



Consultation Paper 2025/01

JDCS Disclosure Standard

A consultation on the Authority's planned standard for statements about the Jersey Bank Depositors Compensation Scheme.

Issued: 31 March 2025

Glossary of terms

Defined terms are indicated throughout this document as follows:

Bank	A person registered to carry on deposit-taking business in or from within Jersey under the Banking Law; or A company incorporated under the Companies Law that is a Holding Company or a Subsidiary of a person so registered.
Banking Code	The JFSC's Code of Practice for Deposit-taking Business
Banking Law	Banking Business (Jersey) Law 1991
Companies Law	Companies (Jersey) Law 1991
Deposit	Has the same meaning as set out in Article 2 of the Banking Law.
Deposit Advertisement	Has the same meaning as set out in Article 20(5) of the Banking Law.
Holding Company	Has the meaning given by Article 2(4) of the Companies Law
General Provisions Order	Banking Business (General Provisions) (Jersey) Order 2002
JDCS Disclosure Standard	The Authority's standard on statements about the Jersey DCS (a draft of which is appended to this consultation)
Jersey Bank	A person registered to carry on deposit-taking business in or from within Jersey under the Banking Law
Jersey DCS	Jersey Bank Depositors Compensation Scheme
JFSC	Jersey Financial Services Commission
JRA or the Authority	Jersey Resolution Authority
Minister	The Minister for External Relations and Financial Services
Resolution Law	Bank (Recovery and Resolution) (Jersey) Law 2017
Subsidiary	Shall be construed in accordance with Article 2 of the Companies Law

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1 Executive Summary

1.1 Overview

- 1.1.1 The JRA was established as Jersey's Resolution Authority on 31 January 2022 in accordance with the Resolution Law.
- 1.1.2 It is intended that amendments to the Resolution Law will transfer responsibility for administration of the Jersey Bank Depositors Compensation Scheme (Jersey DCS) to the JRA with effect from 1 January 2026.
- 1.1.3 Proposed amendments to the Resolution Law empower the Authority to publish a standard for statements about the Jersey DCS to be followed by Jersey Banks in advertisements, account statements and other documents or publicity produced for depositors or potential depositors.
- 1.1.4 The proposed amendments to the Resolution Law also implement enhancements to the Jersey DCS, which necessitate amendments to the existing disclosure requirements that are set out in the JFSC's Banking Code.
- 1.1.5 This Consultation Paper sets out the Authority's proposed standard for statements about the Jersey DCS (JDCS Disclosure Standard) and invites comments from Jersey Banks and other interested parties.
- 1.1.6 It is intended that the JDCS Disclosure Standard will be finalised in Q2 2025 but will only become effective when the Resolution Law amendments take effect. This is currently expected to be 1 January 2026. However, if this date changes, the timeline for implementing the JDCS Disclosure Standard will be amended accordingly.

1.2 Consultation

- 1.2.1 Comments are invited from interested parties on the proposals by **no later than 16 May 2025**.
- 1.2.2 Comments should be sent by email to Martin Edwards, Head of the JRA at: m.edwards@jra.org.je
- 1.2.3 Whilst we encourage respondents to provide comments directly to us, should you wish to submit comments anonymously, please provide comments via Jersey Finance Limited (JFL). Please submit comments **by 16 May 2025** to Timothy Hart, Consultant at: timothy.hart@jerseyfinance.je
- 1.2.4 Feedback received will be shared with the JFSC to facilitate alignment of requirements between the JDCS Disclosure Standard and the Banking Code.

1.3 Next steps

- 1.3.1 We will review and consider all feedback received. Where appropriate, we will amend the JDCS Disclosure Standard.
- 1.3.2 It is intended that a Feedback Paper will be issued in June 2025 along with a final version of the JDCS Disclosure Standard. However, the JDCS Disclosure Standard will only come into force once the Resolution Law is amended. The current target date being 1 January 2026.

