



Operational Continuity in Resolution Guidance Note

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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 (Jersey) Law 1991 that is a Holding Company or a Subsidiary of a person so registered.
Banking Law	Banking Business (Jersey) Law 1991.
Critical Function	Activities, services, or operations the discontinuance of which is likely to lead to the disruption of services that are essential to the real economy in Jersey or the disruption of financial stability due to the size, market share, external and internal interconnectedness, complexity, or cross-border activities of a bank or bank's group, with particular regard to the substitutability of those activities, services, or operations.
CIS	Critical IT Systems. Information Technology systems that are necessary for the continuity of Critical Functions and Core Business Lines.
Critical Shared Services	An activity, function or service performed by either an internal unit, a separate legal entity within the group or an external provider the sudden and disorderly failure of which would lead to the collapse of or present a serious impediment to the performance of a Critical Function.
Core Business Line	A Core Business Line is a business line together with associated services that represents a material source of revenue, profit, or franchise value for a Jersey Bank.
Home Resolution Authority	The Resolution Authority in the jurisdiction where a bank or banking group is headquartered.
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.
Jersey Branch	The Jersey operations of an Overseas Incorporated Bank.
Jersey Incorporated Bank	A Jersey incorporated company registered to carry on deposit-taking business under the Banking Law.
JFSC	Jersey Financial Services Commission.
JRA	Jersey Resolution Authority.
MIS	Management Information Systems.
PS2023/01	Policy Statement 2023/01 'Resolution Planning and Resolvability'.
OCiR	Operational Continuity in Resolution.

Operational Assets	An asset that is not a financial asset and that is required to perform Critical Shared Services, such as real estate; intellectual property including trademarks, patents, and software; hardware; IT systems and applications; and data warehouses. Operational Assets are critical/essential where access to them is required in order to perform a Critical Shared Service.
Registered Person	A person registered under the Banking Business (Jersey) Law 1991
Resolution Law	Bank (Recovery and Resolution) (Jersey) Law 2017.
Service Catalogue	A complete list of all services critical and non-critical that a Jersey Bank provides and or receives that is maintained in a Management Information System/Database.

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1 Background

- 1.1.1 The JRA was established as Jersey’s Resolution Authority on 31 January 2022 in accordance with the Bank (Recovery and Resolution) (Jersey) Law 2017 (the Resolution Law).
- 1.1.2 The JRA has statutory responsibility to prepare for and administer the resolution of banks in Jersey. In doing so the JRA aims to:
- 1.1.2.1 Ensure continuity of banking services and Critical Functions in Jersey;
 - 1.1.2.2 Protect and enhance the stability of the financial system in Jersey;
 - 1.1.2.3 Protect and enhance public confidence in the stability of the financial system in Jersey;
 - 1.1.2.4 Protect public funds;
 - 1.1.2.5 Protect covered deposits (deposits covered by Jersey’s Deposit Compensation Scheme); and
 - 1.1.2.6 Protect client assets.
- 1.1.3 On 11 August 2023 the JRA issued Policy Statement 2023/01 ‘Resolution Planning and Resolvability’ (PS2023/01), which sets out the overriding requirements and capabilities that the JRA expects Jersey Banks to develop to demonstrate that they are resolvable.
- 1.1.4 This Guidance Note sets out guidance in relation to the Operational Continuity in Resolution (OCiR) requirements set out in PS2023/01.
- 1.1.5 The following publications have been used to help develop this Guidance Note. Jersey Banks may wish to consult these for additional guidance when developing required OCiR capabilities:
- 1.1.5.1 Prudential Regulation Authority’s Supervisory Statement | SS4/21 published May 2021¹;
 - 1.1.5.2 Prudential Regulation Authority’s Rulebook Operational Continuity Instrument 2016²;
 - 1.1.5.3 Section 2.4.3 of the Single Resolution Board’s Expectations for Banks³; and
 - 1.1.5.4 Single Resolution Board’s Expectations Operational Guidance on Operational Continuity in Resolution ⁴.

¹ <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervisory-statement/2021/ss421-may-2021.pdf?la=en&hash=52D22A9C1F4FFF0B8E5B06B1D2CB8457695F59F6>

² <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/policy-statement/2021/may/ps921app1.pdf?la=en&hash=92E645C61DA5084770BAE5F8937B989469C2EC96>

³ https://www.srb.europa.eu/system/files/media/document/efb_main_doc_final_web_0_0.pdf

⁴ https://www.srb.europa.eu/system/files/media/document/2021-11-29_SRB-Operational-Guidance-for-Operational-Continuity-in-Resolution.pdf

2 Objective

- 2.1.1 The assessment of risks to OCiR, such as the interruption of Critical Shared Services, loss of access to relevant operational assets and vacancy/unavailability of relevant roles/staff, will support the execution of the Preferred Resolution Strategy and facilitate post-resolution restructuring for a Jersey Bank.
- 2.1.2 A Jersey Bank should have adequate OCiR arrangements in place to ensure their ability to provide banking services and Critical Functions in resolution (including during post-stabilisation restructuring). To achieve this:
 - 2.1.2.1 A Jersey Bank should develop appropriate systems, policies, and procedures (including controls) to identify, map and report Critical Shared Services.

