July 2024

Financial Crime Dashboard Jersey

"Jersey has a strong understanding of its ML/TF risks… Some specific areas of Risk Assessment (RA) appear to merit further improvements e.g. VASPs related risks & risks from transnational organised crime… The elements of an effective AML/CFT system are in place, but the practical application of the existing framework has still to be improved…..These include the improvements in the quality of the FIU products & their usage for investigation & prosecution of ML/TF & predicate offences; investigations/ prosecutions of complex ML schemes which potentially include legal structures established & managed in Jersey; a more robust process for conducting criminality checks at the market entry stage & subsequent changes as well as an enhanced institutional RA process by the supervisor; a more effective & dissuasive application of the sanctioning regime for AML/CFT infringements & better implementation of specific EDD measures to PEPs and of ongoing monitoring to existing customers by the private sector, as well as improvements in their systems and processes to identify and report suspicions". **- FATF July 2024**

Key Harms & Effects

Low crime rate but still 3,015 reported crimes (29 crimes per 1,000 population) in 2022, compared to **3,056 in** 2021, up from **2,972** in 2020 but down from **3,394** in 2019.	Jersey is estimated as responsible for **3.89%** of the worlds Corporate Tax Abuse risk (Tax Avoidance), and **19/141** countries for secrecy risk according to the TJN 2021	Jersey convicted it's **1st** ever modern slavery/human trafficker (MS/HT) in 2023, with a strong sentence and imprisonment of 17 years as the punishment.	**Drug traffickers** are associated with **organised crime** which is also involved in other financial crimes including child sexual exploitation & abuse, cybercrime, MS/HT & ML.	Ranked **40/121** of the world's leading **Global Financial Centres** in 2024 (GFCI 35) so also vulnerable as well to laundering foreign proceeds of crime (mainly layering)

Key Financial Crime / Money Laundering / Terrorist Financing Threats Identified by Jersey

The main ML threats are posed by "foreign predicate offences" rated "**medium-high**", by "cross-border activities" rated "**medium**", & from "domestic crime" at "**medium-low**", with the overall "ML Threat" at "**medium high**", according to 2020 ML NRA as updated by **2023 ML NRA**. Main foreign predicate offences of concern are from corruption, fraud, tax crimes & professional money laundering. Main countries of concern introducing foreign predicate offences risks are from so called higher risk countries, which were identified as: Belarus Cayman Islands, Egypt, Gibraltar, Hong Kong, Ireland, Jordan, Kenya, Lebanon, Nigeria, Pakistan, Philippines, Russia, South Africa, Switzerland, Turkey, UAE, UK, USA & Zimbabwe. Domestic crime threat rated at "**medium low**". As far as terror finance is concerned, the Jersey **TF RA 2023**, stated that, *"overall, there is a "medium low" risk of Jersey being used as a conduit for terrorist financing".*

Foreign Fraud	Overseas Tax Evasion	Foreign Corruption	Professional Money Laundering	Domestic - Fraud & Drugs / TF

Additional Threats Threats Identified By Third Parties

Terror/Terror Finance (See 13 below)	Tax (See 27 & 28 Below)	Drug Trafficking (See 11 Below)	Financial Crimes (See 12 Below)	Environmental Crimes (See 21 & 22 Below)

Sanctioned (Material Sanctions including for Financial Crimes related activities and WMD Proliferation) - By

