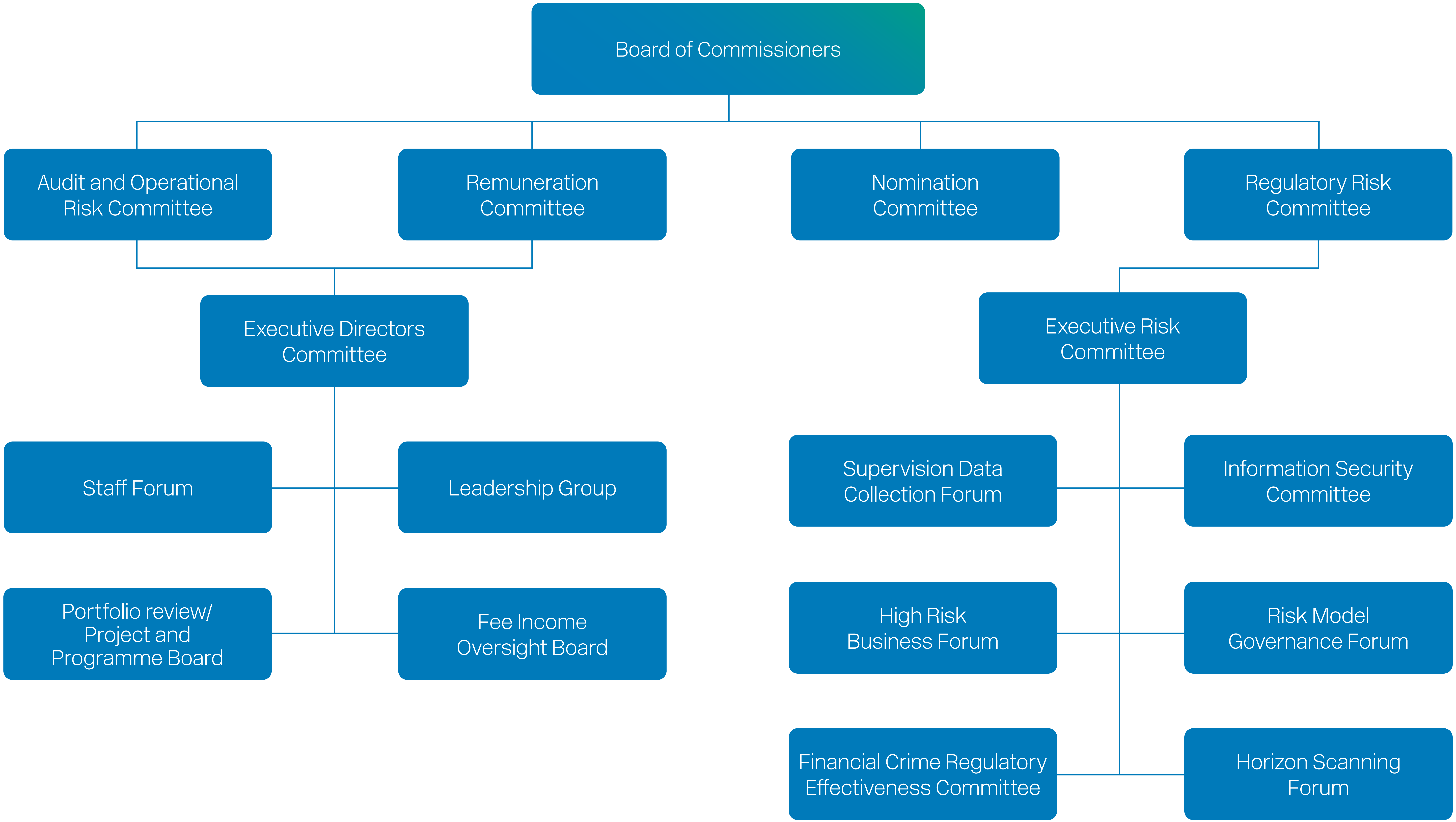
Jill Britton was not paid any fees in her capacity as a Commissioner but was paid as an Executive Director in her capacity as Director General. Following a benchmarking exercise and performance review, Jill Britton received total compensation of £370,450 gross (2023: £339,450), comprised of fixed remuneration £294,450 gross (2023: £278,250) and variable remuneration £76,000 gross (2023: £61,200).

Commissioner remuneration

Commissioners receive a fixed annual amount. No additional amounts are paid for participating in or chairing sub-committees, dealing with enforcement cases or attending to other matters.

