

Minister for External Relations
and Financial Services



19-21 Broad Street | St Helier
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Deputy David Johnson
Chair
Economic and International Affairs Scrutiny Panel
By email

26 January 2022

Dear Deputy Johnson

RE: p.112-2021 – Draft Financial Services (Amendment of Law No. 6) (Investment Business) (Jersey) Law 202- “Pension Regulations”

Thank you for your letter of 17 January 2022 in relation to the proposals for Pension Regulations.

You have asked for details of the legislative consultation on the Draft Amendments which was issued in September 2021, together with the findings of the Technical Working Group following the completion of their review of the Draft Amendments.

Following development of the Draft Amendments in consultation with an industry working group comprised of representatives from the Jersey Pension Association, regulatory experts and industry participants, the Government consulted publicly from 3rd to 30th September 2021. This consultation followed on from the two earlier policy consultations for the introduction of a comprehensive framework for pension regulation.

We received a single response to the consultation, which is attached in the Appendix. Following the expiry of the consultation and before lodging in December, no other parties contacted officials with any further comments or concerns about the draft legislation.

You will note that the response does not object to the proposed changes but addresses a concern in respect of the wider concept of pension advice. The concerns raised will, in fact, be addressed by the draft legislation. Where a person (Investment Financial Adviser or local provider) advises an individual to transfer their pension, and directly or indirectly financially benefits through its group from this activity, this person will now be regulated for investment business in Jersey and it will need to comply with the the investment business codes to its activities. The exemption that previously would have applied under the Financial Services (Jersey) Law 1998 – Schedule 2 paragraph 6 - would no longer apply in these circumstances as a pension scheme would now be deemed an investment and such activity regulated unless a person could bring themselves within the exemption.

This was the position acknowledged by the Working Group, with one member privately and informally raising prior to the legislative consultation the risk that the activities of their business would no longer be exempted. This was consistent with the policy objectives of the changes.

As requested, I attach the final summary of the findings of the Working Group in respect of the draft legislation (see Appendix). One further very minor change to the wording was fed back by the JFSC to tighten the definition of subscription so it did not risk being interpreted more widely. This can be made available by officials if required.

In addition to, and following the formal consultation process, officials met with Rossboroughs together with the JFSC in late 2021 to address the concerns they raised around ensuring that pension legislation would support the Government's wider retirement savings agenda and anticipated resourcing issues in the JFSC. These they acknowledged were not relevant to the immediate regulatory changes but related to wider government policy and the potential phasing of the introduction of any workplace pension legislation (if approved) and a fully comprehensive regulatory framework for pension regulation.

I trust this is the information you seek and would be happy to provide any further clarification.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Richard Buchanan', is written over a horizontal line. The signature is stylized and somewhat cursive.

Connétable Richard Buchanan
Assistant Minister for External Relations and Financial Services

Appendix

1. Email dated 30 September 2021 from Charlotte Guillaume Director of Rossborough Financial Services Limited



Regulation of Jersey
Pension Investment A

2. Email dated 26th May 2021 from policy official to Technical Working Group summarising findings of Technical Working Group



Pension Regulation
Working Group meeti
