



# Consultation on proposals regarding sustainable finance

**No. 3 2025**

We are asking for feedback on the proposed enhancements of the Codes of Practice and Notes relating to:

- › sustainability risk
- › business integrity risk

Issued: 26 May 2025

## Consultation

The Jersey Financial Services Commission (**JFSC**) invites comments on this consultation paper by **4 July 2025**. If you would like any support and more information before submitting a response, please contact:

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Alternatively, Timothy Hart at Jersey Finance Limited (**JFL**) is coordinating an Industry response that will incorporate any matters raised by local businesses. Comments should be submitted to JFL by **4 July 2025**. The JFL contact is:

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**All responses will be considered non-confidential (unless specifically requested otherwise by the respondent).**

**It is the policy of JFL (unless otherwise requested or agreed) to collate all responses and share them verbatim with the JFSC on an anonymised basis (with reference made only to the type of respondent, e.g. individual, law firm, trust company etc.). This collated, anonymised response will, typically, be placed in JFL's permanent electronic archive which is currently open to all JFL members.**

## Glossary of terms

Defined terms are indicated throughout this document as follows:

the Action Plan	The Government of Jersey's <a href="#">Sustainable Finance Action Plan</a> (21 Nov 2024)
Banking Code	Code of Practice for Deposit-taking Business
Banks	Deposit-taking Business
CIF	Jersey Collective Investment Funds
CIF Code	Certified Funds Code of Practice
Codes of Practice	Collectively, <i>related to this consultation paper only</i> , they include: <ul style="list-style-type: none"> <li>› CIF Code</li> <li>› Banking Code</li> <li>› FSB Code</li> <li>› GIMB Code</li> <li>› IB Code</li> <li>› InsB Code</li> <li>› MSB Code and</li> <li>› TCB Code</li> </ul>
Commission Law	Financial Services Commission (Jersey) Law 1998
CSD	Corporate sustainability disclosures
EU	The European Union
FSB Code	Code of Practice for Fund Services Business
FSB	Funds Services Business, has the same meaning as in Article 1 of the Financial Services (Jersey) Law 1998, as amended
GIMB	General Investment Mediation Business, has the same meaning as in Article 1 of the Financial Services (Jersey) Law 1998, as amended
GIMB Code	Code of Practice for General Insurance Mediation Business
IB	Investment businesses, has the same meaning as in Article 1 of the Financial Services (Jersey) Law 1998, as amended
IB Code	Codes of Practice for Investment Business
InsB	Insurance Business
InsB Code	Codes of Practice for Insurance Business
JFL	Jersey Finance Limited
JFSC	Jersey Financial Services Commission
MSB	Money Service Business, has the same meaning as in Article 1 of the Financial Services (Jersey) Law 1998, as amended

MSB Code	Code of Practice for Money Service Business
registered person	A person who is registered, or holds a permit or certificate, as applicable, under one or more of the Banking Business (Jersey) Law 1991, the Collective Investments Funds (Jersey) Law 1988, the Financial Services (Jersey) Law 1998 and the Insurance Business (Jersey) Law 1996
TCB	Trust Company Business, has the same meaning as in Article 1 of the Financial Services (Jersey) Law 1998, as amended
TCB Code	Code of Practice for Trust Company Business
UK	United Kingdom

## Table of contents

<b>1</b>	<b>Executive summary .....</b>	<b>6</b>
1.1	Overview.....	6
1.2	What is proposed and why? .....	6
1.3	Who would be affected? .....	7
<b>2</b>	<b>Consultation.....</b>	<b>7</b>
2.1	The JFSC .....	7
2.2	Basis for consultation .....	7
2.3	Responding to the consultation .....	7
2.4	Next steps .....	8
<b>3</b>	<b>Proposals .....</b>	<b>8</b>
3.1	Background, transition period and support .....	8
3.2	Sustainability risk.....	8
3.3	Business integrity risk.....	10
3.4	Impact.....	11
<b>4</b>	<b>Summary of questions.....</b>	<b>11</b>
	<b>Appendix A: CIF Code – proposed amendments .....</b>	<b>13</b>
	<b>Appendix B: FSB Code – proposed amendments .....</b>	<b>15</b>
	<b>Appendix C: IB Code – proposed amendments .....</b>	<b>17</b>
	<b>Appendix D: InsB Code – proposed amendments .....</b>	<b>19</b>
	<b>Appendix E: Banking Code – proposed amendments.....</b>	<b>20</b>
	<b>Appendix F: MSB Code – proposed amendments .....</b>	<b>21</b>
	<b>Appendix G: GIMB Code – proposed amendments .....</b>	<b>22</b>
	<b>Appendix H: TCB Code – proposed amendments .....</b>	<b>23</b>