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3 General Guidance

- 3.1.1 Where a Jersey Bank performs a Critical Function, this Guidance Note applies to both Jersey Incorporated Banks and Jersey Branches of Overseas Incorporated Banks.
- 3.1.2 Section 5 of this Guidance Note applies only to Jersey Incorporated Banks that **do not** perform Critical Functions in Jersey.
- 3.1.3 Where a Jersey Bank outsources Critical Shared Services, the JRA would expect the Jersey Bank to ensure they understand and meet the basic premises that underline the JFSC's Outsourcing Policy and Guidance Note⁵ which are:
 - 3.1.3.1 A Registered Person remains fully responsible and accountable to the JFSC for (and the JFSC's powers in relation to the Registered Person may, if appropriate, be exercised in respect of) any Outsourced activity to the same extent as if the Outsourced activities were not outsourced.
 - 3.1.3.2 A Registered Person must not, as a consequence of any Outsourcing arrangements, become devoid of functions to the extent that it becomes a "letter box" entity.
 - 3.1.3.3 A Registered Person should therefore ensure that it takes reasonable steps to avoid its Outsourcing arrangements giving rise to any undue risks and the JFSC expects adherence to the Core Principles of its Outsourcing Policy will be essential in this regard. The relevant Codes of Practice require adherence with this policy.
- 3.1.4 Where a Jersey Bank is part of a wider banking group, the Jersey Bank may utilise group documentation to demonstrate that it has met local requirements.
 - 3.1.4.1 A Jersey Bank should not do so though without considering whether they do indeed address the associated requirements set out in PS2023/01.
 - 3.1.4.2 A Jersey Bank should consider whether aspects of their Jersey operations are sufficiently unique (relative to their group operations) such that group documentation does not address local risks to resolution.
 - 3.1.4.3 Jersey Banks may need to supplement group documents with Jersey specific addendums or work with their groups to ensure their Jersey operations are adequately covered by group preparations.
 - 3.1.4.4 If a Jersey Bank identifies a conflict between this Guidance Note and the requirements imposed by their group's Home Resolution Authority, they should bring this to the JRA's attention to discuss and agree the approach to be taken.
- 3.1.5 The amount of information required to support each self-assessment by a Jersey Bank will vary depending on a combination of factors including:
 - 3.1.5.1 The number of Critical Functions performed; and
 - 3.1.5.2 The level of comfort that can be taken from resolvability assessments performed at a group level by Home Resolution Authorities.

⁵ <https://www.jerseyfsc.org/industry/guidance-and-policy/outsourcing-policy-and-guidance-note/>

4 Guidance for Jersey Banks performing Critical Functions

4.1 Guidance how to complete the OCiR Reporting Template

- 4.1.1 To allow the JRA to understand Jersey Bank's Critical Shared Services and Critical IT systems (CIS), the JRA's OCiR Reporting Template should be completed by Jersey Banks and submitted in support of Jersey Banks' self-assessments of resolvability.
- 4.1.2 Full guidance and instructions on how to complete the JRA's OCiR Reporting Template are set out in Appendix A, including the JRA's website [\[add link to template\]](#).
- 4.1.3 JRA's OCiR Reporting Template is based on relevant parts of the EBA Z Template that many banks will have been asked to complete by their group's Home Resolution Authority.
- 4.1.4 The JRA's OCiR Reporting Template consists of six individual templates taken from the EBA Z Template which are:
 - 4.1.4.1 Organisational Structure Chart (ORG);
 - 4.1.4.2 Mapping of Core Business Lines to Legal Entities (FUNC 3);
 - 4.1.4.3 Mapping of Critical Functions to Core Business Lines (FUNC 4);
 - 4.1.4.4 Critical Shared Services (SERV);
 - 4.1.4.5 Critical IT Systems (General information) (CIS 1); and
 - 4.1.4.6 Mapping of Critical IT Systems (CIS 2).

4.2 Guidance on the identification and mapping of Critical Shared Services

- 4.2.1 In resolution (including during post-stabilisation restructuring), a Jersey Bank needs to have the ability to continue to provide banking services and Critical Functions to its customers.
- 4.2.2 A Jersey Bank is expected to have identified and mapped:
 - 4.2.2.1 All relevant Critical Shared Services to Critical Functions, Core Business Lines and Legal Entities including:
 - › Critical Shared Services via an intra-group agreement that are sub-contracted with a third-party provider;
 - 4.2.2.2 Required roles and staff, including their location;
 - 4.2.2.3 Relevant operational assets; and
 - 4.2.2.4 All Critical Shared Services to the contracts/arrangements governing them.