Commissioner	2024 remuneration	2023 remuneration
Mark Hoban (retired as Chair 30 October 2023)	N/A	£130,644
Jane Platt (Chair from 19 April 2024)	£104,615	N/A
Jill Britton	£0	£0
Monique O'Keefe (Interim Chair until 18 April 2024)	£37,045	£35,018
Simon Morris (retired 20 January 2024)	£2,131	£38,325
Tracy Garrad (retired 31 December 2023)	N/A	£38,325
Annamaria Koerling	£40,544	£38,325
Peter Pichler (retired 20 January 2024)	£1,518	£27,300
Matthew Palmer	£28,881	£27,300
Claire Bowes	£40,544	£35,569
Megan Butler (appointed 31 May 2023)	£40,544	£22,356
John Laurens (appointed 31 May 2023)	£28,881	£15,925
Helene Narcy (appointed 19 April 2024)	£20,142	N/A
	£344,845	**£409,087**

Governance structure


Board of Commissioners
Audit and Operational Risk Committee
Remuneration Committee
Nomination Committee
Regulatory Risk Committee
Executive Directors Committee
Executive Risk Committee
Staff Forum
Leadership Group
Portfolio review/ Project and Programme Board
Fee Income Oversight Board
Supervision Data Collection Forum
Information Security Committee
High Risk Business Forum
Risk Model Governance Forum
Financial Crime Regulatory Effectiveness Committee
Horizon Scanning Forum

Financial statements

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Opinion

We have audited the financial statements of the Jersey Financial Services Commission ('the Commission') for the year ended 31 December 2024 which comprise the Income and expenditure account, Statement of financial position, Statement of changes in accumulated reserves, Statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- give a true and fair view of the state of the Comission's affairs as at 31 December 2024 and of its financial performance for the year then ended;
- are in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Financial Services Commission (Jersey) Law 1998.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the FRC's Ethical Standard as applied to public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Commissioners' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

Our evaluation of the Commissioners' assessment of the Commission's ability to continue to adopt the going concern basis of accounting included review of budget forecast that included a five year financial resilience assessment. We challenged management on the appropriateness of assumptions made and reviewed previous budgets against actual results to assess reliability of management forecasting.

In our evaluation of the Commissioners' conclusions, we considered the inherent risks associated with the Commission's business model including effects arising from macro-economic uncertainties such as inflation, we assessed and challenged the reasonableness of estimates made by the Commissioners and the related disclosures and analysed how those risks might affect the Commission's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Commission's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Commissioners' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Commissioners with respect to going concern are described in the 'Responsibilities of Commisoners for the financial statements' section of this report.