United Nations - No	USA - No	- No	- No	- No

Threat Metrics KPIs By Third Parties

3/45 - RED	0/45 - AMBER	13/45 - GREEN	29/45 - N/A	Mostly N/A

1	WB GDP - Economic Size (£5.7 billion US$7 billion - GDP - 2022)	G	16	Global Slavery Index 2023 Estimated numbers of modern day slaves - 41,000	N/A	31	OC Index 2023 Arms Trafficking 3.5/10	N/A
2	WB GDP per Capita £55,910 per capita - (2022)	R	17	Global Slavery Index 2023 GSI Incidence of Modern Slavery - 1.6 per 1,000 people	N/A	32	OC Index 2023 Illicit Trade in Excisable Goods 5/10	N/A
3	World Economic Forum 2019 Security 89.8 - 18/141 Countries (OC, Terrorism, Homicides, Policing) (76.9/99.2/99/84.2)	N/A	18	US Dept of Labor Child Labour 2021 Not included	N/A	33	OC Index 2023 Fauna - Wildlife 4/10, Flora - Timber Trafficking 5/10, Illegal Mining 2/10	N/A
4	World Economic Forum 2019 OC 76.9- 24/141 Countries (2019) Trend - Improving	N/A	19	IOM Migration 2021 7.7 million migrants	N/A	34	OC Index 2023 Financial Crimes 7/10	N/A
5	Numbeo Crime Survey 2023 46.7 - 68/144	N/A	20	IUU Fishing Index 2021 IUU Score 1.80 - 138/152 Countries	N/A	35	OC Index 2023 Cyber Dependent Crime 7.5/10	N/A
6	Illegal Drug Dependency Disorders Number US Inst Health Metrics & Evaluation 2019 - 499,546 (1990 -2019 +24%)	N/A	21	EU Listing of Countries for Illegal Fishing 2022 Not Included	G	36	OC Index 2023 Extortion & Protection Racketeering 4.5/10	N/A
7	Illegal Drug Dependency Disorders Share US Inst Health Metrics & Evaluation 2019 2.2% (1990 - 2019 -5%)	N/A	22	US DoS - Wildlife Trafficking 2021 Focus / Countries of Concern - Not Included	G	37	OC Index 2023 Human Trafficking 3.5/10	N/A
8	Transparency Int (TI) Corruption Perceptions Index 2022 75/ 100 -13/180 Countries	N/A	23	UNODC Thefts 2016 2,460 per 100,000 (4/74 Countries)	N/A	38	OC Index 2023 People Smuggling 2.5/10	N/A
9	TRACE 2022 Bribery Risk Matrix 13/100 Ranked 7/194 Countries	N/A	24	Global Financial Integrity Illicit Financial Flows 2017 Advanced Economy	N/A	39	OC Index 2023 Criminal Actors 3.7/10 (4.27/10 - 2021)	N/A
10	Proliferation Index - PPI 2021/2022 Threat Tier 1 Highest Threat Level	N/A	25	EUIPO & OECD Counterfeit Goods 2019 Propensity of Exports 0.125% (2016)/ OC Index 2023 Illicit Trade in Counterfeit Goods 2/10	N/A	40	OC Index 2023 Criminal Networks 5/10, Mafia-Style 4.5/10, Foreign Actors 4/10, State Embedded Actors 2.5/10, Public Sector Actors 2.5/10	N/A
11	US Dept of State 2022 INCSR Vol I Drug Control - Not Included	G	26	EU List of None Co operative Jurisdictions for Tax purposes 2023 - Not Included	G	41	Estimated Corruption Proceeds 1% of GDP as per EU Assessment £57 million	G
12	US Dept of State 2022 INCSR Vol II Financial Crime - Not Included	G	27	Tax Justice Network - Financial Secrecy Index 2022 19/141 Countries Secrecy Score 63/100 & 1.35% FSI Share	R	42	Estimated Fraud Losses 2019 6.05% of Global GDP - £345 million	G
13	US Dept of State Country Reports on Terrorism - Not Included	G	28	Tax Justice Network - Corp Tax Haven Index 2021 8/70 Countries, Haven Score 100/100, 3.9% CTHI Share	R	43	Estimated Money Laundering 2.7% of GDP £154 million	G
14	Global Terrorism Index 2023 1.830 (69/163)	N/A	29	OC Index 2023 Criminality 4/10 (4/10 - 2021) Overall 152/193; 5/14 Oceania	N/A	44	Estimated Organised Crime (POC) 41% of POC (45 below) is £84 million	G
15	Sanctioned by UN, USA, EU, U.K. or Others (Canada, Japan or Switzerland) - Not Included	G	30	OC Index 2023 Drugs - Synthetics 7/10, Cocaine 6.5/10, Heroin 3.5/10, Cannabis 3/10	N/A	45	Estimated Financial Crime - Proceeds of Crime (POC) 3.6% of GDP £205 million	G

Key Sector Vulnerabilities Identified by Jersey

According to the 2023 ML NRA, inherent vulnerability ratings are highest for, Trusts & Company Service Providers (TCSP), The Securities Sector (incl Funds), Banking (Retail International <5 million) at "**medium high**", with Banking (Private, Corporate Large/Global & Corporate TCSP), Lawyers, rated "**medium**". Other areas where vulnerabilities are under consideration include, Jersey HQ Mineral Extraction (Overseas) Companies, Security Issuance Vehicles, Shipping Registry, VASP's & High Value Residency.

