



Feedback Paper on Consultation Paper 2025/01

JDCS Disclosure Standard

A feedback paper relating to the Authority's consultation on its planned standard for statements about the Jersey Bank Depositors Compensation Scheme.

Issued: 10 October 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	Code of Practice for Deposit-taking Business.
Banking Law	Banking Business (Jersey) Law 1991.
Companies Law	Companies (Jersey) Law 1991.
Covered Deposit	Means the part of an Eligible Deposit that does not exceed £50,000.
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.
Depositors' Compensation Levies	A levy that Jersey Banks are required to pay under Article 142ZB of the Draft Law.
Draft Law	the draft Bank (Recovery and Resolution) (Jersey) Amendment Law 202-.
Eligible Deposit	A deposit held by a Jersey Bank in an account in Jersey in respect of an Eligible Depositor.
Eligible Depositor	Has the meaning given by Article 142E of the Draft 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.
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 On 31 March 2025 we issued a Consultation Paper that sought views on our draft JDCS Disclosure Standard, which impacts all Jersey Banks.
- 1.1.2 The consultation and our draft JDCS Disclosure Standard reflected planned amendments to the Resolution Law that transfer responsibility for administration of the Jersey DCS to the Authority.
- 1.1.3 The amendments will also 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.
- 1.1.4 To give Jersey Banks time to prepare for the amended disclosure requirements, we consulted ahead of the legislative amendments coming into force.
- 1.1.5 As the Draft Law was not approved by the States of Jersey as expected in July. Accordingly, the legislative timeline has been pushed back 3 months, and we have made associated updates to the implementation date and the transitional provisions within the JDCS Disclosure Standard.
- 1.1.6 This Feedback Paper summarises the feedback we received and our response to that feedback.
- 1.1.7 We have considered the feedback received and, other than changes to reflect the amended implementation date and transitional provisions (as noted above), we have made one addition to the JDCS Disclosure Standard and two small amendments to provide further clarity. We have appended the near final version of the JDCS Disclosure Standard, along with a tracked change version.

1.2 Feedback received

- 1.2.1 We received written responses from three Jersey Banks.
- 1.2.2 Given the small number of responses, we have concluded not to publish a list of respondents. Not all respondents commented on every question raised in the consultation.
- 1.2.3 Section 2 of this Feedback Paper sets out a summary of the substantive comments received and our responses to that feedback. In general respondents were supportive of the planned JDCS Disclosure Standard.
- 1.2.4 Based on the feedback received we added a paragraph to clarify that the compensation provided by the Jersey DCS is not guaranteed and our resulting expectations in relation to Deposit Advertisements.
- 1.2.5 We also update the strapline wording to include the URL for our future website where depositors and potential depositors will be able to obtain further information in relation to the Jersey DCS.

1.3 Next steps

- 1.3.1 On 1 October 2025 the States of Jersey approved the legislation that will give effect to the Resolution Law amendments. Whilst this is not the last step in the legislative process, it is a significant milestone and provides comfort that the changes will come into force on 1 April 2026.
- 1.3.2 Accordingly, we have published this Feedback Paper and the near final version of the JDCS Disclosure Standard on our website and circulated them to Jersey Banks.
- 1.3.3 We expect that soon after 1 April 2026, when we have the legal power to do so, we will publish the final JDCS Disclosure Standard on our website and circulate a link to all Jersey Banks.
- 1.3.4 We expect that the final published JDCS Disclosure Standard will be identical to the near final version appended to this Feedback Paper, except that we will update it to reflect the Authority's new name and associated branding.
- 1.3.5 Accordingly, Jersey Banks are expected to commence planning and preparation to make the necessary amendments to Deposit Advertisements, account statements and other documents or publicity produced for depositors or potential depositors in line with the requirements of the JDCS Disclosure Standard.
- 1.3.6 In addition, we plan to prepare a consumer-friendly summary of the Jersey DCS and Frequently Asked Questions. We will make these available to Jersey Banks later in the year to assist in communicating the changes to customers.
- 1.3.7 The JFSC will make amendments to the Banking Code to remove duplicative requirements. It will retain a requirement that Jersey Banks comply with the JDCS Disclosure Standard as well as other requirements relating to Deposit Advertisements.

2 Consultation Feedback

2.1 Feedback in respect of the general requirements of the JDCS Disclosure Standard

Respondents' Comments

- 2.1.1 One respondent recommended that we update the JDCS Disclosure Standard to bring clarity as to whether compensation from the Jersey DCS is guaranteed or not. It also noted that the revised disclosure requirements may lead to queries from customers, especially during the implementation period.