# 1 Executive summary

## 1.1 Overview

- 1.1.1 This consultation paper seeks feedback on:
  - 1.1.1.1 proposals to enhance the Codes of Practice in relation to two of the JFSC's lead actions as part of Jersey's [Sustainable Finance Action Plan \(the Action Plan\)](#) published in November 2024:
    - › Sustainability risk and
    - › Business integrity risk
  - 1.1.1.2 the potential impact of the proposals.
- 1.1.2 The JFSC is committed to taking forward a third action of the Action Plan which relates to the adoption of corporate sustainability disclosures (**CSD**) in Jersey. Adoption of CSD is not being considered as part of this consultation as we:
  - 1.1.2.1 continue to reflect upon international developments<sup>i</sup>, the information gained from stakeholders, and our Quarter 1 2025 CSD survey<sup>ii</sup>
  - 1.1.2.2 will engage alongside Government of Jersey with entities potentially in scope of CSD in Jersey.
- 1.1.3 The relevant sections in the revised Codes of Practice will be available on the JFSC website at the start of the one-year transitional period (target: **Quarter 1 2026**).
- 1.1.4 The revised Codes of Practice will become effective at the end of the transition period (target: **Quarter 1 2027**).
- 1.1.5 The transitional period provides registered persons with the opportunity to embed the changes into their systems and controls and policies and procedures.
- 1.1.6 In addition to the one-year transition period for implementation and embedding, we will adopt a supportive approach, engage in awareness raising activities and, where appropriate, develop guidance for industry, alongside the Government of Jersey and JFL over the next 18 months.
- 1.1.7 We recognise the potential costs to industry when amending Codes of Practice and have considered this in the scope and approach to the proposals. Consultation feedback will help us:
  - 1.1.7.1 improve the clarity on sustainability-related risk and business integrity risk management
  - 1.1.7.2 enhance customer protection, transparency and operational resilience and
  - 1.1.7.3 safeguard market access and attract financial flows.

## 1.2 What is proposed and why?

- 1.2.1 **Sustainability risk (physical and transition risk)**- we propose ways of embedding sustainability risk management obligations via the Codes of Practice and Notes so that businesses, in line with the size and scale of their operations, consider how to manage their sustainability risk exposure. This will enable operational resilience, data capture and help future-proof businesses.

- 1.2.2 **Business integrity risk (such as anti-greenwashing)** - we propose adding to our existing anti-greenwashing measures, expanding them to new sectors, and enhancing them both at product and at corporate level via the Codes of Practice. These proposals will help ensure advertising and services are transparent and substantiated in the field of sustainability, thereby enhancing market integrity able to promote services in a fair, clear and effective manner.
- 1.2.3 We do not propose amending the Code of Practice for Alternative Investment Funds as the Alternative Investment Fund Managers Directive (AIFMD) and sustainable finance requirements are already intertwined, and the regulation in part will fall under the proposed amendments to the Certified Funds Code of Practice (**CIF Code**) and the Code of Practice for Fund Services Business (**FSB Code**).
- 1.2.4 In our proposals we have sought to include feedback gained during our 2025 engagement with stakeholders.

## 1.3 Who would be affected?

- 1.3.1 The proposals in this consultation paper will affect all registered persons governed by the Codes of Practice.

# 2 Consultation

## 2.1 The JFSC

- 2.1.1 The JFSC is a statutory body corporate established under the Financial Services Commission (Jersey) Law 1998 (**the Commission Law**). It is responsible for the supervision and development of financial services provided in or from within Jersey.

## 2.2 Basis for consultation

- 2.2.1 The JFSC has issued this consultation paper in accordance with Article 8(3) of the Commission Law, as amended, under which the JFSC “*may, in connection with the carrying out of its functions ...consult and seek the advice of such persons or bodies whether inside or outside Jersey as it considers appropriate*”.