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Our approach to audit

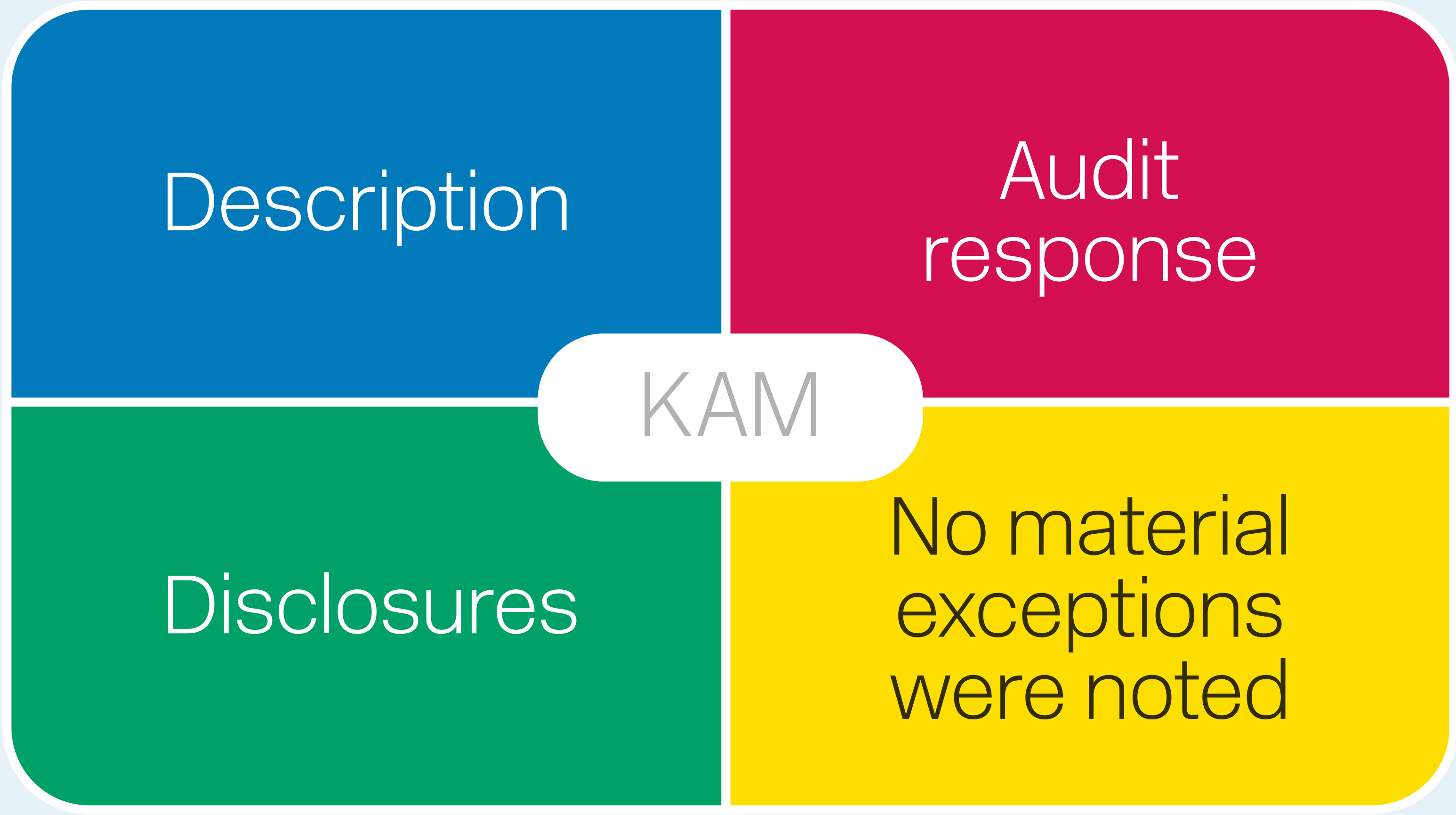
Overview of our audit approach

Overall materiality: £530,000 (2023: £499,000), which represents 1.75% (2023:1.75%) of the Commission's revenue.

The key audit matter identified is the risk of fraud in revenue recognition and this is the same as in the previous year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent auditor's report

To the Minister for External Relations of the States of Jersey

We have presented the key audit matters below, together with significant risks and other risks relevant to the audit.

Key audit matter

Risk of fraud in revenue recognition

We identified the risk that revenue may be misstated as one of the most significant assessed risks of material misstatement due to fraud

Relevant disclosures in the Annual Report and Accounts 2024

- Financial statements: Note 4 Regulatory fee income and Note 5 Registry fee income
- Accounting policy is included in Note 1 of the financial statements.

How our scope addressed the above

In responding to the key audit matter, we performed the following audit procedures:

Our audit approach included but was not limited to:

Registry fee income

- We performed a walkthrough of annual confirmation fee posting on the Regsys system to understand the workflow from creation through to acceptance and posting into the NAV accounting system.
- We utilised data analytics to interrogate data extracts from the myRegistry (Regsys) system to obtain all annual confirmations which were created and registered during 2024.
- Transactional line items in relation to annual confirmations were then analysed to ensure that total fees for each submission were in line with the published fees on the JFSC website and that the net fee (after deduction of the government levy) is what was recorded as Revenue in totality in the general ledger.
- Other transaction related fees, originating from orders placed on the portal, have been reconciled in total through to the general ledger and tested substantively.
- All material revenue postings in relation to registry fees have then been analysed using data analytics to ensure that they have been credited to revenue and debited either to debtor control accounts or to the bank and covered by our balance sheet testing accordingly.
- We performed cut-off procedures for both the opening and closing periods.
- We additionally performed substantive procedures on deferred registry fees.

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Regulatory fee income

Our approach to the audit of regulatory fee income was as follows:

- Identify an entity which from our own experience received its regulatory license during the financial year. Walkthrough the data for this entity from the public registry to the list of regulated entities on the JFSC website, and then follow the license through to the underlying ERM system to ensure that the data captured is in line with our expectations and the entity was included within the 2024 fee runs appropriate for the licenses held.
- Review the XML query utilised to generate the fee run for each material regulatory class.
- Using data analytics to determine whether all expected entities are included within the relevant fee run and that the fee charged is consistent with the published fee notice on the JFSC website.
- Perform a proof in total to determine whether all invoice lines within the ERM system have been posted to the revenue totals in the general ledger and within the correct accounting period.
- We substantively tested using sampling other regulatory income of a transactional nature.
- We performed a proof in total to validate the total revenue balance.
- We performed cut-off procedures for both the opening and closing periods. We additionally performed substantive procedures on deferred revenue.

As a result of our work, no material exceptions were noted.

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure

Materiality for financial statements as a whole

We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.

Materiality threshold

£530,000 (2023: 499,000) which is 1.75% (2023: 1.75%) of revenue.

Significant judgements made by auditor in determining the materiality

In determining materiality, we made the following significant judgements;

We believe that revenue is the key performance measure used by the Commissioners in assessing and reporting on overall performance by the Commission. Surplus is not a relevant benchmark as the Commission is not a profit-oriented entity but rather a public service provider. Statement of financial position items are also deemed to be inappropriate to use as benchmark given stakeholders are not interested in a return on investment made. We selected a threshold of 1.75% compared to the allowable maximum of 3% to take into account of the fact that the entity has elements of public accountability. There were no changes made to materiality levels during the audit.

Performance materiality used to drive the extent of our testing

We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Performance materiality threshold

£371,000 (2023: £349,300) which is 70% (2023: 70%) of financial statement materiality.

Significant judgements made by auditor in determining the performance materiality

In determining materiality, we made the following significant judgements; there were few audit misstatements identified in the previous year, internal controls are deemed strong and effective, the business activities are not complex however we did not use the maximum threshold available of 75% as our planned audit approach of the income and expenditure account items was more heavily weighted toward sampling procedures.

There was no revision of performance materiality during the audit.

Communication of misstatements to the audit committee

We determine a threshold for reporting unadjusted differences to the audit committee.

Threshold for communication

£26,500 (2023: £25,000) and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Independent auditor's report

To the Minister for External Relations of the States of Jersey

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Commission, the accounting processes and controls, and the industry in which the Commission operates.

