



Jersey Financial
Services Commission

Feedback on enhancements to criminal background checks

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Consultation feedback

This paper summarises the responses we received to consultation paper No 1 2025 on enhancements to criminal background checks for principal and key persons.

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Contents

Consultation feedback	2
1 Executive summary	4
1.1 Overview.....	4
1.2 Feedback received.....	4
1.3 Summary of CRC amendments.....	5
1.4 Next steps.....	5
2 Consultation feedback.....	6
2.1 Feedback received.....	6
2.2 Main themes.....	6
2.3 MONEYVAL Priority Action	7
2.4 Three year rolling refresh	7
2.5 Responsibility for collecting CRC	7
2.6 Record Keeping and data protection	8
2.7 Principal person definition	8
2.8 Overregulation	8
3 New Codes	9
Section 10.6	9
Section 11.7	10
Section 15 – various sections.....	10
Glossary	11

1 Executive summary

1.1 Overview

- 1.1.1 This paper confirms our policy position on criminal background checks for Principal Persons (**PPs**) and Key Persons (**KPs**). We consulted on this in Consultation Paper No 1 2025 (**the CP**), published on 29 January 2025.
- 1.1.2 Given the extent of the feedback received, we are issuing this paper a few months later than originally envisaged. The additional engagement required us to refine our original proposals and adopt a revised approach to reflect stakeholder input, while maintaining our commitment to a proportionate and effective regime.
- 1.1.3 Key changes include the removal of the three-year rolling refresh requirement and placing the responsibility on Supervised Persons,¹ to collect and maintain records of checks performed. The full details of the revised approach are covered throughout the remainder of this paper and the appendices.

1.2 Feedback received

- 1.2.1 The CP asked for feedback on our proposals to
 - › enhance our application process for individuals seeking to be a PP (which includes directors, beneficial owners and controllers and others) or a KP (including the money laundering reporting officer (**MLRO**), the Money Laundering Compliance Officer (**MLCO**)) and compliance officer) of Supervised Persons
 - › require the provision of a certified copy of a current criminal records certificate in the form of Disclosure and Barring Service (**DBS**) check (or foreign equivalent) at first application, on defined events and on a three-year rolling period
 - › require a Supervised Person to regularly review whether its PPs and KPs are fit and proper to hold the roles²
- 1.2.2 The responses to the consultation paper highlighted that whilst a slight majority of respondents agree in principle with the introduction of Criminal Records or Background Checks (**CRCs**), further consideration is needed around the practical application and potential unintended consequences, and in particular:
 - › industry acknowledges the importance of preventing criminals and their associates from owning, controlling, or being in a position of influence over Jersey financial services businesses
 - › while recognising the need for proportionate enhancements to criminal background checks, some considered the original proposals, particularly the three-year refresh, as overly burdensome compared to other jurisdictions
 - › respondents questioned the procedures for conducting these checks and determining who should bear the responsibility for them.
 - › industry feedback showed a strong preference for the responsibility of obtaining CRCs to be on the Supervised Person
- 1.2.3 Section 2 summarises the key feedback themes and our responses.

¹ Where a 'Supervised Person' is referenced, this also includes AMLSPs providing services to a Schedule 2 client entity

² For new applicants, existing licensees or whenever there is a change of control

- 1.2.4 We are grateful to respondents for taking the time to consider and comment on the proposals. Each respondent who provided contact details, has been sent a copy of this paper.

1.3 Summary of CRC amendments

- 1.3.1 Following consideration of the feedback, adjustments have been made to the originally proposed CRC regime to reflect industry feedback. The adjustments result in proportionate and cost-effective enhancements, whilst still ensuring alignment with MONEYVAL's Priority Action to enhance our criminal background checks process.³ This is aligned with our strategic priorities to be risk-based and proportionate.
- 1.3.2 In summary, the CRC key adjustments are:
- › the three-year rolling refresh requirement has been removed
 - › CRCs are to be obtained for new or additional PP/KP roles; existing licensees whenever there is a change of control; and on an on-going basis to ensure that these individuals continue to be fit and proper to hold these positions
 - › CRC required to have been carried out within six months of the date of the application or subsequent change
 - › responsibility for collecting and reviewing CRCs is placed with the Supervised Person
 - › CRC Regime will apply to all PPs and KPs as defined under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 (**SBJL**) only, so will exclude general insurance mediation businesses (**GIMB**)
 - › removal of the five-year retention period on the Supervised Person; the responsibility is on the Supervised Person to ensure they manage any personal sensitive data in accordance with their obligations under all relevant data protection legislation and General Data Protection Regulation (**GDPR**) laws
- 1.3.3 These requirements will be reflected in our AML/CFT/CPF Handbook and will not apply retrospectively. For all existing Supervised Persons, PPs and KPs, the CRC regime will commence on 31 May 2026.