## 2.3 Responding to the consultation

- 2.3.1 The JFSC invites comments in writing from interested parties on the proposals included in this consultation paper. Where comments are made by an industry body or association, that body or association should also provide a summary of the type of individuals and/or institutions that it represents.
- 2.3.2 A response form has been published alongside this consultation, [available here](#).
- 2.3.3 Respondents are requested to use this form when providing feedback, either directly or via JFL. For the avoidance of doubt, all responses received, in whatever fashion, will be considered, with the response form intended only to ease processing by the JFSC.
- 2.3.4 We will run drop-in sessions as set out on our website.
- 2.3.5 Comments should be received by the JFSC no later than **4 July 2025**.

## 2.4 Next steps

- 2.4.1 Following this consultation, the JFSC will publish feedback to this consultation paper, along with the near final Codes of Practice draft documents for all industry sectors, in Quarter 3 2025.

## 3 Proposals

### 3.1 Background, transition period and support

- 3.1.1 The Action Plan committed the JFSC to lead on three areas related to sustainable finance:
- 3.1.1.1 CSD
  - 3.1.1.2 Sustainability risk
  - 3.1.1.3 Business integrity risk.
- 3.1.2 This consultation paper contains proposals related to sustainability risk (physical risk and transition risk) and business integrity risk. Targeted CSD engagement will be undertaken outside of this consultation process.
- 3.1.3 The Codes of Practice have similar proposed amendments.
- 3.1.4 The relevant sections in the revised Codes of Practice will be available on the JFSC website at the start of the one-year transitional period (target: **Quarter 1 2026**).
- 3.1.5 The revised Codes of Practice will become effective at the end of the transition period (target: **Quarter 1 2027**).
- 3.1.6 The transitional period provides registered persons with the opportunity to embed the changes into their systems and controls and policies and procedures.
- 3.1.7 In addition to the one-year timeline for implementation and embedding, we will adopt a supportive approach, engaging in awareness raising activities alongside the Government of Jersey and JFL over the next 18 months.

### 3.2 Sustainability risk

- 3.2.1 **Policy intention** - to embed sustainability risk obligations via the Codes of Practice and Notes so that businesses, **in line with the size and scale of their operations**, consider how to manage their **material sustainability-related risk exposure**.
- 3.2.2 **Embedding mechanism** – via the Codes of Practice and Notes (below in summary – *please refer to the Appendices for the proposed detailed sector-specific amendments*):

#### Corporate governance – Notes related to all the Codes of Practice

To include wording referencing the integration of *material* sustainability-related risks, opportunities and impacts into business operations (e.g., business model, strategy, risk assessment) and financial activities; and engage with these risk management measures in a way that is proportionate and reflect their nature, and the size and scale of the business.



**Internal systems and controls (business resumption, disaster recovery and contingency arrangements) - Requirements related to all the Codes of Practice**

To include wording related to ensuring adequate business resumption, disaster recovery and contingency arrangements are in place and tested at appropriate intervals to safeguard against disruption of services and operations, and to mitigate risk, such as sustainability-related risk.

**Size and scale - Requirements related to all the Codes of Practice**

To seek viewpoints on the potential for a 'de minimis'-rule whereby smaller businesses are excluded from the proposed amendments of this sustainability risk section.

- 3.2.3 **How will/might it impact businesses** – this will require a review of systems and controls, and policies and procedures, and potentially upskilling. Consultation feedback concerning size and scale may lead to a de minimis rule excluding smaller businesses.
- 3.2.4 **We are seeking your feedback in relation to the following questions** –
- 3.2.5 Corporate governance:

**3.2.6 Question 1**

Do you have any general observations on, or concerns relating to the proposal concerning corporate governance?

If you do, please state in detail what your observation or concern is and the reason for it.

In considering your response, please categorise your support level by marking the relevant option:

- (i) No comments
- (ii) Supports
- (iii) Supports with concerns
- (iv) Concerns

- 3.2.7 Internal systems and controls (business resumption, disaster recovery and contingency arrangements):

**3.2.8 Question 2**

Do you have any general observations on, or concerns relating to the proposal to include the business resumption, disaster recovery and contingency arrangements wording?

If you do, please state in detail what your observation or concern is and the reason for it.

In considering your response, please categorise your support level by marking the relevant option:

- (i) No comments
- (ii) Supports
- (iii) Supports with concerns
- (iv) Concerns

3.2.9 Size and scale (de minimis rule):

3.2.10 **Question 3**

What would the appropriate criteria look like for incorporating a de minimis rule that excludes smaller businesses from needing to comply with the requirements relating to sustainability risk as set out above under Section 3.2?

Are they best determined by their number of employees, turnover, assets under management etc., or a combination of several criteria?

