



Jersey Financial
Services Commission

Fintech and Innovation

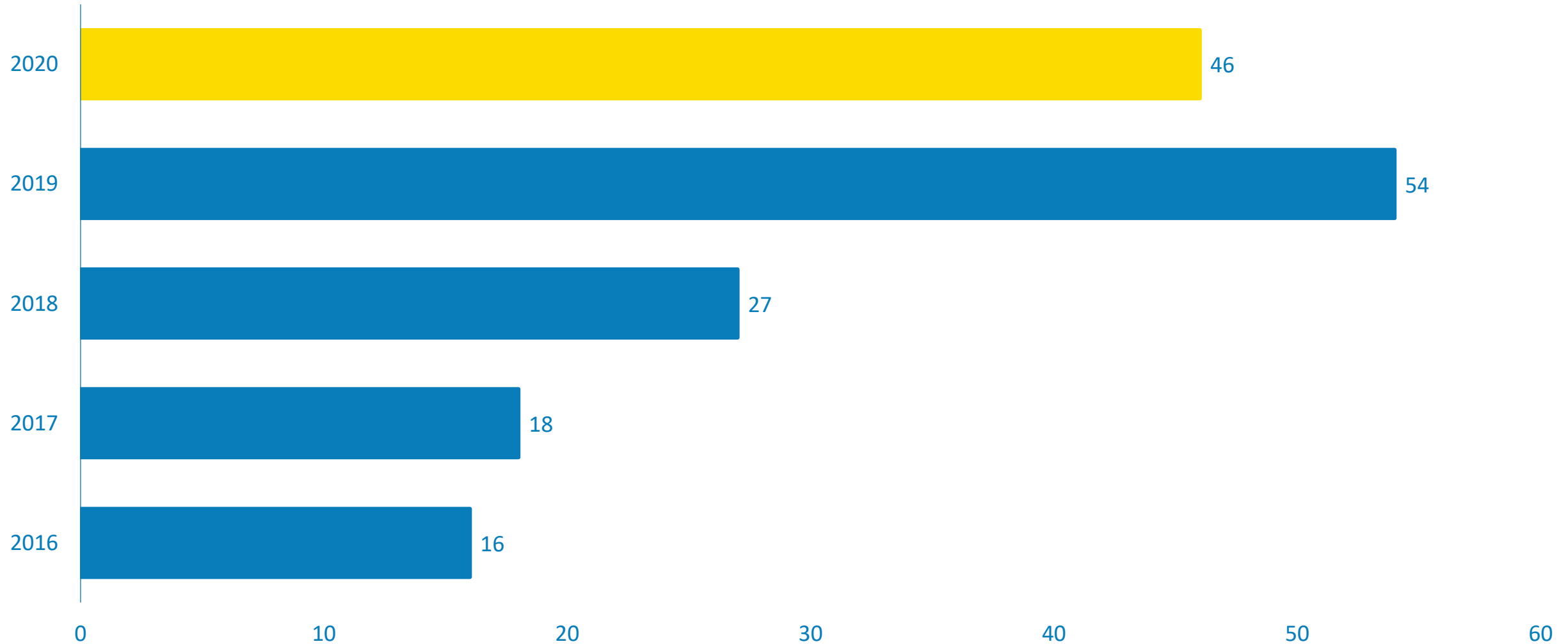
Olenka Apperley, Advisor, Policy

Approach

- › Actively engaged with new applicants and existing businesses who would like to innovate
- › Reactive and proactive – but only so much a regulator can do
- › Principles-based approach that enables innovation
- › Working closely with Industry, Digital Jersey, Jersey Finance, Government of Jersey and international counterparts