1.4 Next steps

- 1.4.1 Following this consultation, we will implement the enhancements to the CRC Regime for PPs and KPs as follows:
- › **27 November 2025 – 31 May 2026:** transitional period
 - › **31 May 2026:** enhanced Handbook and Codes of Practice effective⁴
- 1.4.2 The transitional period is to enable industry time to update their policies and procedures (systems and controls) and obtain any CRC checks (or foreign equivalent) before the new AML/CFT/CPF Handbook Codes of Practice come into effect.

³ [Jersey MONEYVAL Evaluation Report Priority Actions](#): "Jersey should enhance criminal background checks for beneficial owners, controllers and key function holders applied at the market entry stage and in the course of subsequent changes."

⁴ The "Enhanced Handbook" is the version of the Handbook that will come into effect on 31 May 2026 see [JFSC Consultation No 4 of 2025 and Feedback Paper](#).

- 1.4.3 Towards the end of 2026, we will evaluate how supervised businesses are complying with the Codes of Practice. This is to safeguard Jersey's reputation, combat financial crime and forms an important part of Jersey's MONEYVAL reporting obligations.

2 Consultation feedback

2.1 Feedback received

- 2.1.1 The consultation period closed on the 26 March 2025. We received a total of 37 responses.
- 2.1.2 The table below provides a breakdown of responses by industry:

Sector	Responses
Alternative investment fund	0
Banking	6
Fund services business	1
General insurance mediation business	0
Insurance business	1
Investment business	2
Money services business	1
Regulatory consultant	0
Trust company business	5
Other (please specify):	17
Answered	33
Skipped	4
Total	37

Figure 1 Responses disaggregated by sector

- 2.1.3 The representation of the sector reflects the workplace of the respondent rather than the number of businesses that responded.
- 2.1.4 Among the 17 listed as 'other' were:
- › seven submissions from sector groups which included: JCOA, JFA, JSCCA, JLS, J-NED, JTS and JATCo
 - › the remainder were Schedule 2 businesses or multiple license holders
 - › respondents skipped this question and did not answer in the smart survey
- 2.1.5 14 of the responses were anonymous.

2.2 Main themes

- 2.2.1 This section summarises the substantive comments received in response to the CP and our response to those comments. Whilst not every comment received is individually listed here,

this section contains summaries of the most common and pertinent comments in relation to each question posed.

2.3 MONEYVAL Priority Action

- 2.3.1 Why does Jersey need to comply with the MONEYVAL Priority Action, given the positive MONEYVAL result?

Our response

The implementation of CRCs aims to strengthen our current regulatory regime to prevent criminals and their associates from owning, controlling, or holding a position of key influence in a Jersey supervised person to meet international AML/CFT/CPF requirements. Our aim is for you to achieve this in a proportionate, cost-efficient manner that does not adversely impact the competitiveness and attractiveness of Jersey as a place to do business.

The enhancements also respond to the Priority Action made by MONEYVAL in their fifth-round evaluation of Jersey and are part of the nationally coordinated programme of work led by the Government of Jersey, in partnership with other island agencies, to implement the FATF Recommendations.

2.4 Three year rolling refresh

- 2.4.1 Comparable jurisdictions do not require a three-year rolling refresh, and it goes beyond the MONEYVAL Priority Action of enhancing checks for new appointments to PP and KP roles and existing licensees, whenever there is a change of control or change of an individual's PP or KP role.

Our response

Given industry feedback, we have removed the three-year rolling refresh requirement. However, to maintain robust safeguards against financial crime and uphold public trust, CRCs for KPs and PPs must be obtained by the Supervised Person for:

- › new or additional appointments to PP/KP roles
- › existing licensees where there is a change of control
- › on an ongoing basis, with the frequency and scope of checks determined by the Supervised Person using a risk-based approach

2.5 Responsibility for collecting CRC

- 2.5.1 Industry feedback showed a strong preference for the responsibility of obtaining the CRCs to be on the Supervised Person.

Our response

We have further considered the operational implementation of the CRC Regime. Responsibility for collecting and reviewing CRCs will lie with the Supervised Person. However, to demonstrate that the MONEYVAL Priority Action has been effectively implemented:

- › the Supervised Person will be required to confirm that a DBS check (or foreign equivalent) has been undertaken within the last six months for the PP or KPs when submitting the relevant application or subsequent change
- › we may request a copy of the certificate following review of the application or notification (as applicable), and this would be determined on a case-by-case basis
- › we will implement a risk-based assessment programme to ensure compliance with the CRC regime

2.6 Record Keeping and data protection

- 2.6.1 Does the requirement to retain criminal record certificates for five years after the individual ceases to hold the KP or PP role, align with the firm's data protection obligations under the law?