TCSP's Including Family Offices	Retail International Banks <5m	Securities Sector including Funds	Banks (PvB, Corporate Large/ Global & Corporate TCSP)	Lawyers
Mineral Extraction Jersey HQ	Security Issuance Vehicles	Shipping Registry	VASP's	High Value Residency

Response Metrics KPIs By Third Parties

4/45 - RED	1/45 - AMBER	12/45 - GREEN	28/45 - N/A	Mostly N/A

1	OECD - Global Forum on Transparency & Exchange Info for Tax Purposes 2017 - Compliant	G	16	OC Index 2023 - Resilience 7.38/10 (7.96/2021) Overall 19/193 countries, 2/14 Oceania	N/A	31	European Union Third Country Grey List 2023 Not Included	G
2	Global Slavery Index 2023 Country Response Rating 67/100	N/A	17	OC Index 2023 National Policies & Laws 8/10 (8 in 2021)	N/A	32	FATF Reports by Date of Publication Reports 2024	G
3	US Dept of State 2022 Trafficking in Persons Tier 1 - 2022)	N/A	18	OC Index 2023 AML 7/10 (7 in 2021)	N/A	33	FATF Grey List - Strategic AML Deficiencies 2024 (Including Suspensions) - Not Included	G
4	Proliferation Index - PPI 2021/2022 Controls score - N/A	N/A	19	OC Index 2023 International Co Operation 9/10 (9 in 2021)	N/A	34	FATF Black List - Call for Counter Measures 2023 Not Included	G
5	Global Cybersecurity Index 2020 N/A	N/A	20	OC Index 2023 Political Leadership & Governance 7.5/10 (8 in 2021)	N/A	35	Gov Spending on Public Order / Law & Order Knoema 2016/ N/A GDP	N/A
6	PWC Crypto AML Regulation 2022 Crypto Regulated for AML/CTF - Not Included	N/A	21	OC Index 2023 Prevention 6/10 (7.5 in 2021)	N/A	36	AML National Risk Assessment 2023 TF National Risk Assessment 2023	G
7	Open Ownership BO Principles 2020 Partial Adherence to the 9 OO Principles (Full/Partial/Poor)	N/A	22	OC Index 2023 Justice System & Detention 8/10 (8 in 2021)	N/A	37	Financial Information Sharing Partnership Jersey Financial Intelligence Network (JFIN)	G
8	Freedom House 2023 Freedom Index 95/100 "Free"	N/A	23	OC Index 2023 Law Enforcement 8/10 (8 in 2021)	N/A	38	FIU FTE 29 staff in 2023 up from 11 in 2018 - 2021	G
9	Heritage Foundation 2023 Economic Freedom Index - 74.8 (13/176)	N/A	24	OC Index 2023 Government Transparency & Accountability 8.5/10 (8 in 2021)	N/A	39	SAR's 2022 1,393 in 2022, up from 1,266 in 2021 down from 1,805 in 2018; NB 3,299 MIRs up from 1,987 in 2018	G
10	Basel AML Index 2022 3.65/10 - 115th/128 (1 being the worst)	N/A	25	OC Index 2023 Territorial Integrity 7.5/10 (9 in 2021	N/A	40	SARs Conversion Rate 2022 128 SARs (9.2%) Disseminated to LEA from 126 in 2021	A
11	World Bank Regulatory Quality (2021) from WB Global Gov Indicators 1.84 - 4/191 (1 the best)	N/A	26	OC Index 2023 Economic Regulatory Capacity 7/10 (7 in 2021)	N/A	41	Money Laundering Convictions 27 ML Inv/14 Conv (20 Inv & 3 Conv in 2021	R
12	Institute for Crime & Justice Policy Research 2021 Imprisonment 146 rate of 135/100,000	NA	27	OC Index 2023 Victim & Witness Support 6/10 (7.5 in 2021)	N/A	42	Human Trafficking Convictions 1st conviction for human trafficking in 2023	R
13	Environment Performance Index 2022 Score 60.10 (17/180)	NA	28	OC Index 2023 Non State Actors 6.5/10 (8 in 2021)	N/A	43	TI - Exporting Corruption "Moderate Enforcement" Enforcement of the OECD Anti-Bribery Convention 2022 Not included - 3 Foreign Corruption Investigations 2018 - 2022	R
14	World Justice Project Rule of Law Index 2022 Score N/A /Rank N/A	N/A	29	FIU Egmont Member 2024 Yes since January 1999	G	44	Assets Restrained /Seized Assets seized of €6,034,341,057 in 2022 & €6,040,928,912 from 2018 - 1H 2023 with €2.8 million in 1H2023	G
15	Open Budget Index 2021 Budget Transparency Scores - N/A	N/A	30	Interpol Member No	R	45	Assets Confiscated / Recovered €310 million recovered 2018 - 2022 (€280 foreign order & €31 million by own efforts, with €4.2 million in 2022 Average US$68M per year - 33% POC - (excluding the €280M is US$7M av per year - 3.4% POC	G

