



Economy

RESPONSE PAPER

Consultation on designing a Policy and Regulatory Framework for Sustainable Finance in Jersey

JUNE 2024

CONSULTATION ON DESIGNING A POLICY AND REGULATORY FRAMEWORK FOR SUSTAINABLE FINANCE IN JERSEY

RESPONSE PAPER

BACKGROUND

On 4 March 2024, the Government of Jersey (“the **Government**”) published a [Consultation Paper](#) regarding the development of a sustainable finance policy and regulatory framework (the “**Consultation**”). The Consultation was open for eight weeks from 4 March to 26 April 2024.

The purpose of this Consultation was to gather the views of businesses and employees in the financial services (“**FS**”) sector but also the wider economy and community as to the desired level of intervention and the actions that Government and the Jersey Financial Services Commission (“**JFSC**”) should take to support industry’s ambitions in four main policy areas:

- corporate sustainability disclosures
- risk and governance considerations
- anti-greenwashing and labelling
- use of strategic enablers

The resulting policy approach to sustainable finance (the “**Policy Framework**”) should be a balanced combination of sustainable finance actions and policies that protect and promote Jersey as an international financial centre (“**IFC**”), recognising the role FS have in meeting the United Nations (“**UN**”) Sustainable Development Goals by 2030 and in supporting the global transition to [carbon net zero](#) by 2050, through the implementation of the Paris Agreement.

During the consultation period, a wide industry outreach programme was undertaken to ensure Consultation responses included as many and as diverse views as possible.

This included participating in more than 30 bilateral meetings and 15 industry working groups. The Government also organised three focused workshops with the Trusts, Investments and Funds business sectors, reaching more than 25 firms of different sizes.

Responses to this Consultation will serve as a consideration for the development of the Policy Framework. However, any views expressed in the responses are not necessarily binding to the Government following any specific policy approach.

Therefore, any internal deliberations may not only consider the statistical weight of some of the preferred options but also the merits of the individual arguments put forward or the relevance some of the respondents bear, such as organisations employing large numbers of Islanders or representative of the FS industry.

OVERVIEW OF CONSULTATION RESPONSES

In terms of responses, Questions 1 and 2 reached a consensus as the majority of respondents agreed that 1) the global emergence of sustainable finance is both a risk and an opportunity in the areas identified in the Consultation and 2) the Government needs to have a clear policy and regulatory framework for sustainable finance to remain successful as an IFC.

About Question 3, however, no majority was reached, with responses falling essentially under three categories: 1) Advanced (43%), 2) A combination of approaches (30.9%), and 3) Moderate (19%).

Also, there weren't significant variations as to the preferences expressed by each of the respondent categories. Indeed, there's a consistently low preference for Compliant (going from 0% to 10% of the total) milder support for 'Moderate' (going from 10% to 30%), and stronger support across the board for 'Advanced' and 'Combination of approaches' (going from 30 to 50%).

Perhaps the only outlier is the responses provided by the public where a majority was reached with an 'Advanced' approach (55%). More details can be found below in Question 3.

Question 4, which invited respondents to provide final thoughts, was answered by 64 participants (in the online survey) and 14 (in responses received by email) evidencing a high degree of interaction from the respondents of this consultation (i.e. 61% of all respondents).







In terms of response demographics, a total of 126 responses were received, 106 provided through the Consultation online survey and 20 by email. No responses were provided by posted letter.

When the online survey was used to respond, participants were asked to choose between six respondent categories before starting to complete the survey:

- On behalf of a FS business
- As an Employee of a FS business (but not on behalf of the business)
- On behalf of a non-FS business
- On behalf of an organisation or industry group; or
- As an interested member of the public and other (please specify)

Whilst all participants responded to all main Questions 1 to 4, not all online respondents provided additional information on all sub-sections of the Consultation Paper, with some of them skipping adding additional comments for Questions 3.1 to 3.5 below.

A respondent summary table can be found below.

Are you answering this consultation:				
Answer Choices			Response Percent	Response Total
1	On behalf of a financial services business**		23.8%	19 + 11*
2	As an employee of a financial services business (but not on behalf of the business)		41.26%	52
3	On behalf of a non-financial services business		4.76%	5 + 1
4	On behalf of an organisation or industry group		9.52%	6 + 6
5	As an interested member of the public.		19.05%	20
6	Other (please specify):		3.96%	3 + 2
			answered	105 + 20
			skipped	1

*N.B. figures **in bold** represent responses received by email.
 **N.B. If Financial Services Business includes both Financial Service Business and business registered under the Proceeds of Crime (Supervisory Bodies) Jersey Law (what are typically called SCH2 business).

FS respondents to this consultation included banks, investment businesses, fund service businesses, trust companies, law firms, accountancy or consultancy firms, and non-executive directors (included here for ease of reference).

Employees of a FS business included individuals working for trust companies, banks, consultancy firms, Jersey Finance, and funds services businesses.

Non-FS business included a local tech firm, an Australian-listed mining company, and advisory firms in the fields of regulation and sustainability.









Organisation or industry groups and other participants in this consultation included the Jersey Overseas Aid, the Jersey Funds Association, the Jersey Bankers Association, the Jersey Association of Trust Companies, the Jersey Finance Trusts Law Working Group, the Jersey Association of Sustainability Practitioners, the UK Association of Investment Companies, Rathbones Greenbank UK and the Jersey Minister for the Environment.

QUESTIONS AND RESPONSES

Question 1: What does the global emergence of sustainable finance mean for Jersey as an IFC? You may select more than one answer.

The majority of respondents concluded that the emergence of sustainable finance is both a risk and an opportunity with choices one to six all selected by more than 50% of the respondents.

Two risks that may not seem to be as strongly perceived as the rest, in the short term, these being market access and the capacity to attract new business.