Other information

The Commissioners are responsible for the other information. The other information comprises the information included in the 'Annual Report', other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Responsibilities of the Commissioners for the financial statements

As explained more fully in the Responsibility for annual report and financial statements section set out on pages 92 to 94, the Commissioners are responsible for the preparation of the financial statements which give a true and fair view in accordance with UK GAAP, and for such internal control as the Commissioners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commisioners are responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commissioners either intend to liquidate the Commision or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Commission and sector in which it operates. We determined that the following laws and regulations were most significant: United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and Financial Services Commission (Jersey) Law 1998;
- We understood how the Commission is complying with those legal and regulatory frameworks by, making inquiries to the management. We corroborated our inquiries through our review of board minutes and committee papers provided to the Board of Commissioners;
- We assessed the susceptibility of the Commission's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - risk of fraud in revenue recognition
  - potential management bias in determining accounting estimates, especially in relation to the impairment of intangible assets

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Our audit procedures involved:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process
- challenging assumptions and judgments made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- We assessed the appropriateness of the collective competence and capabilities of the engagement team, which included consideration of the engagement team's;
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of industry in which the client operates;
  - understanding of the legal and regulatory requirements specific to the Commission including the provisions of the Financial Services Commission (Jersey) Law 1998.

- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud; and

- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the entity's operation, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the applicable statutory provisions
  - the entity's control environment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the Minister for External Relations of the States of Jersey

Use of our report

This report is made solely to the Minister for External Relations of the States of Jersey in accordance with Article 21(3) of the Financial Services Commission (Jersey) Law 1998. Our audit work has been undertaken so that we might state to the Minister for External Relations those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Minister for External Relations, the JFSC and the Commissioners of the JFSC as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton Limited
Chartered Accountants
St Helier
Jersey

24 April 2025

Income and expenditure account for the year to 31 December 2024

	Notes	2024 £'000	2023 £'000
Regulatory income			
Regulatory fee income	4	24,081	21,382
Registry fee income	5	8,298	7,166
Total regulatory income		**32,379**	**28,548**
Other income	6	637	611
Interest income		597	574
Total income		**33,613**	**29,733**
Expenses			
Staff costs	7	(22,566)	(19,215)
Computer systems		(3,581)	(2,482)
Premises costs		(1,418)	(1,091)
Professional services		(1,241)	(4,078)
Investigation & litigation		(142)	(39)
Other operating costs		(1,385)	(1,257)
Depreciation, amortisation and impairments		(1,612)	(1,550)
Staff learning and development		(341)	(229)
Travel costs		(140)	(176)
Total expenses		**(32,426)**	**(30,117)**
Surplus/(Deficit) for the year	8	**1,187**	**(384)**

All the items dealt with in arriving at the net surplus relate to continuing operations.

There are no recognised gains and losses in the current and preceding year other than those included in the net surplus above, therefore no separate statement of other comprehensive income and expenditure has been presented.

Statement of financial position as at 31 December 2024

	Notes	2024 £'000	2023 £'000
Fixed Assets			
Intangible assets	9	4,308	5,658
Tangible fixed assets	10	523	734
		4,831	**6,392**
Current Assets			
Trade and other receivables	11	922	3,561
Prepayments		1,468	1,147
Cash and bank balances	12	11,905	15,073
		14,295	**19,781**
Total assets		**19,126**	**26,173**
Creditors - Amounts falling due after more than one year			
Fee income received in advance		259	8,684
Creditors	13	5,050	4,964
Provisions	14	-	23
		5,309	**13,671**
Total assets less current liabilities		**13,817**	**12,502**
Creditors - Amounts falling due after one year			
Fee income received in advance		-	231
Creditors	13	1,198	1,180
Provisions	14	1,056	715
		2,254	**2,126**
Net assets		**11,563**	**10,376**
Represented by			
Accumulated reserves		**11,563**	**10,376**

The notes on pages 119 to 137 form an integral part of the financial statements.

The financial statements on pages 115 to 137 were approved and authorised for issue by the Board of Commissioners on 24 April 2025, and signed on its behalf by:

Jane Platt
Chair

Jill Britton
Director General

Statement of changes in accumulated reserves

	Accumulated reserves £'000
Balance at 1 January 2023	10,760
Deficit for the year	(384)
Balance at 31 December 2023	**10,376**
Balance at 1 January 2024	**10,376**
Surplus for the year	**1,187**
Balance at 31 December 2024	**11,563**

The notes on pages 119 to 137 form an integral part of the financial statements.

Statement of cash flows for the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Surplus/(Deficit) for the year		1,187	(384)
Interest receivable		(597)	(574)
Depreciation, amortisation, impairment charges and write offs	9, 10	1,796	1,550
Utilisation of provision		(108)	(14)
Movements in creditor provisions		439	91
Movement in doubtful debts provision		54	57
Decrease/(increase) in debtors and prepayments		2,264	(1,579)
(Decrease)/increase in income received in advance		(8,656)	877
Increase/(decrease) in creditors		92	(1,818)
Net cash used in operating activities		**(3,529)**	**(1,794)**
Cash flows from investing activities			
Interest received		596	574
Purchases of tangible and intangible fixed assets	9, 10	(235)	(238)
Net cash generated from investing activities		**361**	**336**
Net decrease in cash and cash equivalents		**(3,168)**	**(1,458)**
Cash and cash equivalents at 1 January		15,073	16,531
Cash and cash equivalents at 31 December	12	**11,905**	**15,073**
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,040	2,989
Short-term deposits		9,865	12,084
Cash and cash equivalents	12	**11,905**	**15,073**

The notes on pages 119 to 137 form an integral part of the financial statements.