Our response

After consideration of the feedback, we no longer propose the five-year retention requirement. The responsibility lies with the Supervised Person to ensure they handle any personal sensitive data in accordance with their obligations under all relevant data protection legislation and GDPR laws.

2.7 Principal person definition

- 2.7.1 The definition for PPs is too broad, and it is unclear which definition of PP is to be applied. This poses difficulties in collecting CRCs for some entities.

Our response

CRCs apply to all PPs and KPs as defined under the SBJL only because the Priority Action is for AML/CFT/CPF purposes. This approach is consistent with the consultation being a direct response to the Priority Actions identified by MONEYVAL.

CRCs will not be required for:

- › passive investors of fund structures
- › limited partners for limited partnerships
- › unit holders for unit trusts
- › vested beneficiaries, the settlor, or objects of a power for trusts

Where the partnership is a legal person (Separate Legal Partnership (**SLP**), Incorporated Liability Partnerships (**ILP**) or Limited Liability Partnerships (**LLP**)), CRCs are required for beneficial owners with a holding of 10% or greater.

We may provide further guidance for operational clarity.

2.8 Overregulation

- 2.8.1 A significant number of industry stakeholders expressed concerns the proposed amendments to the Code of Practice were overly burdensome, with some considered unnecessary, stating the Codes largely reiterated existing legal requirements and place increased responsibility on industry. Respondents expressed concern that the introduction of the CRC regime may conflict with Jersey's competitiveness strategy.

Our response

The consultation paper proposed the inclusion of a new additional requirement in the relevant Sections of the Handbook, along with equivalent changes in the GIMB Code.

As we are focussing on the SBJL definitions of PPs and KPs for the purpose of CRC programme, changes to the GIMB Code are no longer required. GIMB falls outside the scope of the SBJL and, therefore, the CRC Regime.

We will be implementing new Codes to Sections 9, 10 and 18 of the Handbook (10, 11 and 15 of the enhanced Handbook). These are noted as New Codes in Section 3.

The enhancements are designed to achieve compliance in a proportionate and cost-efficient manner, ensuring that Jersey remains competitive and attractive as a place to do business. At the same time, we must maintain a regime that protects Jersey's perimeter from being exploited by criminals for financial crime.

Financial services businesses are already required to assess their employees' fitness and propriety. Rather than repeating these checks, we will rely on our automated systems to validate information, avoiding unnecessary duplication of effort.

We consider the impact on Jersey's competitiveness to be limited, given that other international finance centres (IFCs) have similar provisions.

3 New Codes

3.1. The changes to the Codes in Sections 10, 11 and 15 of the enhanced Handbook are set out below:

Section 10.6

New Code 1: A supervised person must take reasonable steps to ensure that persons holding key persons and principal persons roles are at all times fit and proper in accordance with the applicable legislation, policies and guidance.

New Code 2: Supervised persons must obtain a basic DBS check (or foreign equivalent) for key persons and principal persons for:

- › new or additional principal person/key person roles
- › existing licensees whenever there is a change of control
- › on an on-going basis using a risk-based approach to ensure that these individuals continue to be fit and proper to hold these positions.

New Code 3: Supervised persons must be able to provide the JFSC, upon request, documents supporting their assessment of the fitness and propriety of the key or principal person. This must include criminal record certificates, a summary of the checks conducted, and any relevant findings.

- a. Where an individual has not previously been authorised by the JFSC as a *principal or key persons* before 31 May 2026, the *supervised person* should obtain a criminal record certificate for:
 - › the individual's current jurisdiction of residence; and

- › each jurisdiction in which the individual has lived or worked for six months or more within the 10 years prior to the application.
- b. The criminal record certificate should be dated within six months of the date the application is submitted.

New Code 4: A supervised person must notify the JFSC if there is any material change in relation to its principal persons or key persons that may impact their fitness and propriety.

Section 11.7

New Code 5: A supervised person must retain any documents, data, and information relied upon to establish whether a principal person or key person is fit and proper for a period that aligns with their obligations under the relevant data protection legislation and policy.

Section 15 – various sections

New Code 6: The *AMLSP* must conduct relevant fitness and propriety checks including criminal records checks as expected in Section 10.6 on an ongoing basis on the *AMLSPs* appointed key persons.

