Bitesize feedback

Jersey Financial Services Commission

Focus examination
targeted financial sanctions

In Q2 2026, we assessed how well 14 supervised persons from all industry sectors had put in place effective systems and controls to identify, manage, and report targeted financial sanctions risks. This feedback is designed to help you review your current approach and support effective compliance.

Ways compliance may be achieved

- Well-documented sanctions screening processes, with clear methods for identifying, investigating, and resolving potential matches, with comprehensive records showing the reasons for discounting alerts.
- Effective governance and oversight, supported by sanctions-specific risk assessments, risk appetite, management information, and independent control testing.
- Clear, practical policies and procedures to support consistent identification, escalation, and management of sanctions risks, reflecting operational practice.

Areas for improvement we identified

- In some cases, there was no assessment of how effective the screening arrangements were, which limits assurance over the adequacy of controls.
- Operational screening carried out by third parties was not always considered as to whether they were outsourcing, which could lead to inadequate oversight, challenge, and assurance.
- Screening of all associated parties and transaction counterparties was not always consistent, and arrangements for ongoing monitoring and periodic re-screening were limited or missing.

Key questions to consider

- Do you screen transaction counterparties, even if they are not your customer? i.e. the person, company or entity on the other side of a transaction. You should have enough information to carry out proportionate sanctions screening.
- What controls do you have to make sure that funds or economic resources are not made available, directly or indirectly, to designated persons? Even if funds are sent through another regulated service provider, you still need to understand and manage the risks for the whole transaction.
- Is the discounting of potential sanctions matches supported by a clear, documented rationale, so an independent third party could review and understand those decisions?

What's next?

Following feedback from the examinations, we will review and update our sanctions guidance. We have worked with the Jersey Sanctions Implementation Unit and they have updated their general sanctions guidance to include more guidance on sanctions compliance reporting. We will also carry out two sets of focus examinations in 2027 and will publish the themes in advance.