Notes to the financial statements for the year ended 31 December 2024

1. Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The financial statements are prepared on a going concern basis, under the historical cost convention.

The significant accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to both accounting years presented.

The JFSC is a statutory body established under Article 2 of the Financial Services Commission (Jersey) Law 1998.

Our registered address is Jersey Financial Services Commission, PO Box 267, 14-18 Castle Street, JE4 8TP.

We have taken advantage of the exemption available under FRS 102 section 9.3(g) and have not prepared consolidated financial statements.

Income

Income is accounted for on an accruals basis.

Regulatory annual fees received are recognised as income on a straight-line basis over the relevant period. Annual registry fees and revenue from the operation of the Island's registers include only the share of that income attributable to us.

Amounts received from the Government of Jersey in the form of grants and other financial assistance are recognised when the JFSC has satisfied all of the conditions necessary for the funds to be released. Amounts received are recognised as income in the period in which the related costs are incurred or in the periods in which any related asset is depreciated or impaired.

Civil penalties are recognised when the penalty has been agreed with the regulated entity and where it has the ability to settle the amount involved. Income from civil penalties is deferred and is released to income in the year in which the amount of fees to be paid by Industry is reduced due to the penalty having been received.

Notes to the financial statements for the year ended 31 December 2024

1. Significant accounting policies (contd)

Recoveries of enforcement costs are accounted for only when they have been agreed with the regulated entity or awarded by the Royal Court and it has become virtually certain that they will be received.

Interest received on bank deposits is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable. Sundry income is recognised on receipt.

Expenses

All expenses are accounted for on an accruals basis.

Foreign currency

Foreign currency balances are translated to Sterling at the rate of exchange ruling on the last business day in the financial period. Foreign currency transactions are translated into Sterling at the rate of exchange ruling on the date of the transaction. Profits and losses on foreign exchange are included in the income and expenditure account

Investigation and litigation costs

Investigation and litigation costs are recognised as incurred. No provision is made for the cost of completing current work unless a present obligation exists at the balance sheet date.

Cash and bank balances

Cash and bank balances comprise cash in hand, deposits and other short-term liquid investments. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

1. Significant accounting policies (contd)

Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price plus attributable transaction costs.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Trade and sundry creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and sundry creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Tangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation of fixed assets is calculated so as to write off their cost less estimated residual value on a straight-line basis over their expected useful lives. The estimated useful lives used for this purpose are:

Motor vehicles	3 years
Office furniture, fittings and equipment	3 to 5 years
Computer equipment	3 to 5 years
Leasehold improvements	Over the remaining lease period

Gains and losses on disposals of fixed assets are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditure account.

1. Significant accounting policies (contd)

Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and any impairment losses. Historical cost includes expenditure that is directly attributable to the development of the intangible asset. Subsequent maintenance and support costs are charged to the income and expenditure account during the period in which they are incurred.

Amortisation of intangible assets is calculated so as to write off their cost on a straight-line basis over their expected useful lives. The estimated useful lives used for this purpose are:

Computer software	Up to 7 years

The cost of computer software in respect of major systems is capitalised within intangible assets. All other computer software costs are expensed as incurred. Computer systems under development are not amortised until the system has been completed and is ready for use.

Gains and losses on disposal of intangible assets are determined by comparing any proceeds with their carrying amount and are recognised in the income and expenditure account.

In the requirements gathering phase of an internal systems development project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure is recognised as an expense when incurred. Systems under development are recognised as fixed assets from the development phase of a project if, and only if, certain specific criteria are met in order to demonstrate the system will generate probable future economic benefits and that its cost can be reliably measured. If it is not possible to distinguish between the requirements gathering phase and the development phase, the expenditure is treated as if it were all incurred in the requirements gathering phase only.

Notes to the financial statements for the year ended 31 December 2024

1. Significant accounting policies (contd)

Impairment

Assets that are subject to depreciation and amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is an indication that an asset may be impaired, it is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Cash flows from registry and supervisory income are separately identifiable and assets are allocated between these cash flows based on their operational application.

Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Leases

Rent payable under operating leases is charged to the income and expenditure account on a straight-line basis over the term of the lease.

The JFSC has taken advantage of the exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to continue to be released to the income and expenditure account on a straight-line basis over the period to the first lease break.

Pension costs

The costs of defined contribution pension schemes are accounted for on an accruals basis. The costs of annual contributions payable to defined benefit schemes operated by the Government of Jersey are accounted for on an accruals basis because we are unable to obtain the information necessary to apply defined benefit scheme accounting.

