

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT  
BY THE DEPUTY OF ST. JOHN  
ANSWER TO BE TABLED ON TUESDAY 2nd NOVEMBER 2010**

**Question**

Further to the Minister's confirmation that Jersey will only licence banks in Jersey from the top 500 in the world, what action, if any, is the Minister taking through the Jersey Financial Services Commission to remove the licence from the bank where a foreign national laundered \$43.9 million, when local residents have to produce passports, utility bills and go through other formalities to open an account or deposit £10,000 in cash?

Would the Minister provide details of the number of breaches either reported to or uncovered by the Jersey Financial Services Commission over last 5 years from amongst all of the banks based in the Island and outline what action, if any, was taken in each case by the regulator?

**Answer**

The Jersey Financial Services Commission's policy is to license banks who are both in the top 500 in the world and of systemic importance in their home jurisdiction. Jersey has had no bank failures during the recent financial crisis. Jersey was also recognised by the IMF in its recent report as having world leading regulation and controls to prevent money laundering and terrorist financing. Having such controls are essential to meet international standards.

The specific case related to the deputy's question occurred some considerable time ago, in the 1990s. The Island's AML and CFT regime has been further strengthened since then and is amongst the best in the world. As a result of the subsequent investigation, six institutions were identified as having inadequate controls and action was taken to ensure that deficiencies were remediated.

The Commission is highly active in supervising the Island's finance industry for compliance with regulatory requirements, including AML and CFT obligations. The Commission conducts extensive on-site examinations in the latter respect and publishes feedback for industry.

The Commission does not compile data specifically relating to regulatory breaches by banks. To review every relevant file in the timeframe available for this answer would have required the diversion of considerable resources. The regulatory standards in Jersey are appropriately high as well as proportionate and adequately applied by the Commission. This view is supported by the contents of the IMF report.