

Joint statement

Thursday 23 October

From the Government of Jersey and the Jersey Financial Services Commission: Sound Business Policy

Government of Jersey (GoJ) and the Jersey Financial Services Commission (JFSC), supported by significant industry input and feedback, have reviewed the existing Sound Business Practice Policy and have today published the newly renamed [Sound Business Policy \(SBP\)](#).

The SBP is a public document that identifies sensitive activities that may pose a threat to Jersey's reputation. Due to their sensitive nature, the JFSC may request additional information and give additional scrutiny to applications which propose to carry out or otherwise have exposure to these activities.

A draft policy was published for feedback on 23 July 2026. A summary of the feedback received is appended to this statement.

The key updates to the renamed Sound Business Policy (SBP) are as follows:

- › Enhanced accessibility, usability, and clarity. The opening content of the SBP, including scope and application, has been significantly shortened and simplified.
- › Further guidance and clarity have been provided in respect of “due regard,” defence, direct and indirect, dual use goods, and “target market”.
- › Table 1, which had previously listed financial services activities, has been removed. This makes clear that financial services activities are not, in and of themselves, sensitive activities. Registry will continue to request confirmation of whether an applicant intends to carry on regulated financial services business to support a streamlined approach to the authorisations team.
- › Significant revisions have been made to the activities listed under what was formerly known as Table 2 i.e. those activities which potentially pose a reputational risk to Jersey. Six of the 11 activities have been removed, primarily because they are already addressed by other legal or regulatory frameworks. The revisions also respond to concerns that some listed activities were outdated or too broadly defined, leading to unnecessary delays on activities that pose very little reputational risk.
- › The five remaining activities are: Defence; Pharmaceutical; Dual Use Goods; Mining, Drilling, Quarrying; and Financial Services Business regulated in Jersey but not in the target market. These remaining activities have also been refined, with updated definitions and or additional guidance.

These changes reflect Jersey's continued commitment to upholding robust regulatory standards while ensuring ease of doing business, supporting Jersey's long-term economic success.

Appendix: feedback and responses

This paper summarises stakeholder feedback on the proposed draft revisions to the existing [Sound Business Practice Policy](#) (SBPP) published on the 23 July by the Government of Jersey ('GoJ') and Jersey Financial Services Commission ('JFSC').

15 individuals, two trade bodies and Jersey Finance Limited all submitted responses. Feedback was largely positive and supportive of the proposed reforms although additional clarification was requested in a number of areas. The GoJ and the JFSC have worked closely to consider the feedback and have reflected this in further revisions.

In the draft published on 23 July a new addition had been proposed to the activities table "Involvement, direct or indirect, with activities in FATF 'black-list' ¹countries or suspended members of FATF".

Respondents noted:

- a) Involvement with "black-listed" countries is not permitted under Jersey's National Risk Appetite.
- b) Involvement with grey-listed countries is covered by AML/CFT/CPF obligations and subject to enhanced measures, therefore including in the table, given the number of existing structures in Jersey with grey-listed connections, may represent over regulation:
- c) Inclusion in the table may disadvantage individuals born in listed or suspended countries.

We have removed a), b) and c) from the Activities Table. However, under Section 1.3 of the Policy, firms are required to ensure commercial activity aligns with Jersey's national risk appetite. Under Section 3 The application of the Policy 3.4 – firms are also reminded that the Financial Action Task Force requires all jurisdictions to be vigilant to current and emerging risks from the circumvention of measures taken against all suspended countries to protect the international financial system.

¹ This includes any involvement and dealing with FATF High-Risk Jurisdictions subject to a Call for Action. This list is often externally referred to as the 'blacklist.'

Feedback summary

Table 2 existing activity definitions	Summary of feedback	Outcome
<p>1. Goods and services requiring payment in advance</p> <p>Trading activities which include the provision of goods or services that require payment in advance, where such goods or services are not subject to consumer protection or pose a risk of fraud....</p>	<ul style="list-style-type: none"> › increased clarification requested on the rationale for the proposed revision. 	<p>Removed.</p> <p>Removal of this activity recognises that fraud is a criminal offence, and enforcement falls primarily under the remit of the States of Jersey Police and other relevant agencies, rather than being addressed through the CoBO consent process.</p>
<p>2. Defence</p> <p>In respect of arms, weapons, ammunitions, countermeasures or other military or defence equipment, goods, technology, and personnel (as applicable) involvement, directly or indirectly, in one or more of the following: (a) manufacture (b) maintenance (c) sale (d) supply (e) delivery (f) transfer (g) purchase (h) importation (i) exportation (j) transportation (k) financing or financial assistance use of (m) provision of brokering services (n) training or technical assistance.</p>	<ul style="list-style-type: none"> › increased clarification requested on the rationale for the proposed revision › guidance on UN/EU/UK principles, and international standards › request to extend the activities to include “purchase.” › consideration of wider definition than controversial weapons only › consideration for alternative policies for a geographical approach where the levels of scrutiny applied relate to how strategically aligned the proposed country was with the UK 	<p>Defence remains with definition revised.</p> <p>Jersey’s approach has been revised to align with internationally agreed standards, including relevant international treaties and definitions. These proposed revisions reflect a broader shift in global regulatory frameworks concerning defence-related financial activity.</p> <p>Reflecting feedback, the definition has been amended to:</p> <p><i>‘Any involvement, direct or indirect, in the manufacture, purchase, sale and use of controversial, restricted and prohibited arms, weapons and other defence equipment.’</i></p> <p>The SBP includes guidance and information on controversial, restricted and prohibited arms legislation, international principles, and treaties.</p>