1. Significant accounting policies (contd)

Annual leave pay accrual

A liability is recognised to the extent of any untaken annual leave entitlement which has accrued at the balance sheet date and can be carried forward to future periods. The liability is measured at the undiscounted cost of untaken annual leave that has accrued up to the balance sheet date.

Provision for long leave entitlements

Provision is made for the accrued entitlements to long leave as at the balance sheet date, even when such entitlements may not yet have vested. The provision is increased each year as additional entitlements are earned. The provision is decreased when long leave entitlements are taken and when such entitlements expire.

The provision represents management's best estimate of the amounts expected to be paid out, taking into account long leave entitlements that may be lost when an employee leaves our employment. The provision is discounted if the effect would be material.

Provision for premises reinstatement

Provision is made for the expected costs of reinstating office premises to their original condition upon the termination of existing lease agreements. The balance represents management's best estimate of amounts to be paid for reinstatement. The provision is assessed each year based on changes in the expected costs of reinstatement and discount rates where applicable. The provision will be reduced when related costs are incurred in future periods. Provisions for premises reinstatement costs are discounted if the effect would be material.

2. a) Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

Management is required to make estimates and assumptions concerning the future. The resulting accounting estimates may not equal the actual outcomes. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within this and the next financial year are outlined below.

Provision for premises reinstatement

The balance of the provision for premises reinstatement has been determined based on the applicable square footage of leased premises and the rate per square foot for such reinstatement works is the high end of an indicative range provided by a local member of the Royal Institute of Chartered Surveyors without inspection of the lease or building. The provision is adjusted annually based on movements in the rate per square foot. This represents management's best estimate regarding the expected future cash flows related to these costs.

Provision for doubtful debts

Provision is made for doubtful debts when the recoverability of a trade receivable is considered uncertain at the reporting date. In the overall assessment of irrecoverability, management considers each amount and debtor individually as well as available information at the reporting date and any other relevant factors pertaining to the trade receivable.

Useful lives and residual values

Fixed assets and intangible assets are depreciated over their expected useful lives, taking into account residual values where appropriate. The actual lives and residual values are assessed annually and may vary depending on a number of factors. In re-assessing useful lives and residual values, a wide range of factors are taken into account. Changes in these assessments are accounted for prospectively and therefore only have a financial effect on current and future periods.

Notes to the financial statements for the year ended 31 December 2024

2. b) Going Concern

After reviewing the forecasts and projections, which cover the 12-month period from the date of signing the financial statements, the Board has a reasonable expectation that the JFSC has adequate resources to continue in operational existence for the foreseeable future. The JFSC has a net asset position of £11,563,000 and a stable income stream from registry and regulatory operations. The JFSC therefore continues to adopt the going concern basis in preparing its financial statements.

3. Taxation

We are exempt from the provisions of the Income Tax (Jersey) Law 1961, as amended.

4. Regulatory fee income

	2024 £'000	**2023** £'000
Banking	2,810	2,490
Funds	9,842	9,018
Insurance business	1,225	1,181
General insurance mediation	293	265
Investment business	1,983	1,837
Trust companies	4,863	4,595
Designated non-financial businesses and professions	3,015	1,933
Recognised auditors	34	37
Money services business	16	26
	24,081	**21,382**

Notes to the financial statements for the year ended 31 December 2024

5. Registry fee income

Registry fees arise from the operation of the Companies Registry, the Business Names Registry, the Registry of Limited Partnerships, the Registry of Limited Liability Partnerships, the Registry of Incorporated Limited Partnerships, the Registry of Limited Liability Companies, the Registry of Separate Limited Partnerships and the Security Interests Register.

Registry fees include annual confirmation fees. The amount of the annual confirmation fees payable to the Registry includes amounts collected on behalf of and remitted to the Government of Jersey.

In 2024 the annual confirmation fees was £330 (2023: £270) for all entities except unregulated entities, which remained unchanged at £220. The government portion for 2024 for each annual confirmation was £175 for regulated entities and £145 for unregulated entities (2023: £145).

	2024 £'000	2023 £'000
Total annual fees collected	**11,359**	**9,676**
This is apportioned as follows:		
Collected on behalf of the Government of Jersey	6,274	5,437
Collected by the JFSC	5,085	4,239
	11,359	**9,676**
Annual confirmation fee income collected by the JFSC	5,085	4,239
Other Registry income	3,213	2,927
Total Registry income	**8,298**	**7,166**

The number of annual confirmations received during the year was:

	2024	2023
Annual confirmations received	**37,414**	**37,499**

Notes to the financial statements for the year ended 31 December 2024

6. Other income

	2024 £'000	2023 £'000
Financial contribution income *	328	328
Cost recoveries**	291	286
Sundry income	18	(3)
	637	**611**

**As detailed in note 13, an amount of £328,344 from previously segregated and deferred registry fees has been included in financial contribution income for the year ended 31 December 2024 (2023: £328,344).*

***For the year ended 31 December 2024, an amount of £290,650 (2023: £288,069) was recharged to the Jersey Resolution Authority ("the Authority") in relation to various administrative and other support services, including premises, facilities, information technology and human resources as detailed further in note 11.*

7. Staff costs

	2024 £'000	2023 £'000
Staff salaries	(19,210)	(15,812)
Commissioners' fees	(345)	(409)
Social security contributions	(960)	(834)
Contributions to employee pension schemes	(1,499)	(1,390)
Permanent health and medical insurance	(544)	(639)
Other staff costs	(104)	(89)
Long leave provision	-	(16)
Annual leave pay accrual	96	(26)
	(22,566)	**(19,215)**

The average number of staff employed during the year was 225 (2023: 208).