- 4.2.3 For the purpose of this guidance, a Critical Shared Service has the following elements:
- 4.2.3.1 An activity, function or service that is performed by either an internal unit, a separate legal entity, the wider banking group, or a third-party provider;
 - 4.2.3.2 That activity, function or service is performed for one or more business unit or legal entity; and
 - 4.2.3.3 The sudden and disorderly failure or malfunction would lead to the collapse of or present a serious impediment to the performance of a Critical Function(s).
- 4.2.4 Critical Shared Services are related to the Critical Functions performed, they provide the internal and essential infrastructure a Jersey Bank needs to continue operating.
- 4.2.5 Some shared services have to be continuously provided; others may be interrupted for a short period without leading to a collapse of the Critical Function.
- 4.2.6 A Jersey Bank may wish to:
- 4.2.6.1 Consider that their designation should follow from the identification of the Critical Functions; and
 - 4.2.6.2 Rank the Critical Shared Services in order of priority, given the variety and limited time and resources in resolution.
- 4.2.7 In prioritising shared services, a Jersey Bank should consider the following questions:
- 4.2.7.1 How severe are the consequences of the failure of a particular service on one or more Critical Functions; and
 - 4.2.7.2 How quickly will the failure of a particular shared service lead to a collapse of one or more Critical Functions.
- 4.2.8 Critical Shared Services once identified and mapped should be:
- 4.2.8.1 Maintained and kept up to date by the Jersey Bank in a searchable database (“service catalogue”); and
 - 4.2.8.2 The service catalogue should be easily accessible and reliable in a stressed situation, for resolution planning or execution purposes.
- 4.2.9 A Jersey Bank should have a clear understanding of the following aspects of the Critical Shared Service which should also be captured in the service catalogue:
- 4.2.9.1 The provider and the recipient of the services;
 - 4.2.9.2 The nature of the services being provided;
 - 4.2.9.3 The financial terms on which those services are offered;
 - 4.2.9.4 The existence of service level agreements and the validity of such agreements in the event of failure;
 - 4.2.9.5 The impact of default on the ability of the Jersey Bank to maintain these services; and
 - 4.2.9.6 The substitutability of the services being provided.
- 4.2.10 Determination and management of Critical Shared Services should be linked to the business continuity planning processes of a Jersey Bank.

- 4.2.11 A Jersey Bank should also give special consideration to services that require a highly specific internal knowledge. In this respect, the retention of key staff in short and medium term is likely to be important for operational reasons.
- 4.2.12 If one of the elements in 4.2.3 above is absent, the service may not be critical, including:
- 4.2.12.1 Where the disruption of the service(s) has no material impact on the Jersey Banks ability to continue to provide Critical Functions and Core Business Lines; and
- 4.2.12.2 If the service can be provided by another provider within a reasonable timeframe to a comparable extent as regards object, quality, and cost. For example:
- › If an internal activity, function, or service such as Facilities Management can easily be substituted from another or external source, that shared service is not critical, even if it is necessary for maintaining the Critical Functions. Similarly, the fact that an activity, function, or service is shared does not necessarily mean it is a Critical Shared Service. It may support tasks not directly related to maintaining Critical Functions: for example, a centralised marketing department.

4.3 Guidance on the identification and mapping of Critical IT Systems

- 4.3.1 For CIS provided or received internally and externally, a Jersey Bank needs to ensure that mechanisms are in place for those services to continue in resolution (including during post-stabilisation restructuring).
- 4.3.2 A Jersey Bank should develop appropriate systems, policies, and procedures (including controls) to identify, map, and report the CIS.
- 4.3.3 Identification and Mapping should list all CIS:
- 4.3.3.1 Received by the Jersey Bank; and
- 4.3.3.2 Map them to the Legal Entities that use them and the Critical Functions of the Jersey Bank.
- 4.3.4 When reporting, a Jersey Bank may wish to:
- 4.3.4.1 Utilise group capabilities to demonstrate it has met local requirements, where the Jersey Bank is part of a wider banking group; and
- 4.3.4.2 Use up to-date system diagrams.
- 4.3.5 A Jersey Banks CIS can be identified following a three-step approach.
- 4.3.5.1 First, identify the main IT systems (software and hardware) and applications, in particular:
- › Front-office systems;
 - › Back-office systems (e.g. management information systems, administrative systems);
 - › Data Centres;
 - › Systems required for the provision of/access to FMI platforms; and
 - › Systems that are needed to identify deposits covered by the Jersey DCS, as well as the processes for identifying covered deposits.

- 4.3.5.2 Second, analyse the main IT systems and applications to identify those that are essential for the continuity of the activities of the Jersey Bank's Core Business Lines.
- 4.3.5.3 Third, analyse the essential IT systems and applications to identify those that are critical for the continuity of the Jersey Bank's Critical Functions.
 - › These are considered critical if their disruption or failure can present a serious impediment to the continuity of the Jersey Bank's Critical Functions and if they cannot be substituted.
- 4.3.6 It is important given the complexities of dependencies arising from shared CIS, which may differ from the structure of business processes, that a Jersey Bank understands these.
- 4.3.7 If cross-border inter-company service agreements cannot be enforced in resolution, this may prevent the continuation of the service.
- 4.3.8 Details of the relevant CIS once identified and mapped should be:
 - 4.3.8.1 Maintained and kept up to date by the Jersey Bank in a searchable database ("service catalogue"); and
 - 4.3.8.2 The service catalogue should be easily accessible and reliable in a stressed situation, for resolution planning or execution purposes.

4.4 Guidance on the Assessment of Operational Continuity Risk

- 4.4.1 Once relevant services, roles/staff, and operational assets have been identified and mapped, a Jersey Bank should assess the risk of the interruption or discontinuance of these in resolution by:
 - 4.4.1.1 Carrying out a comprehensive risk analysis based on a preliminary identification of all potential events that may result in the disruption or discontinuance of the relevant operational dependencies identified.
 - 4.4.1.2 Consider the following elements:
 - › The law applicable to a relevant contract;
 - › The location and legal status (e.g. owned or leased) of relevant assets; and
 - › The potential lack of relevant roles/staff in resolution, including staff employed by the wider banking group or a legal entity that could be wound down or divested in resolution.
- 4.4.2 The Jersey Bank should address any risk(s) to operational continuity in resolution that are identified through appropriate mitigating actions and measures to improve preparedness for resolution and to facilitate post-resolution restructuring.