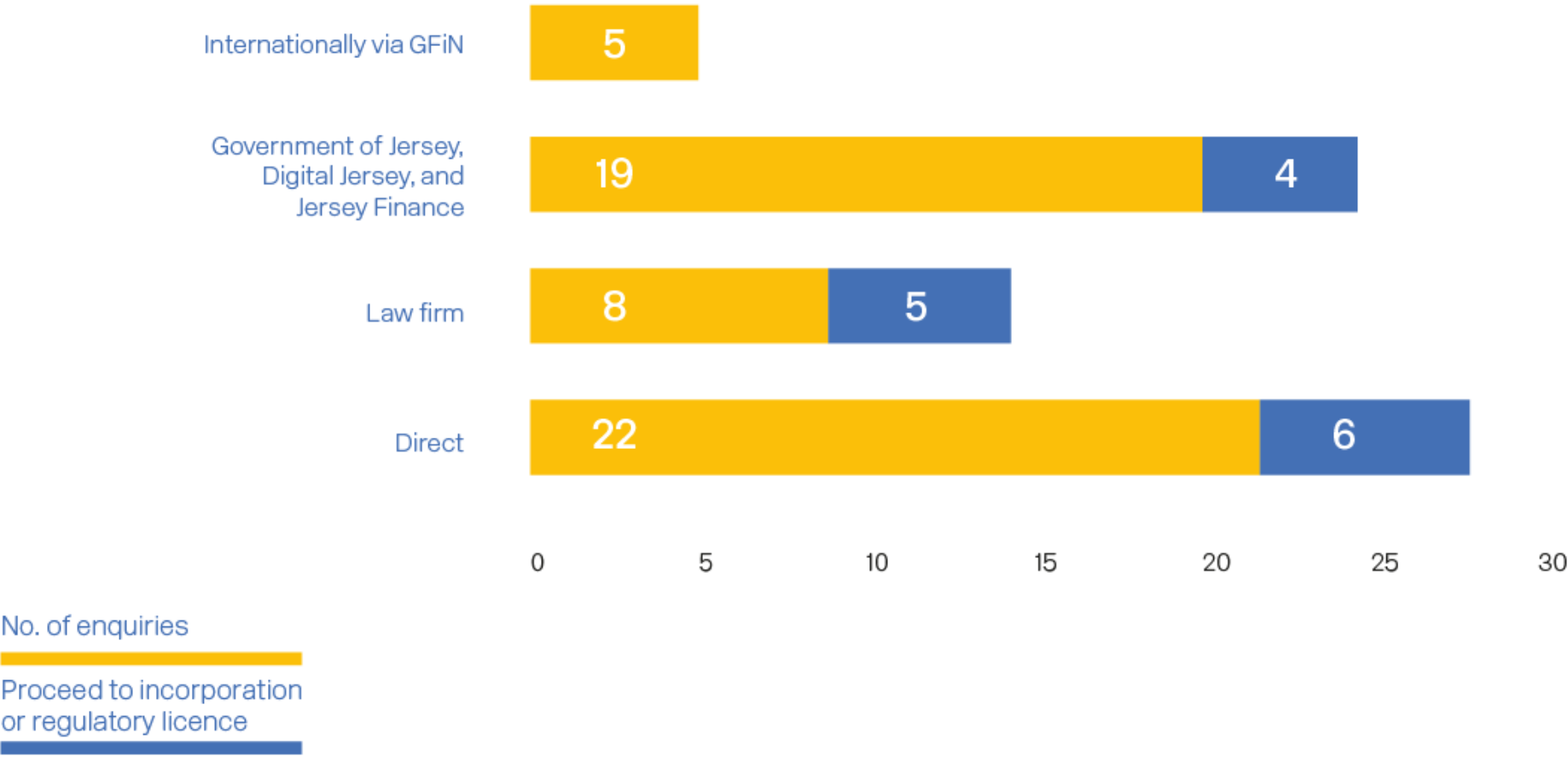


Fintech landscape - enquiries



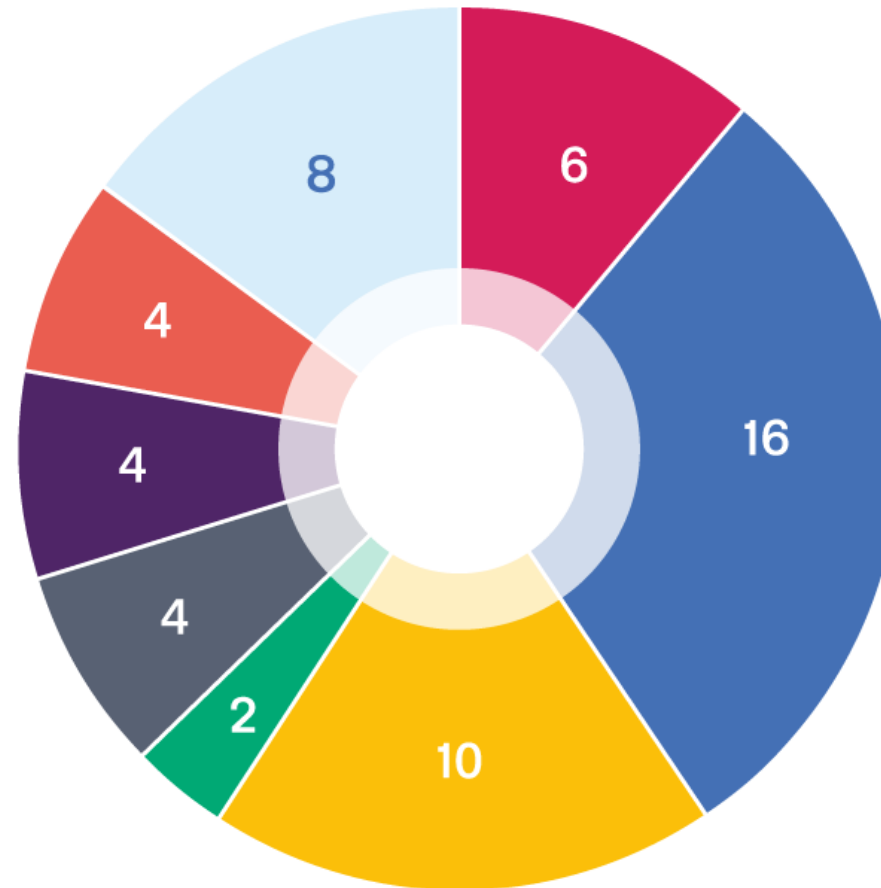
Trends in 2019

Referrals from Jersey-based businesses



Trends in 2019 – continued

Proposed types of activity
by enquiry



KYC Utility Report – 30 July 2020

- › Throughout 2019, we set up a working group with representatives from Jersey's financial services sector – all regulated businesses were welcome to attend and share their thoughts and views.
- › We wanted to understand whether there was appetite within Industry to collaborate on a shared tool for verifying customers' identity.
- › The primary outcome of the report was that if Industry wanted to collaborate, we would happily sit around the table to provide insights and guidance.



Testing/Regulatory Sandbox



- › Engagement with the JFSC is key to testing. Developing a tailored approach to achieving regulatory compliance tends to work better than testing without regulatory consideration.
- › We appreciate that a 'regulation-free' or 'regulation-lite' environment may allow for flexible thinking.
- › As a reminder firms cannot perform any regulated activities or provide regulated products without having been granted authorisation/registration under the appropriate regime.
- › We have the flexibility to condition licences on a case-by-case basis.

International engagement



The GFIN is a network of over 60 organisations committed to supporting financial innovation in the interests of consumers. It seeks to provide a more efficient way for innovative firms to interact with regulators, helping them navigate between countries as they look to scale new ideas. The GFIN also aims to create a new framework for co-operation between financial services regulators on innovation related topics, sharing different experiences and approaches.