8. Surplus/(Deficit) for the year

The surplus for the year is stated after including the below:

	2024 £'000	2023 £'000
Amortisation of intangible assets (note 9)	(1,277)	(1,280)
Write offs of intangible assets (note 9)	(184)	-
Depreciation of tangible fixed assets (note 10)	(335)	(270)
Foreign exchange differences	(18)	(13)
Operating lease expenditure	(618)	(627)
Contributions to employee pension schemes	(1,499)	(1,390)
Movement in doubtful debts	(54)	(57)
Audit fees	(63)	(58)

9. Intangible assets

	Computer systems under development £'000	Computer systems £'000	Total £'000
Cost			
Balance at 1 January 2024	253	13,053	13,306
Additions	111	-	111
Completed computer systems	(179)	179	-
Write offs*	(184)	-	(184)
At 31 December 2024	**1**	**13,232**	**13,233**
Amortisation			
Balance at 1 January 2024	-	(7,648)	(7,648)
Charge for the year	-	(1,277)	(1,277)
At 31 December 2024	**-**	**(8,925)**	**(8,925)**
Net book value at 31 December 2024	**1**	**4,307**	**4,308**
Net book value at 31 December 2023	**253**	**5,405**	**5,658**

The principal expenditure during the current year was in relation to digital transformation and payroll integration. In 2023, £68,481 expenditure was incurred in relation to the implementation of new modules for the registry, risk and supervision systems.

An assessment of intangible assets was performed for the year under review and based on that, the Board decided to accelerate the amortisation of specific software assets to better reflect their expected usage and technical obsolescence. As a result of this acceleration, an additional amortisation expense recognised in the current year.

**The write off relates to software development costs for a discontinued project.*

Notes to the financial statements for the year ended 31 December 2024

10. Tangible fixed assets

	Office furniture, fittings & equipment £'000	Leasehold improve-ments £'000	Computer equipment £'000	Total £'000
Cost				
Balance at 1 January 2024	721	350	1,163	2,234
Additions	116	-	8	124
At 31 December 2024	**837**	**350**	**1,171**	**2,358**
Accumulated depreciation				
Balance at 1 January 2024	(495)	(324)	(681)	(1,500)
Charge for the year	(73)	(6)	(256)	(335)
At 31 December 2024	**(568)**	**(330)**	**(937)**	**(1,835)**
Net book value at 31 December 2024	**269**	**20**	**234**	**523**
Net book value at 31 December 2023	**226**	**26**	**482**	**734**

11. Trade receivables

	2024 £'000	2023 £'000
Trade debtors	992	2,905
Provision for doubtful debts	(226)	(172)
Net trade receivables	**766**	**2,733**
Other debtors	87	766
Jersey Resolution Authority*	69	62
	922	**3,561**

Provision is made for doubtful debts when the recoverability of a trade receivable is considered uncertain at the reporting date. In the overall assessment of irrecoverability, management considers each amount and debtor individually as well as available information at the reporting date and any other relevant factors pertaining to the trade receivable. At 31 December 2024, trade debtors are stated after providing for doubtful debts of £226,190 (2023: £171,729).

**On 31 January 2022, the JFSC entered into an agreement, the Master Services Agreement ("the MSA"), with the Jersey Resolution Authority ("the Authority") for the provision of various administrative and other support services, including premises, facilities, information technology and human resources. The JFSC charged the Authority a fee of £82,500 in 2024 (2023: £75,000) for the services under the MSA. During 2024 we also recharged to the Authority costs of £190,313 incurred by us on behalf of the Authority (2023: £213,069). This income has been included in Cost recoveries as detailed in note 6. The amount due to us by the Authority at the year end was £68,645 (2023: £61,597).*

Notes to the financial statements for the year ended 31 December 2024

12. Cash and bank balances

	2024 £'000	2023 £'000
Current accounts	2,040	2,989
Short-term deposits	9,865	12,084
Cash and cash equivalents at bank	**11,905**	**15,073**

In order to mitigate the credit risk, these deposit accounts are maintained with five different banks.