FATF Ratings Reports 2024

0/51 - RED	5/51 - AMBER	46/51 - GREEN	0/51 - N/A	Mostly GREEN

FATF 40 Recommendations

R1	Assessing Risks & Applying a Risk Based Approach	C	R18	Internal Controls & Foreign Branches & Subsidiaries	PC	R36	International Instruments	C
R2	National Cooperation & Coordination	C	R19	Higher Risk Countries	C	R37	Mutual Legal Assistance	C
R3	Money Laundering Offence	LC	R20	Reporting of Suspicious Transactions	C	R38	Mutual Legal Assistance , Freezing & Confiscation	C
R4	Confiscation & Provisional Measures	C	R21	Tipping Off & Confidentiality	C	R39	Extradition	C
R5	Terrorist Finance Offence	C	R22	DNFBPs CDD	LC	R40	Other Forms of International Cooperation	C
R6	Targeted Financial Sanctions related to Terrorism & TF	LC	R23	DNFBPs Other Measures	LC			
R7	Targeted Financial Sanctions related to Proliferation	LC	R24	Transparency & BO's of Legal Persons	LC			
R8	Non Profit Organisations	C	R25	Transparency & BO's of Legal Arrangements	LC			
R9	FI Secrecy Laws	C	R26	Regulation & Supervision of FI's	LC			
R10	Customer Due Diligence	LC	R27	Powers of Supervisors	C			
R11	Record Keeping	C	R28	Regulation & Supervision of DNFBP's	LC			
R12	Politically Exposed Persons	LC	R29	Financial Intelligence Unit	LC			
R13	Correspondent Banking	C	R30	Responsibilities of LE & Investigative Authorities	C			
R14	Money or Value Transfer Services	LC	R31	Powers of LE & Investigative Authorities	C			
R15	New Technologies	LC	R32	Cash Couriers	C			
R16	Wire Transfers	LC	R33	Statistics	C			
R17	Reliance on Third Parties	LC	R34	Guidance & Feedback	C			
			R35	Sanctions	C			

FATF 11 Immediate Outcomes

IO1	Assessment of Risk Co Ordination & Policy Setting	HE
IO2	International Co Operation	SE
IO3	Supervision	ME
IO4	Preventative Measures	ME
IO5	Transparency & Beneficial Ownership	SE
IO6	Financial Intelligence	ME
IO7	ML Investigations & Prosecutions	ME
IO8	ML Confiscations	SE
IO9	TF Investigations & Prosecutions	SE
IO10	Prevention of Terrorism & TF	SE
IO11	Prevention of WMD Proliferation	SE

FATF Reports 2024

Key: HE = Highly Effective, SE = Substantially Effective, ME = Moderately Effective, LE = Low Effective.

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