4.5 Guidance on Contractual Arrangements

- 4.5.1 Contractual arrangements and service level agreements for Critical Shared Services and CIS should:
 - 4.5.1.1 Be clearly documented;
 - 4.5.1.2 Resolution resilient; and
 - 4.5.1.3 Allow the JRA to take appropriate decisions and to apply resolution powers to them (e.g. transfer of service provision).
- 4.5.2 If the provision of relevant services is carried out within the same legal entity (intra-entity services), a Jersey Bank should:
 - 4.5.2.1 Ensure the documented information allows the services to be easily identified, and transitional service agreements quickly drawn up (should this be required under the Preferred Resolution Strategy).
- 4.5.3 To be resolution resilient, contracts need to include contractual clauses that:
 - 4.5.3.1 Prevent termination, suspension, or modification of relevant services on the grounds of resolution/restructuring (so long as the Jersey Bank meets its on-going obligations relating to the contract);
 - 4.5.3.2 Facilitate transfer of the service provision to a new recipient by the service recipient or the JRA as a result of resolution/restructuring;
 - 4.5.3.3 Supports transfers necessitated by, or termination occurring during resolution/restructuring; and
 - 4.5.3.4 Ensure continued service provision by the current service provider to entities divested from the group as part of resolution/restructuring (in particular the Jersey Bank if it is divested). Service provision should continue for a reasonable period following divestment e.g. 24 months.
- 4.5.4 Contracts may need to be amended to:
 - 4.5.4.1 Ensure relevant services can continue during post-resolution restructuring under a business reorganisation plan; and
 - 4.5.4.2 Non-Jersey Law contracts may need to be amended to achieve the necessary resolution resilient features described above.
- 4.5.5 If a Jersey Bank is genuinely unable to achieve resolution resilient contracts, the JRA would expect to receive sufficient justification in writing as to why the contracts:
 - 4.5.5.1 Could not be amended; and
 - 4.5.5.2 To present potential alternative strategies (e.g. moving to providers who will allow for the inclusion of resolution resilient terms).
- 4.5.6 A Jersey Bank should have arrangements in place to ensure the continued access to relevant operational assets in the event of resolution or restructuring i.e. having leasing or licencing contracts that are resolution resilient.
- 4.5.7 Where this cannot be guaranteed, a Jersey Bank may be expected to arrange that these assets are owned or leased by the service provider or recipient.

4.6 Guidance on Costing and Pricing Structures

- 4.6.1 In order to provide certainty about the costs at which relevant services will continue to be provided in resolution, and to facilitate decision-making in restructuring, a Jersey Bank should have cost and pricing structures in place for relevant services received that are:
- 4.6.1.1 Transparent;
 - 4.6.1.2 Predictable;
 - 4.6.1.3 Set on an arm's length basis for both intra-group and third-party providers;
 - 4.6.1.4 The terms allow the service provider to be readily substituted with another service provider; and
 - 4.6.1.5 Do not alter solely as a result of the Jersey Bank's entry into resolution.

4.7 Guidance on Adequate Staffing in Resolution

- 4.7.1 A Jersey Bank should consider relevant roles that would be essential in resolution. Whilst not exhaustive, identification of a relevant role could include:
- 4.7.1.1 The performance of the role would have a material impact on how well the Jersey Bank can undertake actions needed to support orderly resolution; and
 - 4.7.1.2 Any vacancy may present an obstacle to the continuity of Critical Functions and the Core Business Lines needed for the effective implementation of the Preferred Resolution Strategy and any subsequent restructuring.
- 4.7.2 Jersey Banks should also consider having in place contingency arrangements in respect to relevant roles by:
- 4.7.2.1 Having retention plans (and related governance and processes) detailing measures the Jersey Bank can take at short notice in the run-up to and during resolution to mitigate against resignation of staff in relevant roles;
 - 4.7.2.2 Contingency arrangements in place for addressing the loss of relevant staff in resolution, i.e. up-to-date succession plans that seek to ensure alternative staff with adequate skills and knowledge would be available to perform relevant vacant roles; and
 - 4.7.2.3 Arrangements to address the risks associated with dual-hatted employees in resolution, where relevant.
- 4.7.3 Relevant labour law and regulatory requirements, such as necessary approvals for changes to staff responsibilities and remuneration, should also be considered by a Jersey Bank.