13. Creditors

	2024 £'000	2023 £'000
Trade creditors	1,518	1,152
Accruals	2,005	2,008
Deferred industry fees*	159	140
Deferred registry fees**	1,040	1,368
Registry funds on account	1,192	1,341
Sundry creditors	334	135
	6,248	**6,144**
Falling due within one year	5,050	4,964
Falling due after more than one year	1,198	1,180
	6,248	**6,144**

**Deferred Industry fees arise from civil penalties received during the year. The Law requires the amount to be credited to Industry by way of reductions in the Industry fees that would otherwise be charged in future years.*

***It was agreed with the Government of Jersey that a portion of the additional registry fees charged from 2017 to 2019 be segregated and used for certain current and future enhancements to the Registry and its systems. In 2020 it was confirmed the segregated amount should be utilised for Registry projects and for start-up costs of the MONEYVAL AML inspection unit. As referred to in note 6, an amount of £328,344 has been recognised as financial contribution income during the current financial year (2023: £328,344) as an offset to the charges associated with running the unit, and £1,039,756 (2023: £1,368,100) is carried forward to be released over the useful life of the Registry system, in line with amortisation charges. No further unallocated segregated funds under this arrangement remain.*

14. Provisions for liabilities

	Provision for long leave £'000	Reinstatement provision £'000	Total £'000
Balance at 1 January 2023	92	569	661
Amounts provided for during the year	30	61	91
Reversal of unused provision	(14)	-	(14)
Balance at 31 December 2023	**108**	**630**	**738**
Amounts provided for during the year	-	426	426
Amounts utilised during the year	-	-	-
Reversal of provision	(108)	-	**(108)**
Balance at 31 December 2024	**-**	**1,056**	**1,056**
Falling due within one year	-	-	-
Falling due after more than one year	-	1,056	1,056
	-	**1,056**	**1,056**

The provision for long leave relates to the expected cost of long leave entitlements that have accrued up to the date of the Statement of financial position. During the year, long leave provision was reviewed and it was determined that the provision is no longer required. As a result, the full provision amounting to £108,000 was reversed.

Provision for premises reinstatement

The provision relates to the expected costs of reinstatement of office premises to their original condition on termination of premises leases. The balance at year end has been determined based the high end of an indicative range provided by a local member of the Royal Institute of Chartered Surveyors without inspection of the lease or building resulting in a rate of £52 per square foot (2023: £31 per square foot). The provision is adjusted annually based on movements in the guideline rate.

Notes to the financial statements for the year ended 31 December 2024

15. Commitments under operating leases

We had minimum lease payments under non-cancellable operating leases as set out below:

	2024 £'000	2023 £'000
Not later than 1 year	615	615
Later than 1 year but not later than 5 years	1,315	1,847
	1,930	**2,462**

Rentals payable under this operating lease are subject to periodic review and are based on market rates.

16. Financial instruments

The JFSC's financial instruments are analysed as follows:

	2024 £'000	2023 £'000
Financial assets Financial assets measured at amortised cost	**12,827**	**18,634**
Not later than 1 year Financial liabilities measured at amortised cost	**(1,852)**	**(1,287)**

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and all other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

17. Related party transactions

Transactions with the Government of Jersey and the Jersey Resolution Authority

The JFSC has been established in law as an independent financial services regulator and as such the Government of Jersey is not a related party.

The JFSC and the Jersey Resolution Authority ("the Authority") have common representation at governance level with Jill Britton and Monique O'Keefe serving on the Board of the Authority. The Authority occupies an office within our premises and utilises the JFSC for certain support and administrative services. As detailed in note 11, we entered into an agreement, the Master Services Agreement ("the MSA"), with the Authority on 31 January 2022 (last updated 13 October 2023) for the provision of various administrative and other support services, including premises, facilities, information technology and human resources. We charged the Authority a fee of £82,500 in 2024 (2023: £75,000) for the services under the MSA and also recharged to the Authority other costs paid on its behalf as detailed in note 6.

Remuneration of key management personnel

Key management personnel includes the Commissioners, the Director General and Executive Directors who together have authority and responsibility for planning, directing and controlling our activities. Total remuneration paid to members of key management personnel during the year was £2.2 million (2023: £1.9 million).

Remuneration of Commissioners

Remuneration of the Commissioners and the Director General is set out on pages 98 and 99 of this annual report. There were no other transactions with key management personnel other than reimbursement of expenses incurred for JFSC purposes.

Notes to the financial statements for the year ended 31 December 2024

18. Subsidiary undertakings

At 31 December 2024, the JFSC had an interest in one wholly owned subsidiary company. Further details are outlined below:

Name:	JFSC Property Holdings No.1 Limited
Country of incorporation:	Jersey
% of shares held:	100%
Principal activity:	Property lease holding

JFSC Property Holdings No.1 Limited entered into an agreement on our behalf to lease the JFSC's office premises. The Company had no expenditure during the year (2023: Nil) and has no assets or liabilities.

19. Events after the reporting period

In the opinion of the Board, no adjustments are required to the financial statements for events after the current reporting period.

Our team

Board of Commissioners

Jane Platt CBE
Chair

Monique O'Keefe
Deputy Chair

Claire Bowes
Commissioner

Megan Butler
Commissioner

Annamaria Koerling
Commissioner

John Laurens
Commissioner

Helene Narcy
Commissioner

Matt Palmer
Commissioner

Executive team

Jill Britton
Director General

Alan Ainsworth
Executive Director of Policy, Innovation and Marketing & Communications

Alexis Dolling
Executive Director of People and Culture

David Eacott
Executive Director of Supervision

Chris Gedrych
Chief Risk Officer

Beverley Kent
Executive Director of Registry

Kerry Petulla
Executive Director of Enforcement, Intelligence and Financial Crime

Elaine Walsh
Executive Director of Finance, Strategy and Change