2 Consultation on our JDCS Disclosure Standard

2.1 Basis for consultation

- 2.1.1 In October 2024 the Government of Jersey consulted on proposed amendments to the Resolution Law¹. The primary aims of these amendments are to:
- 2.1.1.1 Transfer responsibility for administration of the Jersey DCS from the Jersey Bank Depositors Compensation Board to the Authority; and
 - 2.1.1.2 Implement amendments to the Jersey DCS to enhance the administration of an effective depositor compensation scheme that is better aligned to international best practices.
- 2.1.2 Subject to completion of the necessary steps being taken by the Government of Jersey to implement the amendments, it is intended that the Authority will take over responsibility for administering the Jersey DCS with effect from 1 January 2026.
- 2.1.3 The proposed amendments to the Resolution Law introduce a new power that allows the Authority to publish a standard for statements about the Jersey DCS to be followed by Jersey Banks in advertisements, account statements and other documents or publicity produced for depositors or potential depositors (see Article 14A).
- 2.1.4 Additionally, the proposed amendments to the Jersey DCS necessitate changes to the existing disclosure requirements, which are set out in the Banking Code.
- 2.1.5 Jersey Banks will need time to implement the necessary changes to standard disclosures included in Deposit Advertisements and other documentation provided to depositors and potential depositors.
- 2.1.6 Accordingly, we are consulting now on our proposed JDCS Disclosure Standard although we do not yet have responsibility for administering the Jersey DCS nor the power to issue the standard.
- 2.1.7 We have liaised with the Government of Jersey, the JFSC, and the JDCS Board when developing the draft JDCS Disclosure Standard.

2.2 Who will be affected by the proposals?

- 2.2.1 The JDCS Disclosure Standard will impact all Jersey Banks.
- 2.2.2 The level of impact will vary depending on the nature of each Jersey Bank and the volume of Deposit Advertisements and other documents that each Jersey Bank produces for depositors or potential depositors.
- 2.2.3 Larger Jersey Banks will likely be impacted more than smaller Jersey Banks.
- 2.2.4 However, given that similar requirements already apply to all Jersey Banks, the impact is not expected to be significant.

¹ Transfer of the Jersey Bank Depositors Compensation Scheme:
<https://www.gov.je/Government/Consultations/pages/dcslegislationtransfer.aspx>

2.3 Responding to the consultation

- 2.3.1 Comments are invited from interested parties on the proposals by **no later than 16 May 2025**.
- 2.3.2 Comments should be sent by email to Martin Edwards, Head of the JRA at: m.edwards@jra.org.je
- 2.3.3 We encourage respondents to respond to all relevant questions, however this is not mandatory.
- 2.3.4 We encourage responses on a named basis as this will enable bilateral dialogue on the feedback provided.
- 2.3.5 Should you wish to submit comments anonymously, please provide comments via JFL. JFL will then submit your anonymised comments to the JRA. Comments should be submitted to JFL **by 16 May 2025**. The JFL contact is Timothy Hart, Consultant: timothy.hart@jerseyfinance.je
- 2.3.6 Unless otherwise requested by the respondent, we will aggregate responses and paraphrase them on an anonymised basis for the purposes of producing a Feedback Paper. If a sufficient volume of responses is received, a list of respondents will be published in an appendix to the Feedback Paper.
- 2.3.7 Feedback received will be shared with the JFSC to facilitate alignment of requirements between the JDCS Disclosure Standard and the Banking Code.

2.4 Next steps

- 2.4.1 We will review and consider all feedback received. Where appropriate, we will amend the JDCS Disclosure Standard to reflect feedback received.
- 2.4.2 It is intended that a Feedback Paper will be issued in June 2025 along with a final version of the JDCS Disclosure Standard. However, the JDCS Disclosure Standard will only come into force once the Resolution Law is amended. The current target date being 1 January 2026.

3 The JRA

3.1 Overview

- 3.1.1 The JRA is established under the Resolution Law to minimise the impact of a bank failure and to ensure public funds are protected.
- 3.1.2 Proposed amendments to the Resolution Law will extend the JRA's remit to also cover administration of the Jersey DCS.
- 3.1.3 The JRA plays a key role in upholding Jersey's status as a leading international finance centre by:
 - 3.1.3.1 reducing the risk of financial loss due to bank failure;
 - 3.1.3.2 protecting and enhancing the reputation and integrity of Jersey; and
 - 3.1.3.3 considering the best economic interests of Jersey.

