

NATIONAL RISK ASSESSMENT: HOW IT AFFECTS YOUR BUSINESS

The Government of Jersey has released the Island's National Risk Assessment (the "NRA"). The JFSC collated a significant amount of information, covering 2017 - 2018, (and part of 2019) from financial services businesses and other businesses supervised for anti-money laundering and countering the financing of terrorism ("AML/CFT"). In addition, a number of other government agencies have also contributed to this assessment in order to support Jersey's fight against money laundering and terrorism financing.

The NRA addresses risks at a national and sectoral level and provides an assessment of threats and vulnerabilities in specific industry sectors. Resulting actions are identified for Jersey's wider AML/CFT framework.

Given that the NRA is the first of its kind to be issued by the Government of Jersey on this important topic, we would urge all regulated financial services businesses and those businesses registered for AML/CFT purposes to consider the content in the context of their own business and document their conclusions.

WHAT SHOULD YOU BE CONSIDERING?

The NRA is an important input into your organisation's own AML/CFT Business Risk Assessment ("BRA") and the calibration of your AML/CFT systems and controls.

Businesses should also keep in mind that the Money Laundering (Jersey) Order 2008 has been revised to include an explicit requirement that businesses consider the content of any national or sector level risk assessment when considering the adequacy of their AML/CFT systems and controls.



Accordingly, we would recommend that businesses should consider the content of the report when updating their BRA and consider whether their existing conclusions about risk levels are coherent with relevant conclusions within the NRA.

The report provides sector specific risk ratings against a wide range of topics relevant to the BRA including:

- Service Types;
- Product Risk;
- Delivery Risk;
- Customer Base;
- Jurisdictions;
- Internal Control Framework (Policies and Procedures/Compliance Function);
- AML/CFT Control Framework; and
- Compliance Risk Assessment.

The AML/CFT Handbook clearly sets out the timings in terms of when businesses should consider its AML/CFT Business Risk Assessment, for a larger dynamic business this should be at least annually or when events occur (internally/externally) that materially change money laundering and financing of terrorism risk.



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You can find more about Mikie & the team at Oben at www.oben.je

HOW CAN OBEN HELP?

We have a depth of experience in assisting businesses with their governance and control framework and can support businesses proactively, by means of:

- Considering the content of the NRA report against your sector specific activities to provide guidance and support for further consideration;
- Mapping control frameworks;
- Compliance and Board effectiveness reviews utilising our in-house built platform which is efficient and cost effective process for our clients;
- Drafting policies and procedures; and
- Risk assessments.

If you would like to discuss this topic further or if there is any other issue where we may be able to assist, please do not hesitate to contact a member of the Oben Regulatory Team.