

Schedule 2 business: Directors

Date issued: 17 April 2023

Last revised: 30 November 2023

Introduction

These frequently asked questions have been collated to respond to queries from Industry. They may be updated from time to time.

Glossary

Terms used in this document:

AML/CFT/CPF	Anti-Money Laundering, Countering the Financing of Terrorism and Countering Proliferation Financing.
Directors	Directors shall also mean partners of a partnership and members of the council of a foundation.
Schedule 2	Schedule 2 to the Proceeds of Crime (Jersey) Law 1999
Supervisory Bodies Law	Proceeds of Crime (Supervisory Bodies) Law (Jersey) 2008

1 Background: Why was Schedule 2 amended?

On 30 January 2023 the list of activities and operations required to comply with measures to prevent money laundering, terrorist financing and proliferation financing contained in Schedule 2 of the Proceeds of Crime (Jersey) Law 1999 (Schedule 2) was amended. Jersey has a long-standing commitment to comply with the international standards against money laundering and terrorist financing developed by the Financial Action Task Force (FATF).

An assessment of Jersey's adherence against those standards was conducted by Moneyval in 2015. Following that assessment, it was determined that Schedule 2 should be recast so that all activities and operations subject to AML/CFT obligations mirror the definitions within the FATF Recommendations.

2 How do I know if I am in scope?

Certain director services are now in scope. All three parts of the test below must be met for you to be in scope.

a) You are acting as or arranging for another person to act as a director or equivalent

You must consider whether you are:

- › Acting as, or fulfilling the function of, or arranging for another person to act as or fulfil the function of, director or alternate director of a company; and/or

- › Acting as, or fulfilling the function of, or arranging for another person to act as, or fulfil the function of a partner of a partnership; and/or
- › Acting as, or fulfilling the function of, or arranging for another person to act as or fulfil the function of, a member of the council of a foundation.

b) You are conducting those services as a business

If you have determined that you meet one of the criteria set out in sub section a) above, you must then consider whether you are doing so 'as a business'.

There is no single test for determining whether you are conducting a service 'as a business'. This can be subjective, and indicators may include:

- › Where you advertise or promote the provision of your director services
- › Where you receive business referrals for the purposes of providing your director services
- › Where you receive financial compensation, in any form
- › Where you intend to make a commercial gain in any form

The test for determining whether you require a business licence in accordance with the Control of Housing and Work (Jersey) Law 2012 is not applicable to determining whether you are providing director services 'as a business' for these purposes.

c) You are providing those director services to third parties

Having determined that you meet the criteria in sub sections a) and b) above, you must then consider whether you are providing those services to third parties. If the services are not being provided to third parties, you are not in scope and will not need to register with the JFSC.

In its simplest form, a third party in this sense, is akin to a customer or client. That is, you are providing services to someone other than yourself (noting that you must be doing so 'as a business').

If, having considered the above, you determine that you are conducting director services as a business for third parties, you will be required to register with the JFSC and will become a supervised person, subject to the provisions of Jersey's anti-money laundering, counter terrorist financing and counter proliferation financing regime.

3 Is remuneration, or the value of remuneration received, the key/sole factor in determining whether the provision of acting as Director is being conducted as a business?

No. Remuneration/financial compensation is an indicator but is not the sole factor for determining whether you are providing director services 'as a business'.

4 In the following scenarios am I now in scope?

- › **I am a Jersey resident who is the director of a Jersey company that I wholly own. I have no other directorships.**

No. A person who is a director of a company they wholly own is not providing director services 'to third parties' in respect of that directorship.

- › **I am an employee of a trust company. In the course of my employment, I have been appointed as a director on a client entity. I have no other directorships.**

No. A person who is only a director solely by virtue of their employment is not doing so 'as a business'.

- › **I am an individual executor acting in a personal capacity.**

No. An executor acting in a personal capacity is not carrying out the activity 'as a business'.

5 In the following scenarios am I now in scope?

- › I am a director of a business that is not a financial services business.
- › I am a Jersey resident who is the director of a Jersey company that is wholly owned by Jersey resident friends and family.
- › I am a director of a Jersey company that I am part owner of alongside other family members.
- › I am a Jersey resident who is the director of a Jersey company that is managed by a registered financial services provider that is regulated by the JFSC.
- › I am a Jersey resident who is director of a non-Jersey company.

The type of company and/or activities of the company you are a director of is not relevant in determining whether you are now in scope. It is the business of providing director services in or from within Jersey that is caught.

