

Guidance on Sound Business Policy related activities

1 Key changes and interim guidance

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 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.

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 The revisions also respond to concerns that some listed activities were outdated or too broadly defined, leading to unnecessary delays on activities that pose very little reputational risk.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.

2 Implementation of systems and processes

We are working to implement the necessary updates to our systems and processes.

The revised sensitive activity page will include the following activity types:

- › a holding entity of a regulated entity
- › registered, authorised and supervised activity (formerly Table 1 of the SBPP)
- › Initial Coin Offering and Token issuers
- › the SBP Table (formerly Table 2 of the SBPP)

Whilst we are making these changes the approach to reporting your entity's activity is set out below.

Activities formerly included in Table 1 of the SBPP

- › Table 1 outlined financial services activities that are subject to registration, authorisation, and ongoing supervision. These activities are regulated to ensure compliance with relevant standards and frameworks.
- › references to Table 1 will be removed in line with the revised SBP
- › the reporting of these activities will remain unchanged:
 1. Select sensitive activity in the main activity page
 2. Select Table 1 and all options which apply.

No further action will be required following the publication of the revised forms which will remove reference to Table 1 of the SBPP.

Activities formerly included in Table 2 of the SBPP

Where your entity's activity no longer falls within the remit of the Sound Business Policy, you may submit a Change of Activity form to reflect this.

To ensure smooth processing and avoid any unnecessary follow-up or compliance action, **wait until the new version of the Change of Activity form is published** before reporting the change.

This will ensure your submission aligns with the revised policy framework and avoids duplication or misclassification under the previous version.

New incorporation and registrations

- › the new SBP Table will be available on publication of the revised new incorporation and registration forms along with the change of activities form
- › during this interim period the existing SBPP - Table 2 can be used to report the activities that will be undertaken by your entity and a full description of the activity entered in the free text field
- › we understand that activity descriptions may differ across documents or systems. For consistency and alignment with the revised SBP, we will apply the **activity descriptions contained in the new SBP Table**¹ when referencing or reporting on activities.

	Activity	Description	Select on current form
1	Defence	Any involvement, direct or indirect, in the manufacture, purchase, sale and use of controversial, restricted and prohibited arms, weapons and other defence equipment ² .	2.2
2	Pharmaceutical	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. 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	2.3

² Controversial, restricted and prohibited arms, weapons and other defence equipment are those referred to in international treaties and conventions, United Nations principles and, where applicable, UK and EU legislation. They include anti-personnel mines (the ['Ottawa Convention'](#)), cluster munitions (the ['Oslo Convention'](#)), chemical weapons and biological weapons ([the Biological Weapons Convention 1972](#) and the [Chemical Weapons Convention 1993](#)). This sector remains heavily regulated and compliance with relevant jurisdictional and international rules is expected.

		manufactured, marketed or sold (as applicable) under licence or with marketing authorisations.	
3	Dual use goods	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. ³	2.5
4	Mining, drilling or quarrying	Mining, drilling or quarrying: Involvement, directly or indirectly in mining, drilling or quarrying for natural resources where the entity is not listed on an UK regulated market ⁴ , an EU/EFTA regulated market ⁵ or an EMIR equivalent regulated market ⁶ . Additionally, where the entity is being incorporated for the purposes of becoming listed itself on a regulated market, as above.	2.7
5	Financial services business	Where an activity is regulated in Jersey for financial services business but not in the 'target market' ⁷ , applications will be considered higher risk, particularly if the "target" jurisdiction is listed with indicators on the JFSC's higher risk countries list Appendix D2 - countries and territories identified as presenting higher risk and subject to additional scrutiny.	2.10

³ The primary legislation is the [Customs and Excise \(Import and Export Control\) \(Jersey\) Order 2006](#). Revenue and Goods Control department also rely on elements of the [Customs and Excise \(Safety and Security\) \(Export\) \(Jersey\) Order 2019](#) and Article 6 of the [Customs and Excise \(Jersey\) Law 1999](#) itself in matters that relate to Strategic Goods (**Military and Dual-Use**). Any assessment of risk for Jersey firms should have regard to the [UK's Consolidated list of strategic military and dual-use items that require export authorisation](#). The Department of Business and Trade's online tool known as the '[Goods Checker](#)' is available to help businesses determine whether specific goods are listed. Where goods are listed, a licence from Jersey Customs and Immigration (JCIS) may be required, the process for which can take in excess of 12 weeks. Further guidance can be viewed: JFSC's [Proliferation Financing Guidance](#), Government of Jersey's [Import and Export Guidance](#), FSU's [Sanctions Licences and Exceptions Guidance](#) and [National Risk Assessment: Proliferation Financing](#).

⁴ UK regulated market means a regulated market which is a recognised investment exchange under section 285 of the Financial Services and Markets Act 2000 (UK), but not an overseas investment exchange within the meaning of that Act, and can be verified here: [Recognised Investment Exchanges](#).

⁵ EU/EFTA regulated market means a regulated market which is authorised and functions regularly and in accordance with Title III of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, and can be verified here: [ESMA Registers](#) [select 'regulated market'].

⁶ EMIR equivalent regulated market means a non-EU third country regulated market which has been recognised in accordance with article 2a of Regulation (EU) No 648/2012 European Market Infrastructure Regulation (EMIR), and can be verified here: [Equivalence of non-EU financial frameworks - European Commission](#) [summary table, Equivalence decisions, row headed "Art 2(a) Regulated markets"] or here for the regulated markets [European Securities and Markets Authority](#).

⁷ In the context of Jersey company registration and regulatory oversight by the JFSC, the term "target market" refers to the jurisdiction or country where the business activity is intended to be conducted or where clients are located, even if the company is incorporated and regulated in Jersey.