4.8 Guidance on Governance arrangements for delivery of Critical Shared Services

- 4.8.1 Jersey Banks should ensure adequate governance oversight for delivery of Critical Shared Services, including clearly defined reporting lines, are in place.
- 4.8.2 A Jersey Bank may demonstrate adequate governance oversight of Critical Shared Services by ensuring, for all intra-group critical service providers, that the following is in place:
- 4.8.2.1 The service provider has management of sufficient seniority in place that are responsible for the day-to-day running of the services;
 - 4.8.2.2 Such management can ensure Critical Shared Services would continue to be performed in a resolution scenario;
 - 4.8.2.3 Service providers do not rely on senior staff that perform significant duties for other entities. In the case where a senior staff member has multiple roles:
 - › Jersey Banks should ensure the responsibilities for Critical Shared Services are not deprioritised in resolution.
 - 4.8.2.4 Service providers do not rely excessively on senior staff remunerated by other entities in the wider banking group;
 - 4.8.2.5 Staff responsible for the running of the service provider will continue to be remunerated in a resolution scenario; and
 - 4.8.2.6 Where the service provider is a separate entity:
 - › The staff's remuneration should be paid by the service provider; and
 - › They should be employed by the service provider.
 - 4.8.2.7 The service provider has sufficient staff and expertise to support service continuity during changes that arise during resolution and restructuring.
- 4.8.3 To manage the risks a Jersey Bank could be exposed to in stress, or in a resolution event, a Jersey Bank should ensure relevant service providers are financially resilient in resolution. If relevant services are provided by:
- 4.8.3.1 Intra-group provider, at a minimum, liquid resources equivalent to 1/6th of annual fixed overheads of the Critical Shared Services they provide to the Jersey Bank;
 - 4.8.3.2 An unregulated intra-group provider, a Jersey Bank may be expected to ensure the provider has adequate liquid resources (at least equivalent to 50% of annual fixed overheads and which are segregated from other group assets);
 - 4.8.3.3 A non-group provider, a Jersey Bank should conduct suitable due diligence in line with the JFSC's Outsourcing Policy and Guidance Note⁵, in particular Core Principle No.1.
- 4.8.4 A Jersey Bank may utilise group expertise to ensure that the capabilities set out in paragraphs 4.8.2 and 4.8.3 are in place. However, where this is the case, the Jersey Bank must maintain adequate local oversight and be able to adequately explain the group approach as part of its self-assessment against OCiR requirements.

- 4.8.5 Where the law applicable to a non-resolution resilient contract with a third-party provider is that of a third country, a Jersey Bank may also be expected to maintain sufficient liquid resources to pre-fund the contract costs of the service for a reasonable period of time (minimum six months) once a crisis management measure is applied.

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5 Guidance for Jersey Banks not performing Critical Functions

- 5.1.1 The failure of Jersey Banks that do not perform Critical Functions will, by definition, have a lesser impact on continuity of banking services and the stability of the financial system in Jersey. However, any failure will have an impact.
- 5.1.2 To enable the JRA to take appropriate steps to minimise the impact of failure, a Jersey Incorporated Bank that does not perform Critical Functions should take reasonable steps to ensure that accurate information relating to its operations is readily available and can be provided to the JRA on request or to an appointed bank liquidator.
- 5.1.3 When taking reasonable steps, the Jersey Incorporated Bank may wish to consider the guidance set out in Section 4 of this Guidance Note and apply it proportionally with the aim of:
 - 5.1.3.1 Developing and maintaining appropriate MIS that catalogues all intra-group and third-party services received that can be relied on and easily accessed in a stress situation for resolution planning or execution;
 - 5.1.3.2 Ensuring relevant contractual arrangements with both intra-group and third-party providers, are clearly documented and readily available; and
 - 5.1.3.3 Having persons and roles who are responsible/accountable and can co-ordinate and oversee actions to support the Jersey Incorporated Banks operations during resolution.

Appendix A:

6 Guidance on completing the JRA's OCiR Reporting Template

6.1 General Template Guidance

- 6.1.1 Six individual templates make up the overall JRA Operational Continuity in Resolution (OCiR) Reporting Template which is structured into three blocks.
- 6.1.2 The first block consists of an Index that outlines the overall OCiR Reporting Template. Within this template a Jersey Bank must input the full name of the Jersey Bank, along with the date of submission. This information is **only** required on this template, as it will feed through and pre-populate in all other templates.
- 6.1.3 The second block being '**Organisational Structure**', this provides an overview over the Jersey Bank's legal and ownership structure by way of a structure chart.
- 6.1.4 The third block covers '**Critical Functions**', this provides an overview of Critical Functions and maps them to Legal Entities, Core Business Lines, Critical Shared Services, and Information IT Systems. This block consists of five templates.

6.2 Guidance on Organisational Structure Chart (ORG)

- 6.2.1 Rather than require information on organisational structure in tabular form, the JRA requires that Jersey Banks submit an ownership structure chart up to and including the ultimate parent/group of which the Jersey Bank is a member. The structure chart must be legible and, if necessary, should incorporate a legend to enable ease of understanding.
- 6.2.2 The full legal entity name should be used throughout the structure chart. If abbreviations are necessary to ensure legibility of the chart, a key setting out the abbreviated name and the full legal entity name must also be provided.
- 6.2.3 The structure chart must also include:
 - 6.2.3.1 Country of Incorporation;
 - 6.2.3.2 Percentage ownership;
 - 6.2.3.3 All group internal Service Providers that provide services to the Jersey Bank;
 - 6.2.3.4 Where a group entity is regulated outside of Jersey, the name of the regulator; and
 - 6.2.3.5 Where the Jersey Bank is a Jersey Incorporated Bank (JIB):
 - › Details of any foreign branches; and
 - › Details of any subsidiaries, associates, and joint ventures of the Jersey Bank, regardless of where incorporated.

6.3 Core Business Lines, Critical Functions and Related Information Systems

- 6.3.1 As part of the CF1 return completed by Jersey Bank's, Critical Functions have been identified by the JRA. The first two templates within this block provides the JRA with supplementary data by mapping those Critical Functions to Core Business Lines and Legal Entities.
- 6.3.2 The templates specifically cover:
- 6.3.2.1 Mapping of Core Business Lines to Legal Entities (FUNC 3); and
 - 6.3.2.2 Mapping of Critical Functions to Core Business Lines (FUNC 4).
- 6.3.3 The third template is Critical Shared Services (SERV), this lists Critical Shared Services received by any entity, and links them to the Critical Functions provided by an entity.
- 6.3.4 Finally, two templates on critical information systems, covering:
- 6.3.4.1 Critical IT Systems (CIS 1); and
 - 6.3.4.2 Mapping of information systems to Critical Functions (CIS 2).