Is a de minimis rule for small businesses desired?

### 3.3 Business integrity risk

3.3.1 **Policy intention** - to expand our existing principles-based anti-greenwashing measures, including to new sectors, and enhancing them both at product and at corporate level via the Codes of Practice, so advertising and client services are transparent and substantiated in the field of sustainability, ensuring an environment with high market integrity, able to promote services in a fair, clear and effective manner.

3.3.2 **Embedding mechanism** – via the Codes of Practice (below in summary – please refer to the Appendices for the proposed detailed sector-specific amendments):

#### Transparency (sustainability-related claims) - Requirements related to all the Codes of Practice

To include a new Code on sustainability-related claims regarding the registered person, products and services, highlighting that such claims must be backed by credible evidence, and must not be unclear, misleading or unfair.

3.3.3 **How will/might it impact businesses** – this will require a review of systems and controls, and policies and procedures, and potentially upskilling.

3.3.4 **We are seeking your feedback in relation to the following questions** – Sustainability-related claims regarding the registered person, products and services.

3.3.5 **Question 4**

Do you have any general observations on, or concerns relating to the proposal of a new Code concerning sustainability-related claims regarding the registered person, products and services?

If you do, please state in detail what your observation or concern is and the reason for it.

In considering your response, please categorise your support level by marking the relevant option:

- (i) No comments
- (ii) Supports
- (iii) Supports with concerns
- (iv) Concerns

## 3.4 Impact

### 3.4.1 Question 5

Are there any impacts on your business arising from the proposed changes that you wish to provide comment on, or are there any other comments you wish to provide?

## 4 Summary of questions

Page	Question
9	<p>Question 1:</p> <p>Do you have any general observations on, or concerns relating to the proposal concerning corporate governance?</p> <p>If you do, please state in detail what your observation or concern is and the reason for it.</p> <p>In considering your response, please categorise your support level by marking the relevant option:</p> <ul style="list-style-type: none"><li>(i) No comments</li><li>(ii) Supports</li><li>(iii) Supports with concerns</li><li>(iv) Concerns</li></ul>
9	<p>Question 2:</p> <p>Do you have any general observations on, or concerns relating to the proposal to include the business resumption, disaster recovery and contingency arrangements wording?</p> <p>If you do, please state in detail what your observation or concern is and the reason for it.</p> <p>In considering your response, please categorise your support level by marking the relevant option:</p> <ul style="list-style-type: none"><li>(i) No comments</li><li>(ii) Supports</li><li>(iii) Supports with concerns</li><li>(iv) Concerns</li></ul>
10	<p>Question 3:</p> <p>What would the appropriate criteria look like for incorporating a de minimis rule that excludes smaller businesses from needing to comply with the requirements relating to sustainability risk as set out above under section 3.2?</p> <p>Are they best determined by their number of employees, turnover, assets under management etc., or a combination of several criteria?</p> <p>Is a de minimis rule for small businesses desired?</p>

Page	Question
10	<p>Question 4:</p> <p>Do you have any general observations on, or concerns relating to the proposal of a new Code concerning sustainability-related claims regarding the registered person, products and services?</p> <p>If you do, please state in detail what your observation or concern is and the reason for it.</p> <p>In considering your response, please categorise your support level by marking the relevant option:</p> <ul style="list-style-type: none"> <li>(i) No comments</li> <li>(ii) Supports</li> <li>(iii) Supports with concerns</li> <li>(iv) Concerns</li> </ul>
11	<p>Question 5:</p> <p>Are there any impacts on your business arising from the proposed changes that you wish to provide comment on, or are there any other comments you wish to provide?</p>

## Appendix A: CIF Code – proposed amendments

- 1.1 Principle 3: A Fund must organise and control its affairs effectively for the proper performance of its activities and be able to demonstrate the existence of adequate risk management systems