JRA Response

- 2.1.2 Compensation available from the Jersey DCS is not guaranteed. The ability of the Jersey DCS to pay compensation relies on it having adequate funding to do so.
- 2.1.3 Amendments Government is making to the Jersey DCS enhance its ability to pay compensation by removing the existing £100m limit on the total compensation that the Jersey DCS can pay out in any five-year period and enabling recoveries from the liquidation of the failed bank to be used to fund compensation.
- 2.1.4 As such, following the amendments, the Jersey DCS can obtain funding from a combination of:
- 2.1.4.1 Initial liquidity funding from the States of Jersey of up to £100m;
 - 2.1.4.2 Levies from Jersey Banks; and
 - 2.1.4.3 Recoveries from the failed bank.
- 2.1.5 The design of the Jersey DCS, including funding, must also be considered in the context of the banks that would trigger it.
- 2.1.6 Large Jersey Banks would be expected to be resolved by either the JRA or the Home Resolution Authority.
- 2.1.7 Small Jersey Banks would likely be put into insolvency or winding up, with the Jersey DCS paying out compensation. In these cases, the Jersey DCS would borrow from Government, pay out compensation to eligible depositors and then repay Government via a combination of levies on Jersey Banks and recoveries from the failed bank.
- 2.1.8 Considering the above it is important that Jersey Banks **do not** state or imply that compensation from the Jersey DCS is guaranteed. We have added a paragraph to the JDCS Disclosure Standard to clarify this position and our expectations in respect of Deposit Advertisements.
- 2.1.9 Additionally, as part of our on-going preparations for the transfer of responsibility for administering the Jersey DCS to the JRA, we will develop a consumer-friendly explanation of the Jersey DCS and associated Frequently Asked Questions. We will share these with Jersey Banks later in the year to assist with explaining the changes to customers.

2.2 Feedback in respect of transitional provisions

Respondents' Comments

- 2.2.1 Two respondents commented in relation to the transitional provisions set out in the JDCS Disclosure Standard. The third respondent confirmed that it had no comments in relation to the JDCS Disclosure Standard.
- 2.2.2 One respondent confirmed that it needed three to six-months' notice to implement the necessary changes to literature.
- 2.2.3 The second respondent explained that it will need to change a large volume of collateral to reflect the amended disclosure requirements set out in the JDCS Disclosure Standard. Accordingly, a six-month transition provision will be insufficient for it to complete effective roll out of the amendments.

JRA Response

- 2.2.4 We appreciate that some Jersey Banks will need to update a considerable volume of documentation (both physical and electronic) and that this will take time to implement.
- 2.2.5 For this reason we are publishing a near final version of the JDCS Disclosure Standard appended to this Feedback Paper. Whilst Jersey Banks will not be able to implement any amendments before publication of the final JDCS Disclosure Standard soon after 1 April 2026, availability of the near final draft now allows them to commence the process of identifying required changes and drafting necessary amendments.
- 2.2.6 Whilst the delay in adopting the Draft Law has delayed the planned implementation date for changes to the Jersey DCS, it also gives banks more time to identify the various documents (electronic or otherwise) that will need to be amended.
- 2.2.7 We have amended the transitional provisions in the JDCS Disclosure Standard to reflect the revised implementation date, but we have retained a six-month transition period. This means Jersey Banks have until 30 September 2026 to have completed the necessary amendments.

2.3 Other feedback

Respondents' Comments

- 2.3.1 In addition to providing feedback in relation to the JDCS Disclosure Standard, one respondent requested further clarification in relation to participating banks' exposure to the Jersey DCS (i.e. by way of levies to fund it).
- 2.3.2 The respondent noted that any such exposure is dependent on the value of the Covered Deposits of any failed bank as well as the total Eligible Deposits of all participating banks at the point of failure.
- 2.3.3 The respondent also questioned whether the obligation to provide funding to the Jersey DCS would constitute a contingent liability.

JRA Response

- 2.3.4 Government's amendments do not change Jersey Banks' obligations to provide funding to the Jersey DCS by way of Depositors' Compensation Levies.
- 2.3.5 The JRA cannot comment on whether this obligation gives rise to a contingent liability. If unsure, Jersey Banks should seek accounting advice and discuss the matter with their auditors.

- 2.3.6 In relation to the value of exposure to the Jersey DCS, whilst it is true that the exact amount a Jersey Bank would be required to contribute cannot be known in advance, each Jersey Bank can calculate its maximum exposure at any point in time based on the value of its Eligible Deposits and the limits described in Article 142ZG of the Draft Law (which mirrors Regulation 29 of the Banking Business (Depositors Compensation) (Jersey) Regulations 2009).
- 2.3.7 We plan to provide further clarification to Jersey Banks in relation to the calculation of Depositors' Compensation Levies via the Jersey Bankers Association and we can also provide this bilaterally on request.
- 2.3.8 This topic is not directly related to the JDCS Disclosure Standard. Accordingly, we conclude that no amendments are necessary.

2.4 Other Amendments

- 2.4.1 During our final reviews of the JDSC Disclosure Standard we identified some inconsistent language relating to the strapline wording provided in paragraph 4.1.2 of the JDCS Disclosure Standard.
- 2.4.2 Accordingly, we made small amendments to paragraphs 4.1.2 and 4.1.3. These reflect that the wording provided by paragraph 4.1.2 is our recommended wording but can be adapted as appropriate given the circumstances of the advertisement or other document in which it is included.
- 2.4.3 This reflects current industry practice and achieves a practical balance between ensuring adequate information is provided to consumers whilst allowing flexibility in respect of Jersey Banks' implementation of the requirements.

Appendix A: Tracked change near final version of the JDCS Disclosure Standard

A tracked change near final version of the JDCS Disclosure Standard is appended as a separate document.

Appendix B: Near final version of the JDCS Disclosure Standard

A near final version of the JDCS Disclosure Standard is appended as a separate document.