6.4 Guidance on mapping of Core Business Lines to Legal Entities (FUNC 3)

- 6.4.1 This template helps identify and provides a full list of all Core Business Lines and applies to both Jersey Incorporated Banks and Jersey Branches of Overseas Incorporated Banks.
- 6.4.2 A Jersey Bank may utilise guidance issued by their Home Resolution Authority when determining local Core Business Lines. This will ensure that any local determination is aligned to their group; removing any inconsistency issues and improving resolvability.
- 6.4.3 Where no Home Resolution Authority exists, and a Jersey Bank requires support on the determination of local Core Business Lines, the Jersey Bank may utilise guidance from other Home Resolution Authorities and or seek further guidance from the JRA.

Column	Instructions
0010	<p>Core Business Line</p> <p>In accordance with the definition of a Core Business Line as outlined in Policy Statement 2023/01⁶. In this template each Core Business Line should be reported in a separate row.</p>
0020	<p>Business Line ID</p> <p>A unique ID⁷ should be provided against each Core Business Line listed in (0010) of this template, for example BL1, BL2 and BL3.</p>
0030	<p>Description</p> <p>Aligned to the Core Business Line(s) captured in (0010) of this template, in this field provide a full description of each Core Business Line.</p>

⁶ <https://jra.org.je/images/documents/20230811-PS2023-01-JRA-Approach-to-Resolution-Planning-and-Resolvability-v01.00-clean.pdf>

⁷ In the event that the Jersey Bank (or its group) have already assigned a unique ID for the Core Business Line(s) listed, the Jersey Bank may reuse that unique ID to ensure alignment to existing reportable data used elsewhere within group.

Column	Instructions
0040	<p>Entity Name</p> <p>The name of the Entity is to be entered into this field in full (no abbreviations).</p> <p>N.B.</p> <p>Where a Core Business Line is performed in Jersey by more than one entity, each entity mapping should be reported on a separate row.</p>
0050	<p>Code</p> <p>There is no requirement currently for a Jersey Bank to complete this field, it is to remain blank.</p>

6.5 Guidance on mapping Critical Functions to Core Business Lines (FUNC 4)

- 6.5.1 This template maps Critical Functions to business lines and applies to Jersey Incorporated Banks **only**.
- 6.5.2 **Only** Critical Functions previously identified by the JRA shall be reported in this template.
- 6.5.3 Where a Critical Function maps to more than one Core Business Line, this should be reported on separate lines in this template.

Column	Instructions
0010	<p>Country</p> <p>The country for which the function is critical, which in most cases will be Jersey, care should be taken though to ensure the country is reported correctly in this field.</p> <p>N.B. if critical to more than one, ensure these are listed individually to the same Critical Function.</p>
0020	<p>Function ID</p> <p>Use the drop-down box in this field to select the correct function ID. The function ID is the Critical Function that has previously been identified by the JRA and communicated to Jersey Banks. If in doubt a Jersey Bank should refer to their most recent CF1 summary document for this information.</p> <p>Each number in the drop-down box corresponds to a Critical Function, see guidance on page 4 for this information.</p>
0030	<p>Business Line</p> <p>As previously reported in 0010 (FUNC 3), the same guidance applies to this field.</p>

Column	Instructions
0040	Business Line ID As previously reported in 0020 (FUNC 3), same guidance applies to this field.

Table setting out Function ID for each Critical Function

Economic Function	
1	Deposit-taking
1.1	Local Branch/ATMs
1.2	Retail Deposit-taking
1.3	Commercial Deposit-taking
1.4	Institutional (non-bank) Deposit-taking
Economic Function	
2	Lending
2.1	Residential Mortgages
2.2	Retail Credit Cards
2.3	Other Retail Lending
2.4	Commercial & Institutional Lending
Economic Function	
3	Payments
3.1	Wire Transfers
3.2	Cash Transactions
3.3	Card/Merchant Transactions
3.4	Clearing
Economic Function	
4	Securities
4.1	Securities Transactions
4.2	Custody
4.3	Investment Advice
4.4	Investment Management
Economic Function	
5	Other
5.1	Capital Markets
5.2	Wholesale Funding Market
5.3	Financial Markets Infrastructure
5.4	Trust Company Business
5.5	Fund Services Business
5.6	Insurance Business

6.6 Guidance on how to list Critical Shared Services (SERV)

- 6.6.1 This template applies to both Jersey Incorporated Banks and Jersey Branches of Overseas Incorporated Banks.
- 6.6.2 Critical Shared Services mean the underlying operations, activities and services performed, which are needed to provide one or more Critical Functions.
- 6.6.3 Critical Shared Services may be performed by entities within the group (Internal service) or be outsourced to an external provider (External service). As defined in Policy Statement 2023/01¹, a service shall be considered critical where:
- 6.6.3.1 An activity, function or service performed by either an internal unit, a separate legal entity within the group or an external provider the sudden and disorderly failure of which would lead to the collapse of or present a serious impediment to the performance of a Critical Function.
- 6.6.4 Services that are performed entirely internally to a legal entity do not need to be reported in this template.
- 6.6.5 Services that do not have a material impact on Critical Functions do not need to be reported in this template.
- 6.6.6 In the case of a Jersey headquartered bank, the information to be included in this template should be completed once for the entire group.
- 6.6.7 Where a Critical Shared Service supports multiple service recipients within the Jersey Bank's Jersey operation or supports multiple Critical Functions, this needs to be reflected by reporting it on separate lines in this template.