<b>Section 3.1 Notes – Corporate governance</b>	<b>Current Note:</b>  1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions.  Risk management is an integral part of the corporate governance framework.  In the context of Principle 3, “risk” refers to all the risks that a Fund faces, or may face, as a business enterprise. With respect to unit trusts and limited partnerships, the JFSC anticipates matters such as corporate governance (and compliance with the Code generally) to be part of the Fund Services Business Agreements entered into by the trustee or general partner on behalf of the Fund.	<b>Proposed change to Note:</b>  1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions.  Risk management is an integral part of the corporate governance framework.  In the context of Principle 3, “risk” refers to all the risks that a Fund faces, or may face, as a business enterprise. <i>This will also include the integration of material sustainability-related risks, opportunities and impacts into:</i> (i) financial activities and (ii) business operations (e.g., business model, strategy, risk assessment).  <i>These risk management measures should be implemented in a proportionate way to reflect the nature, size and scale of the business.</i>  With respect to unit trusts and limited partnerships, the JFSC anticipates matters such as corporate governance (and compliance with the Code generally) to be part of the Fund Services Business Agreements entered into by the trustee or general partner on behalf of the Fund.
<b>Section 3.2.1.2 Code under Internal systems and controls</b>	<b>Current Code:</b>  Ensure that adequate business resumption, disaster recovery and contingency arrangements are in place and tested at appropriate intervals;	<b>Proposed Code:</b>  Ensure that adequate business resumption, disaster recovery and contingency arrangements are in place and tested at appropriate intervals <i>to safeguard against disruption of services and operations, and to mitigate risk, such as sustainability-related risk.</i>

1.2 Principle 7: A Fund must not make statements that are misleading, false or deceptive.

<b>Section 7.3 Code – A new Code proposed: Section 7.3.10 Code</b>	<b>Current Code:</b>  Advertisements in respect of the Fund (whether issued by the Fund or its fund service providers) must not contain: (...)  <i>[New sub-section of Code]</i>	<b>Proposed new Code:</b>  Advertisements in respect of the Fund (whether issued by the Fund or its fund service providers) must not contain: (...)  Sustainability-related claims, whether concerning the Fund, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.
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## Appendix B: FSB Code – proposed amendments

- 1.3 Principle 3: A registered person must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems

<p><b>Section 3.1.8</b> <b>Notes</b></p> <p><b>Corporate governance</b></p>	<p><b>Current Note:</b></p> <p>1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. Risk management is an integral part of the corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise.</p>	<p><b>Proposed change:</b></p> <p>1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. Risk management is an integral part of the corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise. <i>This will also include the integration of material sustainability-related risks, opportunities and impacts into:</i></p> <ul style="list-style-type: none"> <li><i>(i) financial activities and</i></li> <li><i>(ii) business operations (e.g., business model, strategy, risk assessment).</i></li> </ul> <p><i>These risk management measures should be implemented in a proportionate way to reflect the nature, size and scale of the business.</i></p>
<p><b>Section 3.2.1.3</b> <b>Code under Internal systems and controls</b></p>	<p><b>Current Code:</b></p> <p>Ensure that adequate business resumption, disaster recovery and contingency arrangements are in place and tested at appropriate intervals;</p>	<p><b>Proposed Change:</b></p> <p>Ensure that adequate business resumption, disaster recovery and contingency arrangements are in place and tested at appropriate intervals <i>to safeguard against disruption of services and operations, and to mitigate risk, such as sustainability-related risk.</i></p>

1.4 Principle 7: A registered person must not make statements that are misleading, false or deceptive.

<p><b>Under Principle 7: “A registered person must not make statements that are misleading, false or deceptive”.</b></p> <p><b>Under Section 7.2 Code - a new Code proposed:</b></p> <p><b>Section 7.2.9 Code</b></p>	<p><b>Current Code:</b></p> <p>An advertisement must not contain: (...)</p> <p><i>[New sub-section of Code]</i></p>	<p><b>Proposed new Code:</b></p> <p>An advertisement must not contain: (...)</p> <p>Sustainability-related claims, whether concerning the registered person, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.</p>
<p><b>Under Principle 7: “A registered person must not make statements that are misleading, false or deceptive”.</b></p> <p><b>Under Section 7.3 Code - a new Code proposed:</b></p> <p><b>Section 7.3.3 Code</b></p>	<p><b>Current Code:</b></p> <p>An advertisement made in a written or broadcast form must not contain: (...)</p> <p><i>[New sub-section of Code]</i></p>	<p><b>Proposed new Code:</b></p> <p>An advertisement made in a written or broadcast form must not contain: (...)</p> <p>Sustainability-related claims, whether concerning the registered person, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.</p>



## Appendix C: IB Code – proposed amendments

- 1.5 Principle 3: A registered person must organise and control its affairs effectively for the proper performance of its business activities, and be able to demonstrate the existence of adequate risk management systems