3.2 Our functions

- 3.2.1 Article 7 of the Resolution Law sets out the JRA's statutory responsibilities to:
 - 3.2.1.1 make preparations to facilitate the resolution of Banks;
 - 3.2.1.2 administer the resolution of Banks;
 - 3.2.1.3 carry out such functions in relation to Bank resolution or recovery or such incidental or ancillary matters as are required or authorised by the Resolution Law or the Regulations; and
 - 3.2.1.4 carry out such other functions as are conferred on it by the Resolution Law or any other enactment.
- 3.2.2 Proposed amendments to the Resolution Law will extend the JRA's statutory responsibilities to include:
 - 3.2.2.1 Administering the Jersey DCS in a prudent and economical manner, including:
 - › Establishing and maintaining arrangements in readiness for the possibility of a bank being declared in default;
 - › Obtaining and sharing information;
 - › If necessary, paying depositors' compensation in a timely manner; and
 - › Ensuring that Banks comply with their obligations under the Resolution Law in relation to the Jersey DCS.
 - 3.2.2.2 Carrying out any other functions in relation to the Jersey DCS or incidental or ancillary matters required or authorised by the Resolution Law or the Regulations.

3.3 Guiding principles

- 3.3.1 Article 8 of the Resolution Law provides that, in exercising our functions, the JRA may take into account any appropriate matter, but that we should have particular regard to:
 - 3.3.1.1 the reduction of the risk to the public of financial loss due to the financial unsoundness of a Bank;
 - 3.3.1.2 the protection and enhancement of the reputation and integrity of Jersey in commercial and financial matters; and
 - 3.3.1.3 the best economic interests of Jersey.
- 3.3.2 Proposed amendments to the Resolution Law extend our guiding principles in relation to the Jersey DCS to include:
 - 3.3.2.1 Protecting the interests of eligible depositors; and
 - 3.3.2.2 Contributing to financial stability in Jersey.

4 Proposed JDCS Disclosure Standard

4.1 Overview

- 4.1.1 Existing requirements for Deposit Advertisements are set out in the Banking Law, the General Provisions Order and the main body of the Banking Code.
- 4.1.2 Considering the proposed amendments to the Resolution Law set out in section 2.1 above, it is planned that the requirements of the Banking Code relating to disclosures about the Jersey DCS are removed from the Banking Code and replaced by our proposed JDCS Disclosure Standard.
- 4.1.3 The JFSC will retain other requirements of the Banking Code relating to Deposit Advertisements and it intends to include, within the Banking Code, a requirement that Jersey Banks comply with the Authority's JDCS Disclosure Standard (subject to any variances granted).
- 4.1.4 Additionally, whilst the Government of Jersey will make some consequential amendments to the General Provisions Order, the broader requirements of the General Provisions Order relating to Deposit Advertisements will remain unchanged.
- 4.1.5 Our proposed JDCS Disclosure Standard is set out in Appendix B.
- 4.1.6 The objective of the JDCS Disclosure Standard is to ensure consistent information about the Jersey DCS is provided to depositors and potential depositors of all Jersey Banks.
- 4.1.7 The disclosures required by the JDCS Disclosure Standard aim to:
 - 4.1.7.1 Ensure that depositors (and potential depositors) are made aware of the Jersey DCS and its key terms;
 - 4.1.7.2 Ensure that depositors (and potential depositors) know where to find additional information about the Jersey DCS; and
 - 4.1.7.3 Enhance depositor confidence, reduce the risk of bank runs, and promote financial stability.

4.2 Scope

- 4.2.1 The scope of our proposed JDCS Disclosure Standard is designed to align to the existing scope of requirements relating to Deposit Advertisements.
- 4.2.2 Accordingly, the scope section highlights where Jersey Banks can find the relevant definitions and exclusions relating to what constitutes a Deposit Advertisement.
- 4.2.3 However, it is important to note that JDCS Disclosure Standard will apply to deposit account statements and other documents (including electronic documents) that are produced for depositors or potential depositors.
- 4.2.4 Whilst this may technically expand the scope of existing disclosure requirements relating to the Jersey DCS, given the broad definition of Deposit Advertisement set out in the Banking Law, we do not believe that this will create significant additional disclosure requirements for Jersey Banks.