Column	Instructions
0010	<p>Identifier</p> <p>Number each line using a unique Critical Shared Service ID for example CS1, CS2 and CS3 and so on.</p>
0020	<p>Type</p> <p>Use the drop-down box in this field to select the applicable service type. The service type will be one of the service types listed below.</p> <p>Where possible the sub-category should be used as the two-digit identification i.e. '1.2 - internal communication'. Where no sub-category exists or no sub-category properly describes the service provided, the main category one digit identification i.e. '1 - Human Resources Support' should be used.</p> <p>Service Type</p> <p>1. Human resources support.</p> <p>1.1 staff administration, including administration of contracts and remuneration</p> <p>1.2 internal communication</p> <p>2. Information technology</p> <p>2.1 IT and communication hardware</p> <p>2.2 data storage and processing</p>

Column	Instructions
	<p>2.3 other IT infrastructure, workstations, telecommunications, servers, data centres and related services</p> <p>2.4 administration of software licenses and application software</p> <p>2.5 access to external providers, in particular data and infrastructure providers</p> <p>2.6 application maintenance, including software application maintenance and related data flows</p> <p>2.7 report generation, internal information flows and data bases</p> <p>2.8 user support</p> <p>2.9 emergency and disaster recovery</p> <p>3. Transaction processing, including legal transactional issues, in particular anti-money laundering.</p> <p>4. Real estate and facility provision or management and associated facilities.</p> <p>4.1 office premises and storage</p> <p>4.2 internal facilities management</p> <p>4.3 security and access control</p> <p>4.4 real estate portfolio management</p> <p>4.5 other, please specify</p> <p>5. Legal services and compliance functions.</p> <p>5.1 corporate legal support</p> <p>5.2 business and transactional legal services</p> <p>5.3 compliance support</p> <p>6. Treasury-related services.</p> <p>6.1 coordination, administration and management of the treasury activity</p> <p>6.2 coordination, administration and management of entity refinancing, including collateral management.</p> <p>6.3 reporting function, in particular with respect to regulatory liquidity ratios</p> <p>6.4 coordination, administration and management of medium and long-term funding programs, and refinancing of group entities</p> <p>6.5 coordination, administration, and management of refinancing, in particular short-term issues</p> <p>7. Trading/asset management</p> <p>7.1 operations processing: trade capture, design, realisation, servicing of trading products</p> <p>7.2 confirmation, settlement, payment</p> <p>7.3 position and counterparty management, with respect to data reporting and counterparty relationships</p> <p>7.4 position management (risk and reconciliation)</p>

Column	Instructions
	<p>8. Risk management and valuation 8.1 central or business line or risk type-related risk management (one digit identification) shall be reported. 8.2 risk report generation</p> <p>9. Accounting 9.1 statutory and regulatory reporting 9.2 valuation, in particular of market positions 9.3 management reporting</p> <p>10. Cash handling</p>
0030	<p>Entity Name This field captures the name of the entity that receives the Critical Shared Service from another group entity, or the external provider reported in (0050) of this template.</p>
0040	<p>Code There is no requirement currently for a Jersey Bank to complete this field, it is to remain blank.</p>
0050	<p>Entity Name The name of the entity (internal or external) which provides the Critical Shared Service reported in (0010) needs to be reported in this field. The exact current legal entity name of the provider must be reported e.g. if the Jersey Bank has a contract with 'Group Services Limited', this cannot be abbreviated to 'GSL'. If Group Services Limited subsequently changes its name to 'Group Administration Limited' the Jersey Bank's needs to then use 'Group Administration Limited'.</p>
0060	<p>Service Provider Code There is no requirement currently for a Jersey Bank to complete this field, it is to remain blank.</p>
0070	<p>Part of the group Using the drop-down box in this field select:</p> <ul style="list-style-type: none"> • 'Yes', if the service is provided by an entity of the group (internal); and • 'No' if the service is provided by an entity outside of the group (external).
0080	<p>Country As previously reported in 0010 (FUNC 4), the same guidance applies to this field.</p>

Column	Instructions
0090	<p>Function ID</p> <p>As previously reported in 0020 (FUNC 4), the same guidance applies to this field.</p>
0100	<p>Estimated time for substitutability</p> <p>Using the drop-down box in this field, capture the estimated time for substitutability i.e. estimated time necessary to substitute the service provider with another one to a comparable extent as regards object, quality and cost of the service received.</p> <p>Report one of the following values:</p> <ul style="list-style-type: none"> - 1 day - 1 week - 1 week – 1 month - 1 - 6 months - 6 - 12 months - more than 1 year
0110	<p>Estimated time for access to contracts</p> <p>The drop-down box in this field captures the estimated time necessary to retrieve the following information on the contract regulating the service following a request by the JRA:</p> <ul style="list-style-type: none"> - Duration of the contract - Parties to the contract (authoring party and supplier, contact persons) and their jurisdiction - Nature of the service (i.e. short description of the nature of the transaction between the parties, including prices) - Whether the same service can be offered by any other internal/external provider (and identify potential candidates) - Jurisdiction of the contract - Department responsible of dealing with the main operations covered by the contract - Main penalties included in the contract in case of suspension or delay on the payments - Trigger for early termination and timing allowed for termination - operational support following termination - Relevance for which Critical Functions and business lines <p>One of the following values needs to be reported:</p> <ul style="list-style-type: none"> - 1 day - 1 day – 1 week - more than 1 week - no contract regulating the service