<p><b>Section 3.1.8</b> <b>Notes</b></p> <p><b>Corporate governance</b></p>	<p><b>Current Note:</b></p> <p>1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. Risk management is an integral part of the corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise.</p>	<p><b>Proposed change:</b></p> <p>1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. Risk management is an integral part of the corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise. <i>This will also include the integration of material sustainability-related risks, opportunities and impacts into:</i></p> <ul style="list-style-type: none"> <li><i>(i) financial activities and</i></li> <li><i>(ii) business operations (e.g., business model, strategy, risk assessment).</i></li> </ul> <p><i>These risk management measures should be implemented in a proportionate way to reflect the nature, size and scale of the business.</i></p>
<p><b>Section 3.2.1.4</b> <b>Code under Internal systems and controls</b></p>	<p><b>Current Code:</b></p> <p>Ensure that adequate business resumption, disaster recovery and other contingency arrangements are in place and tested at appropriate intervals;</p>	<p><b>Proposed Change:</b></p> <p>Ensure that adequate business resumption, disaster recovery and other contingency arrangements are in place and tested at appropriate intervals <i>to safeguard against disruption of services and operations, and to mitigate risk, such as sustainability-related risk.</i></p>

1.6 Principle 7: A registered person must not make statements that are misleading, false or deceptive

<p><b>Under Principle 7: “A registered person must not make statements that are misleading, false or deceptive”.</b></p> <p><b>Under Section 7.2 Code - a new Code proposed:</b></p> <p><b>Section 7.2.9 Code</b></p>	<p><b>Current Code:</b></p> <p>An advertisement must not contain: (...)</p> <p><i>[New sub-section of Code]</i></p>	<p><b>Proposed new Code:</b></p> <p>An advertisement must not contain: (...)</p> <p>Sustainability-related claims, whether concerning the registered person, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.</p>
<p><b>Under Principle 7: “A registered person must not make statements that are misleading, false or deceptive”.</b></p> <p><b>Under Section 7.3 Code - a new Code proposed:</b></p> <p><b>Section 7.3.3 Code</b></p>	<p><b>Current Code:</b></p> <p>An advertisement made in a written or broadcast form must not contain: (...)</p> <p><i>[New sub-section of Code]</i></p>	<p><b>Proposed new Code:</b></p> <p>An advertisement made in a written or broadcast form must not contain: (...)</p> <p>Sustainability-related claims, whether concerning the registered person, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.</p>

## Appendix D: InsB Code – proposed amendments

- 1.7 Principle 3: A permit holder must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems

<p><b>Section 3.1.8 Notes</b></p> <p><b>Corporate governance</b></p>	<p><b>Current Note:</b></p> <p>1 Corporate governance is the system by which a company is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the company and sets out the rules and procedures for making decisions. Risk management is an integral part of a corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a permit holder faces, or may face, as a business enterprise.</p>	<p><b>Proposed change to Note:</b></p> <p>1 Corporate governance is the system by which a company is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the company and sets out the rules and procedures for making decisions. Risk management is an integral part of a corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a permit holder faces, or may face, as a business enterprise. <i>This will also include the integration of material sustainability-related risks, opportunities and impacts into:</i></p> <p><i>(i) financial activities and</i></p> <p><i>(ii) business operations (e.g., business model, strategy, risk assessment).</i></p> <p><i>These risk management measures should be implemented in a proportionate way to reflect the nature, size and scale of the business.</i></p>
<p><b>Section 3.2.2 under Section 3.2.2.10 Code Internal systems and controls</b></p>	<p><b>Current Code:</b></p> <p>A permit holder’s internal systems and controls must ensure that: (...)</p> <p>Adequate business resumption, disaster recovery and contingency arrangements are in place and are tested at appropriate intervals.</p>	<p><b>Proposed Change:</b></p> <p>Adequate business resumption, disaster recovery and contingency arrangements are in place and are tested at appropriate intervals <i>to safeguard against disruption of services and operations, and to mitigate risk, such as sustainability-related risk.</i></p>

- 1.8 Principle 7: A permit holder must not make statements that are misleading, false or deceptive

<p><b>Under Section 7.6 Code - a new Code proposed:</b></p> <p><b>Section 7.6.10 Code</b></p>	<p><b>Current Code:</b></p> <p>An advertisement must not contain: (...)</p> <p><i>[New sub-section of Code]</i></p>	<p><b>Proposed new Code:</b></p> <p>An advertisement must not contain: (...)</p> <p><i>Sustainability-related claims, whether concerning the permit holder, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.</i></p>
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## Appendix E: Banking Code – proposed amendments