New Code 7: An *AMLSP* must ensure that the *AMLSP Direct Customer's MLCO* has undergone and will continue to confirm their fitness and propriety through criminal records checks conducted by the *AMLSP* on an ongoing basis.

New Code 8: An *AMLSP* must ensure that the *AMLSP Direct Customer MLRO* has undergone criminal records checks and will continue to demonstrate their fitness and propriety through such checks conducted by the *AMLSP* on an ongoing basis.

New Code 9: Where an *AMLSP Direct Customer* has *AMLSP*-appointed key persons, the *Direct Customer* is not required to notify the JFSC of their fitness and propriety unless:

- › specifically requested to do so by the JFSC
- › the notification forms part of an application for a no objection by the *AMLSP*, or
- › another process beyond the scope of *Article 34* of the *Supervisory Bodies Law* requires it

New Code 10: Where an *AMLSP* is contracted to obtain the criminal records certificates for key and principal persons, and not for the provision of key person roles, the registered person remains responsible for meeting their statutory obligations as outlined in section 10.6.

The Handbook will provide detailed guidance on each code change, and is shown in sections 10, 11, and 15 of the tracked changes version of the enhanced Handbook linked below:

[Section 10 – tracked changes](#)

[Section 11 – tracked changes](#)

[Section 15 – tracked changes](#)

Glossary

Defined terms are indicated throughout this document as follows:

AML	anti-money laundering
AMLSP	anti-money laundering service provider
CFT	countering the financing of terrorism
Commencement Date	the date when the CRC Regime comes into effect
CP or Consultation	consultation paper No 1 2025 published by the JFSC on the 29 January 2025
CPF	countering proliferation financing
CRC	criminal record checks
DBS	Disclosure and Barring Services is the UK Government's agency for criminal record disclosures
DBS check (or foreign equivalent)	a certificate issued by the DBS or an equivalent body in a foreign jurisdiction evidencing a person's criminal record
Enhanced Handbook	the Handbook as it will be published on 31 May 2026
FATF	Financial Action Task Force
FATF Recommendations	the international standards on combating money laundering and the financing of terrorism and proliferation.
FCA UK	United Kingdom Financial Conduct Authority
FSJL	Financial Services (Jersey) Law 1998
FSB	fund service business
GDPR	General Data Protection Regulation
GIMB	general insurance mediation business
GIMB Code	Code of Practice for General Insurance Mediation Business
Handbook	AML/CFT/CPF handbook
JATCo	Jersey Association of Trust Companies
JCOA	Jersey Compliance Officers Association
JFA	Jersey Funds Association
JFL	Jersey Finance Limited
JFSC	Jersey Financial Services Commission

JLS	Jersey Law Society
J-NED	Trade Association for Non-Executive Directors in Jersey
JSCCA	Jersey Society of Chartered and Certified Accountants
JTS	Jersey Trading Standards
Key Person or KP	as defined under Article 1 in the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008
MER	Fifth Round MONEYVAL Mutual Evaluation Report of Jersey
MLCO	Money laundering compliance officer
MLRO	Money Laundering reporting officer
Money Laundering Order	Money Laundering (Jersey) Order 2008
MONEYVAL	MONEYVAL is a permanent monitoring body of the Council of Europe entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their systems.
MONEYVAL Priority Action	The MER contains a Priority Action (amongst others) requiring Jersey to further enhance criminal background checks for a new applicant and existing licensees whenever there is a change of control, shareholding or key function to better prevent criminals or their associated from operating in the regulated market.
On-going basis	For the purposes of this paper only, means: Periodic checks and renewals of criminal records at intervals using a risk-based approach. A Supervised Person can consider the frequency that is proportionate to the individual's risk profile, the nature of their role, and the size and complexity of the entity.
Principal Person or PP	as defined under Article 1 in the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008
CRC Regime	the introduction of the requirement for a Supervised Person to obtain CRCs for the Principal and Key Persons for <ul style="list-style-type: none"> › new PP or KP roles › existing licensees whenever there is a change of control or change of an individual's PP or KP role(s) › on an On-going basis, in ensuring that these individuals are fit and proper to hold the roles
Spent convictions	as defined in Article 2 of the Rehabilitation of Offenders (Jersey) Law 2001 and referred to in the Rehabilitation of Offenders (Exceptions)(Jersey) Regulations 2002



Jersey Financial Services Commission

Supervised Person	defined in Article 1 of the Supervisory Bodies Law and covers all those persons that are required to comply with the Money Laundering Order (referred to in the Money Laundering Order as “relevant persons”)
Supervisory Bodies Law or SBJL	Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008
We/us/our	the JFSC