<p>3. Pharmaceutical</p> <p>Manufacture, marketing or sale of pharmaceutical goods or devices which are not licensed or have not received marketing authorisation in the jurisdiction where they are manufactured, marketed, sold, or supplied.</p>	<p>› request to extend the definition to activities that related to medicines in clinical or pre-clinical trials, where these will be sold under licence or with appropriate authorisations</p>	<p>Unlicensed pharmaceutical remains a sensitive activity. The definition of this has been revised to also include the following:</p> <p><i>“This is excluding such activities insofar as they relate to medicines that are in clinical or pre-clinical trials, with a view to such medicines being manufactured, marketed or sold (as applicable) under licence or with marketing authorisations.”</i></p>
<p>4. Conduct of scientific research</p>	<p>› increased clarification requested on the rationale for the proposed revision</p>	<p>Removed.</p> <p>Industry feedback suggested that this term may be too broadly defined and did not clearly correspond to a reputational risk. Scientific research is subject to heavy non-financial regulation (welfare, licensing, etc.) which is better placed to guard against any risks. Stakeholders suggested that the wide scope of what could be considered ‘scientific research’ could act as a barrier to competitiveness when compared with other jurisdictions.</p>
<p>5. Dual use goods</p> <p>Involvement, directly or indirectly, in the exportation or importation of goods or technology, which would require an authorisation or licence under Jersey ‘dual use’ legislation.</p>	<p>› respondents asked for confirmation on the relevant legislation that applies and guidance</p>	<p>Dual use goods remain a sensitive activity. Additional guidance provided.</p> <p>Further guidance and clarification have been provided. Government and the JFSC recognise that this is an activity that remains sensitive and a potential risk to the Island’s reputation. Given the importance of countering proliferation finance, scrutiny via the SBP remains an important safeguard.</p>

<p>6. Qualifying debt</p> <p>Investment in or purchase of ‘qualifying debt’ as defined in the Debt Relief (Developing Countries) (Jersey) Law 2013.</p>	<p>› increased clarification requested on the rationale for the proposed revision</p>	<p>Removed.</p> <p>This activity corresponds to the Debt Relief (Developing Countries) (Jersey) Law 2013. Reliance on this law and the agencies that administer it is considered adequate without specific reference in the SBP.</p>
<p>7. Mining, Drilling and Quarrying</p> <p>Involvement, directly or indirectly, in mining, drilling, or quarrying for natural resources.</p>	<p>› respondents requested increased clarification on “recognised stock exchange” and cited some issues with using recognised stock exchange’ as defined in Appendix 1 – Schedule 3 – Jersey Listed Fund Guide</p>	<p>Remains with definition updated to provide increased guidance and reference to additional recognised stock exchanges:</p> <p>“where the entity is not listed on an UK regulated market, an EU/EFTA regulated market or an EMIR equivalent regulated market. Additionally, where the entity is being incorporated for the purposes of becoming listed itself on a regulated market, as above.”</p>
<p>8. Initial Coin Offerings/Virtual Asset</p> <p>Involvement, directly or indirectly, in initial coin offerings or providing other services relating to virtual assets where not an activity under paragraph 24 of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999.</p>	<p>› increased clarification requested on the rationale for the proposed revision</p>	<p>Removed.</p> <p>The Government and JFSC consider the JFSC’s guidance on Initial Coin Offering and Tokenisation of Real-World Assets, and dedicated processes and scrutiny which is now in place for those.</p> <p>Reference to this guidance is noted in Section 2 of the revised SBP.</p>
<p>9. Citizenship</p> <p>The sale or facilitation of sale of citizenship/ citizenship by investment (which includes the administration associated with citizenship and/ or arranging for citizenship).</p>	<p>› it was noted that this activity is currently in the National Risk Appetite and appears to duplicate this activity in the Policy</p>	<p>Removed.</p> <p>The Government and JFSC agree this activity is outside of Jersey’s National Risk Appetite as detailed in the National Statement on Financial</p>

		Services and Financial Crime: Activities, Risk Appetite and Mitigation.
10. Where an activity is regulated in Jersey and not in the target market	<ul style="list-style-type: none"> › clarity and further explanation requested. Some questioned the meaning of ‘target market’ and the scope of activities that could require notification to the JFSC under this, i.e., whether this goes beyond financial services 	Remains but revised: Activity now referred to as Financial Services business. Simplified, additional guidance and clarification given.
11. Cannabis The cultivation, production, supply, use, export or import of in Jersey...	<ul style="list-style-type: none"> › increased clarification requested on the rationale for the proposed revision 	Removed. This activity corresponds to the Misuse of Drugs (Jersey) Law 1978, it was considered more appropriate and effective to rely on the law and the agencies responsible for its enforcement, rather than countering the risks through the SBP.