- 1.9 Principle 3: A registered person must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems

<p><b>Section 3.1.8 Notes</b></p> <p><b>Corporate governance</b></p>	<p><b>Current Note:</b></p> <p>1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. Risk management is an integral part of the corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise.</p>	<p><b>Proposed change to Note:</b></p> <p>1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. Risk management is an integral part of the corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise. <i>This will also include the integration of material sustainability-related risks, opportunities and impacts into:</i></p> <ul style="list-style-type: none"> <li><i>(i) financial activities and</i></li> <li><i>(ii) business operations (e.g., business model, strategy, risk assessment).</i></li> </ul> <p><i>These risk management measures should be implemented in a proportionate way to reflect the nature, size and scale of the business.</i></p>
<p><b>Section 3.16 Code under Internal systems and controls</b></p>	<p><b>Current Code:</b></p> <p>A registered person’s systems must ensure that: (...)</p> <p>Adequate business resumption, disaster recovery and other contingency arrangements are in place and tested at appropriate intervals.</p>	<p><b>Proposed Change:</b></p> <p>Adequate business resumption, disaster recovery and other contingency arrangements are in place and tested at appropriate intervals <i>to safeguard against disruption of services and operations, and to mitigate risk, such as sustainability-related risk.</i></p>

- 1.10 Principle 7: A registered person must not make statements that are misleading, false or deceptive

<p><b>Under Section 7.3 Code - a new Code proposed:</b></p> <p><b>Section 7.3.3 Code</b></p>	<p><b>Current Code:</b></p> <p>An advertisement must not contain: (...)</p> <p><i>[New sub-section of Code]</i></p>	<p><b>Proposed new Code:</b></p> <p>An advertisement must not contain: (...)</p> <p><i>Sustainability-related claims, whether concerning the registered person, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.</i></p>
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## Appendix F: MSB Code – proposed amendments

- 1.11 Principle 3: A registered person must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems

<b>Section 3.1.3 Notes</b>	<b>Current Note:</b>  1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise.	<b>Proposed change to Note:</b>  1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise. <i>This will also include the integration of material sustainability-related risks, opportunities and impacts into:</i> (i) financial activities and (ii) business operations (e.g., business model, strategy, risk assessment). These risk management measures should be implemented in a proportionate way to reflect the nature, size and scale of the business.
<b>Section 3.2.3 Code under Internal systems and controls</b>	<b>Current Code:</b>  A registered person must ensure that its internal systems and controls provide reasonable assurance that: (...)  <i>[No Code currently]</i>	<b>Proposed new Code:</b>  A registered person must ensure that its internal systems and controls provide reasonable assurance that: (...)  Adequate business resumption, disaster recovery and other contingency arrangements are in place and tested at appropriate intervals to safeguard against disruption of services and operations, and to mitigate risk, such as sustainability-related risk.

- 1.12 Principle 4: A registered person must be transparent in its money service business arrangements

<b>Under Section 4.4 Code</b>	<b>Current Code:</b>  A registered person must ensure that its advertising and promotional literature is clear, fair, reasonable and is not deceptive or misleading.	<b>Proposed change:</b>  A registered person must ensure that its advertising and promotional literature is clear, fair, reasonable and is not deceptive or misleading.  It must not contain sustainability-related claims, whether concerning the registered person, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.
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## Appendix G: GIMB Code – proposed amendments

- 1.13 Principle 3: A registered person must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems

<b>Section 3.1.3 Notes</b>	<b>Current Note:</b>  1 Corporate governance is the system by which a company is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the company and sets out the rules and procedures for making decisions. Risk management is an integral part of a corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise.	<b>Proposed change to Note:</b>  1 Corporate governance is the system by which a company is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the company and sets out the rules and procedures for making decisions. Risk management is an integral part of a corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise. <i>This will also include the integration of material sustainability-related risks, opportunities and impacts into:</i>  (i) financial activities and  (ii) business operations (e.g., business model, strategy, risk assessment).  <i>These risk management measures should be implemented in a proportionate way to reflect the nature, size and scale of the business.</i>
<b>Under Section 3.2.2 Code - Section 3.2.2.9 Code under Internal systems and controls</b>	<b>Current Code:</b>  A registered person’s systems and controls must ensure that: (...)  Adequate business resumption, disaster recovery and contingency arrangements are in place and are tested at appropriate intervals;	<b>Proposed change:</b>  A registered person’s systems and controls must ensure that: (...)  Adequate business resumption, disaster recovery and contingency arrangements are in place and are tested at appropriate intervals <i>to safeguard against disruption of services and operations, and to mitigate risk, such as sustainability-related risk.</i>