Column	Instructions
0120	<p>Governing Law</p> <p>In this field a Jersey Bank needs to report the ISO code of the country the law of which governs the contract.</p>
0130	<p>Resolution Proof Contract</p> <p>As set out in section 4.5 of this Guidance Note, Jersey Banks are required to undertake an assessment to determine that contracts are Resolution-proof i.e. the contract could be continued and transferred in resolution.</p> <p>See section 4.5 of this Guidance Note for more information on contractual arrangements.</p> <p>The Jersey Bank needs to report one of the following values using the drop-down menu in this field:</p> <p>‘Yes’ – if the contract is assessed as resolution-resilient.</p> <p>‘No’ – if the contract is not assessed as resolution-resilient.</p> <p>‘Not assessed’ – if no assessment has been made.</p>

6.7 Critical IT Systems (General information) (CIS 1)

- 6.7.1 This template applies to both Jersey Incorporated Banks and Jersey Branches of Overseas Incorporated Banks.
- 6.7.2 The template requires Jersey Banks to list all Critical IT Systems and the group entity responsible for the system.
- 6.7.3 A Critical IT System (‘CIS’) is to be understood as an IT application or software that supports a critical shared service(s), the disruption of which would present a serious impediment or prevent the performance of a Critical Function.

Column	Instructions
0010	<p>System Identification Code</p> <p>The system identification code is an acronym that clearly identifies the Critical IT System. For example, IS1, IS2 and IS3 and so on.</p> <p>This is a row identifier and needs to be unique for each row in the template.</p>
0020	<p>Name</p> <p>A Jersey Bank should provide the full name of the commercial or internal Critical IT System in this field.</p> <p>N.B. each system needs to be listed individually.</p>

Column	Instructions
0030	<p>Type</p> <p>Using the drop-down box, select the value that best describes the type of Critical IT System that has been listed in 0020 (CIS 1).</p> <p>The values to choose from are:</p> <p>‘Custom-Built Software for Business Support’ - Applications that have been developed according to detailed business specifications. It may have been developed internally or using external contractors, but always with the purpose of business support.</p> <p>‘Software Purchased As-Is’ - Applications purchased in the market, typically sold, or licensed by a vendor, that were not modified in terms of specific customizations to the organisation's business. Applications that were subjected to normal configuration mechanisms are included in this category.</p> <p>‘Software Purchased with Custom Modifications’ - Applications purchased in the market but where the vendor (or his representative) has created a specific version for the context of that installation. This particular version is characterised by changes in the application behaviour, new features or by inclusion of non-standard plug-ins developed according to the organisation's business.</p> <p>‘Application / External Portal’ - External portals or applications provided by third parties, typically partners, to access the services they offered. Normally they are outside the scope of the IT systems management of the organisation, and are installed, maintained, and managed by the partner itself. Such applications often take the form of portals (accessible via the Internet or private networks), and despite being outside the scope of the IT systems management services of the organisation, they are important (or critical) to some business functions.</p>
0040	<p>Description</p> <p>In this field a Jersey Bank should provide a full description of the main purpose of each Critical IT System they have listed in 0020 (CIS 1).</p>
0050	<p>Entity Name</p> <p>This is the entity responsible for the system i.e. responsible for the overall procurement, development, integration, modification, operation, maintenance and retirement of the system, and is a key contributor in developing system design specifications to ensure the security and user operational needs are documented, tested, and implemented.</p>
0060	<p>Code</p> <p>There is no requirement currently for a Jersey Bank to complete this field, it is to remain blank.</p>

6.8 Mapping of Critical IT Systems (CIS 2)

- 6.8.1 This template applies to both Jersey Incorporated Banks and Jersey Branches of Overseas Incorporated Banks.
- 6.8.2 The template maps the Critical IT Systems to user entities and Critical Functions.

Column	Instructions
0010	System Identification Code The system identification code as reported in column 0010 (CIS 1).
0020	Entity Name This field captures the entity that uses the system ('user'), this should be the same entity captured in the ORG. If there are several users within the Jersey Operations of the Bank, each entity (if applicable) should be reported and listed individually on a separate row.
0030	Code There is no requirement currently for a Jersey Bank to complete this field, it is to remain blank.
0040	Identifier This field captures the identifier of the Critical Shared Service as reported in 0010 (SERV) which the system supports. Number each line in a uniformed way using a unique Critical Shared Service ID for example CS1, CS2 and CS3 and so on as previously reported. The Critical Shared Service may in itself be an IT service, or another type of service which the IT system supports (for example transaction processing).
0050	Country As reported in 0080 (SERV), report in this field the country/jurisdiction where the function is critical. N.B No abbreviations should be used, and if critical to more than one country, ensure they are listed individually mapped to the same Critical Function.
0060	Function ID As previously reported in 0020 (FUNC 4), the same guidance applies to this field.