

An aerial photograph of a coastal town, likely in Jersey, featuring a large, curved beach with turquoise water. The town is built on a hillside with green trees and various buildings, including a large hotel or resort complex. The water is clear and blue, with several small boats visible. The overall scene is bright and sunny.

Combating Financial Crime.

TOGETHER

Government of Jersey – Virtual Asset Risk Assessment

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Assessing the Risks



- Under FATF R.15 New Technologies, it is a requirement for countries to identify and assess the AML/CFT risks they are exposed to from activities in Virtual Assets (VAs) and Virtual Asset Service Providers.
- Under the same Recommendation, it is also required to manage and mitigate the risks emerging from virtual assets, therefore countries should ensure that virtual asset service providers are regulated for AML/CFT purposes, and licensed or registered and subject to effective systems for monitoring and ensuring compliance with the relevant measures called for in the FATF Recommendations.
- Government has engaged XReg Consultants to support the national work on a high-level risk assessment and the consecutive legislative proposal for AML/CFT regulation of VAs and VASP activities in Jersey.
- XReg combine experience in this particular sector with expertise of implementing legislative and supervisory regimes for VASPs in compliance with FATF standards.
- As a first step, XReg, in cooperation with competent authorities, will analyse which VASP data is available and how the data can be fed into the risk assessment ie what are the threats, vulnerabilities and risks for the jurisdiction.
- Due to the lack of current regulation and registration requirements for the entire sector, it is acknowledged that the available data might only be sufficient for a high-level risk assessment.
- Following the introduction of a registration regime, more data will be available to undertake a more in-depth risk assessment.

Legislating for an AML/CFT Regime