- 1.14 Principle 7: A registered person must not make statements that are misleading, false or deceptive

<b>Under Section 7.6 Code - a new Code proposed: Section 7.6.9 Code</b>	<b>Current Code:</b>  An advertisement must not contain: (...)  <i>[New sub-section of Code]</i>	<b>Proposed new Code:</b>  An advertisement must not contain: (...)  <i>Sustainability-related claims, whether concerning the registered person, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.</i>
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## Appendix H: TCB Code – proposed amendments

- 1.15 Principle 3: A registered person must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems

<p><b>Section 3.1.4 Notes</b></p> <p><b>Corporate governance</b></p>	<p><b>Current Note:</b></p> <p>1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. Risk management is an integral part of the corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise.</p>	<p><b>Proposed change to Note:</b></p> <p>1 Corporate governance is the system by which an organisation is directed and controlled. A corporate governance framework specifies the distribution of rights and responsibilities among different participants in the organisation and sets out the rules and procedures for making decisions. Risk management is an integral part of the corporate governance framework. In the context of Principle 3, “risk” refers to <b>all</b> the risks that a registered person faces, or may face, as a business enterprise. <i>This will also include the integration of material sustainability-related risks, opportunities and impacts into:</i></p> <ul style="list-style-type: none"> <li><i>(i) financial activities and</i></li> <li><i>(ii) business operations (e.g., business model, strategy, risk assessment).</i></li> </ul> <p><i>These risk management measures should be implemented in a proportionate way to reflect the nature, size and scale of the business.</i></p>
<p><b>Section 3.2.1 under Section 3.2.1.3 Code</b></p> <p><b>Internal systems and controls</b></p>	<p><b>Current Code:</b></p> <p>A registered person must: (...)</p> <p>Ensure that adequate business resumption, disaster recovery and other contingency arrangements are in place and tested at appropriate intervals.</p>	<p><b>Proposed Change:</b></p> <p>Ensure that adequate business resumption, disaster recovery and other contingency arrangements are in place and tested at appropriate intervals <i>to safeguard against disruption of services and operations, and to mitigate risk, such as sustainability-related risk.</i></p>

1.16 Principle 7: A registered person must not make statements that are misleading, false or deceptive

<p><b>Under Principle 7: “A registered person must not make statements that are misleading, false or deceptive”.</b></p> <p><b>Under Section 7.2 Code - a new Code proposed:</b></p> <p><b>Section 7.2.9 Code</b></p>	<p><b>Current Code:</b></p> <p>An advertisement must not contain: (...)</p> <p><i>[New sub-section of Code]</i></p>	<p><b>Proposed new Code:</b></p> <p>An advertisement must not contain: (...)</p> <p>Sustainability-related claims, whether concerning the permit holder, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.</p>
<p><b>Under Section 7.3 Code - a new Code proposed:</b></p> <p><b>Section 7.3.3 Code</b></p>	<p><b>Current Code:</b></p> <p>An advertisement made in a written or broadcast form must not contain: (...)</p> <p><i>[New sub-section of Code]</i></p>	<p><b>Proposed new Code:</b></p> <p>An advertisement made in a written or broadcast form must not contain: (...)</p> <p>Sustainability-related claims, whether concerning the permit holder, products or services, that are unclear, misleading or unfair. Claims must be backed up by credible evidence.</p>

<sup>i</sup> See, for example, EU (2025), *Commission simplifies rules on sustainability and EU investments, delivering over €6 billion in administrative relief*. Available at: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_614](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_614); U.S. Securities and Exchange Commission (2025), *SEC Votes to End Defense of Climate Disclosure Rules*. Available at: <https://www.sec.gov/newsroom/press-releases/2025-58> and International Financial Reporting Standards Foundation (2024), *Progress on Corporate Climate-related Disclosures -2024 report*. Available at: <https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/progress-climate-related-disclosures-2024.pdf>.

<sup>ii</sup> JFSC (2025), *Q1 2025 corporate sustainability disclosure survey*. Available at: <https://www.jerseyfsc.org/industry/sustainable-finance/q1-2025-corporate-sustainability-disclosure-survey/>.