4.3 General Requirements and the JDCS Strapline

- 4.3.1 To reduce the impact of changes, we have sought to align our disclosure requirements, where possible, with the existing requirements of the Banking Code.
- 4.3.2 Given enhancements to the Jersey DCS being implemented as part of Government's proposed amendments to the Resolution Law, there is a need to amend the strapline wording that must be included in all written deposit advertisements.
- 4.3.3 In developing the revised wording (set out in paragraph 4.1.2 of the JDCS Disclosure Standard) we have considered equivalent wording used in the United Kingdom and other Crown Dependencies.
- 4.3.4 It is intended that the required wording be concise, understandable, provide high level information about the Jersey DCS, and guide depositors (and potential depositors) to where they can find out further information.

4.4 Exclusions

- 4.4.1 The exclusions set out in section 4.2 of the JDCS Disclosure Standard are designed to mirror exclusions set out in the notes to section 7 of the main body of the Banking Code.

4.5 Variances

- 4.5.1 The provisions for variances and waivers set out in section 4.3 of the JDCS Disclosure Standard mirror those currently contained in section 7 of the main body of the Banking Code and the proposed wording of Article 14A of the Resolution Law.
- 4.5.2 We have also set out practical aspects relating to the process by which Jersey Banks must request variances and/or waivers. This provides clarity to Jersey Banks as to our expectations in this regard.
- 4.5.3 Given the JFSC will retain other requirements relating to Deposit Advertisements and will supervise compliance with the requirements, there is a need for the Authority to share information relating to variances and waivers with the JFSC.

4.6 Transitional provisions

- 4.6.1 The transitional provisions set out in section 5 of the JDCS Disclosure Standard are intended to provide for circumstances where it is impracticable to expect Jersey Banks to update relevant disclosures on the exact date when the proposed amendments to the Resolution Law take effect.
- 4.6.2 It is intended that the JDCS Disclosure Standard will be available to Jersey Banks in near final form in advance of its official publication.
- 4.6.3 Therefore, Jersey Banks are expected to have prepared in advance of 1 January 2026 to ensure that most Deposit Advertisements and other deposit related documentation are updated on or soon after 1 January 2026.
- 4.6.4 The JDCS Disclosure Standard has been drafted based on the intended date on which amendments to the Resolution Law become effective, 1 January 2026. If the amendments are delayed, we will amend the JDCS Disclosure Standard to delay both the effective date and the transitional provisions to maintain a six-month transition period.

5 Consultation Questions

The table below sets out the questions that we are seeking feedback on and the corresponding pages of the JDCS Disclosure Standard containing content relevant to each question.

Page	Question
5	Question 1: Do you agree with the scope of the JDCS Disclosure Standard? If not, please explain why.
7	Question 2: Do you agree with the general requirements of the JDCS Disclosure Standard? If not, please explain why.
7	Question 3: Do you agree with the exclusions from the JDCS Disclosure Standard? If not, please explain why.
7	Question 4: Are any other exclusions from the JDCS Disclosure Standard necessary? If so, please explain why.
7 & 8	Question 5: Do you agree with the provisions for variances and waivers from the JDCS Disclosure Standard? If not, please explain why. .
9	Question 6: Do you agree with the transitional provisions set out in the JDCS Disclosure Standard? If not, please explain why.
n/a	Question 7: Do you agree with the intention that the JFSC's Banking Code retains a requirement to comply with the JDCS Disclosure Standard (subject to any variances granted)? If not, please explain why.
All	Question 8: Do you have any other comments in relation to the proposed JDCS Disclosure Standard?

Appendix A: List of representative bodies and other persons who have been sent this consultation

- 1.1 All persons registered to carry on deposit-taking business in or from within Jersey under the Banking Law
- 1.2 Jersey Bankers Association
- 1.3 Jersey Financial Services Commission
- 1.4 Government of Jersey
- 1.5 Jersey Bank Depositors Compensation Board

Appendix B: Draft JDCS Disclosure Standard

The Authority's draft JDCS Disclosure Standard is appended as a separate document.