You must consider whether, by acting as a director, you are providing those director services 'as a business to third parties'.

Further guidance on "in or from within Jersey" can be found here:

[Guidance on interpretation of 'in or from within Jersey' for the purposes of Proceeds of Crime \(Supervisory Bodies\) \(Jersey\) Law 2008](#)

6 I am a director but have chosen to waive my director fees. Am I now in scope?

Financial compensation, including benefits in kind and similar, is one indicator but is not the sole factor in determining whether you provide director services.

You must consider whether you, by acting as a director, are providing those director services 'as a business to third parties'.

7 I am the director of a charity. Am I in scope/do I need to register?

A director of a charity who holds the role in an honorary, recreational or charitable capacity, receiving no compensation for the role will not be in scope and does not need to register.

8 I am only a director by virtue of my employment. Am I now in scope?

No. Where, during the course of your employment in Jersey you have been appointed as a director, you are not doing so 'as a business'. You receive a salary by virtue of being employed but do not receive remuneration specifically or solely in relation to your role as a director.

Examples would include:

- › Jersey individual employed by a Jersey trust/fund services company who is appointed to a company within a client structure.
- › Jersey individual employed by a non-financial services business who is appointed director to that non-financial services business.

9 I am a director by virtue of my employment but am also an independent director for companies not related to my employment. Do I need to register?

See above regarding directorships by virtue of employment. Where however you are acting as a director for companies outside of your employment and are doing so as a business for third parties, you will be required to register.

10 I am the sole director of a Jersey company but have a contract for services/a zero- hour contract by the company. I am not the owner of the company. As I am an executive director, am I out of scope?

No. You have not been appointed director of the company by virtue of your employment by that company. Here your 'employment' is for the purpose of providing your director services and as such, you are likely to be doing so 'as a business'.

11 Can I continue to take advantage of the exemption around the de minimus director positions?

No. The de minimus exemption that previously provided a director of not more than six companies be exempt from AML/CFT/CPF registration has been removed. This is in line with international standards concerning AML/CFT/CPF. The de minimus exemption under the Financial Services (Jersey) Law 1998 in respect of registering for Class G business under a trust company business licence remains in place.

12 I currently have no directorships but am actively looking for positions. Do I need to register?

You will need to ensure your registration is completed prior to any appointment taking effect if you take on providing directorships as a business to third parties.

13 We are a recruitment agency who advertise director roles from time to time. Does this mean we fall within the definition of 'arranging for another person to act as' a director?

No. Arranging for someone to act in a particular capacity does not include advertising to find suitable candidates for a position that a recruitment agency would carry out.

14 I am a UK resident who provides director services to, amongst other entities, a Jersey company. I am already registered and

supervised for the provision of these services in the UK. Do I still need to register with the JFSC.

See [guidance on interpretation of 'in or from within Jersey' for the purposes of Proceeds of Crime \(Supervisory Bodies\)\(Jersey\) Law 2008](#) in relation on Non-Jersey Individuals.

15 I am applying to be a Class G director under the Financial Services (Jersey) Law 1998, what do I need to do?

Your application to become a Class G director requires you to provide information about the Schedule 2 activities and operations you will undertake. No separate Supervisory Bodies Law application is required.

16 I am already registered under Schedule 2 (as an accountant or lawyer in an individual capacity) but I intend to hold director positions for third parties, do I need to register and pay again?

If you wish to undertake an additional Schedule 2 activity and you are not a regulated person, you will need to submit a Supervisory Bodies Law application in relation to that activity:

[Guidance to Schedule 2 Supervisory Bodies Law Registration form](#)

17 I am in scope, what do I do now?

You will need to register with the JFSC. The application form to register can be found on our [myJFSC portal](#). Guidance for this form can be found here: [Guidance to Schedule 2 Supervisory Bodies Law Registration form](#)

Additional guidance on how to complete the Supervisory Bodies Law application form by natural persons who are sole traders providing director services as a Schedule 2 business can be found here: [Schedule 2 Supervisory Bodies Law Registration Form: Guidance for individual sole trader Schedule 2 directors](#)

18 I am now in scope, what are my AML/CFT/CPF obligations and how can I discharge them?

Where you are providing director services 'as a business to third parties' you are required to meet the AML/CFT/CPF obligations set out in the Money Laundering (Jersey) Order 2008 (the Money Laundering Order) and the AML/CFT/CPF Handbook (the Handbook). Some of these obligations have been disapplied until 01 October 2024.