There are a number of IOSCO working groups which we actively contribute. Notably, the Fintech and Initial Coin Offering working groups. A number of other Committees (such as C5 and C8) have taken an interest in digital and crypto assets.



What's next?

On-Island

- › Continue helping emerging business models and technology businesses to navigate the regulatory framework, by enhancing our Innovation Hub.
- › Continue being available one day a month at the Digital Jersey Hub together with a representative from the Registry for on-site support to Digital Jersey and Jersey Finance Members.
- › Continue working with on-island stakeholders with regards to Digital Jersey's Fintech Roadmap.

- › Monitor the evolving landscape for insights into introducing a 'Virtual Asset Service Provider' regime in Jersey.
- › Explore new ways of working with Industry on new products.

Off Island

- › Continue to contribute to the Global Financial Innovation Network inclusive of Jersey's participation in further cross-border pilots and sharing lessons learned in the Regtech space.
- › Continue to build relationships with the international community.



A white ceramic mug is positioned in the foreground, slightly to the left of the center. It features a black diamond-shaped logo with a white lion rampant inside. To the right of the logo, the text "Jersey Financial Services Commission" is printed in a small, black, sans-serif font. The mug sits on a dark, reflective surface. In the background, a laptop is open, and a person's hands are visible, typing on the keyboard. The background is blurred, creating a shallow depth of field.

Questions?



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