Answer Choices		Response Percent	Response Total
A risk to our future market access or equivalence in key jurisdictions		61.11%	63 +14
A risk to our reputation and/or standing internationally if we fail to adapt as an IFC		75.39%	80 +15
A risk to our ability to attract new business in coming years		60.38%	64 +14
An opportunity for Jersey's finance sector to have a positive impact in supporting sustainable development goals		90.47%	98 +16
An opportunity to retain clients and enhance our attractiveness with the right credentials		80.95%	87 + 15
An opportunity to increase business with clients looking to use a sustainable IFC		88.09%	95 +16
Nothing – Jersey is not likely to be affected		1.58%	2
Other (please specify):		13.49%	17
<i>*N.B. figures in bold represent responses received by email whenever detail has been provided.</i>		answered	106 +17
		skipped	3

22 respondents (17 online, five by email) also added their own views on the additional risk/opportunities. Some of the most relevant include:

1) Risks






- that the adoption of aggressive sustainability measures may result in Jersey losing clients as all users of Jersey will accept the additional cost of compliance burden, some may go
- of Jersey becoming “blacklisted” if the EU (or other large markets) deem it necessary to link market access to sustainability, the way they do with tax or financial crime.
- of slow growth or the decline in AuM, number of structures, and existing client base, for example in the funds’ sector
- that Jersey would not be able to attract/keep the right talent to remain competitive as an IFC, more of whom seek to align their careers and employers with their values
- that the finance industry create risks for the wider economy with domestic Net Zero commitments, where Jersey’s emissions are dwarfed by the industry’s financed emissions
- to interoperability if Jersey does not adapt with others

2) Opportunities

- to reverse a period of slow decline in our IFC and to change the “narrative” around Jersey’s contribution to the global economy
- to retain existing but also attract more skilled resources in its FS industry (i.e. the younger generations)
- to increase productivity – for example by adopting innovative, tech-driven solutions to ESG challenges and upskilling our workforce as a centre of ESG expertise in our chosen markets
- to develop governance expertise by adding a sustainability dimension which will further reinforce substance and continue to dilute perceptions of Jersey’s sole unique selling point to be a low-tax IFC

Question 2: To what extent do you agree with the following statement: “In order to remain successful as an IFC, the Government of Jersey needs a clear policy and regulatory framework for sustainable finance”?

More than 90% of respondents agreed or strongly agreed that the Government of Jersey needs a clear policy and regulatory framework for sustainable finance.






Answer Choices		Response Percent	Response Total
Strongly agree		69.0%	71 + 15
Agree		24.0%	27 + 3
Neither agree nor disagree		4.0%	5
Disagree		1.6%	2
Strongly disagree		0.8%	1
<i>*N.B. figures in bold represent responses received by email whenever details have been provided.</i>		answered	106 + 18
		skipped	0

Some email respondents also added additional thoughts, some of which are summarised below.






- 1) The Policy Framework should be targeted and proportional, avoiding overcomplicating what is already a complex international sustainable regulatory landscape, striking a balance between “carrots and sticks”.
- 2) There needs to be a clear framework to provide confidence to our local industry, the wider community, and our markets.
- 3) It may be useful to consider the implementation of a regulatory framework at a later stage once the Policy Framework is in place and established. Entities will need to become acclimatised to the policy/reporting framework so a grace period before the introduction of a regulatory regime would be preferable.
- 4) Is it imperative to retain our flexibility and ease of use as a jurisdiction. Jersey needs a position that plays to its strengths, is well-marketed, and achieves regulatory substance and real-world change while maintaining a pragmatic approach to regulation.
- 5) Channelling private financial flows into relevant economic sustainable activities should be the primary objective of a sustainable finance Policy Framework. In addition, a globally aligned and flexible sustainable finance framework is essential to avoid market access issues and end up isolated.
- 6) Further progress would significantly benefit from an appropriate Policy Framework which should be necessarily broad, covering information, incentives, and regulation.

Question 3: Consider the three model approaches outlined in Figure 1 of the consultation paper – compliant, moderate and advanced. Recognising that these are simplified models, which of these three approaches best represents the approach that you believe Jersey should follow in developing a policy and regulatory framework for sustainable finance?

Participants provided a wide range of views with no option going beyond 50%. However, ‘Advance’ positions itself as the most preferred option followed by ‘A combination of approaches’ and ‘Moderate’. ‘Compliant’ remains an approach that is preferred only by a minority (i.e. less than 10%) of respondents.

Answer Choices		Response Percentage	Response Total
Compliant		5.5%	7
Moderate		19%	22 +2
Advanced		43%	48 +7
A combination of approaches		30.9%	28 +11
None of the above / don't know		0.94%	1
<i>*N.B. figures in bold represent responses received by email.</i>		Answered	106 +20
		skipped	0

It may be useful to provide more details as to the specific preferences within the different respondent categories to identify any similarities or differences.

Answer Choices		FS Business	FS employee	Non-FS Business	Organisation & Others	Public
Compliant		10.3%	3.8%	0%	0%	10%
Moderate		13.7%	23%	33%	30%	15%
Advanced		37.9%	42.30%	33%	30%	55%
A combination of approaches		37.9%	30.76%	33%	40%	15%
None of the above /don't know		0%	0%	0%	0%	0.5%

Question 3.1: If you selected “compliant” in question 3: Are there any aspects of this approach as described in Figure 2 that you disagree with? Are there any specific examples of legal, policy and regulatory measures you would expect the Government and/or the JFSC to adopt?

Respondents selecting ‘Compliant’ are cautious about the immediate benefits of regulation, expressing concern that in the past some “proposals we have been too quick to respond or too reactive which has caused a disproportionate amount of work for the finance industry with no clear benefits.”

This argument is further expanded by respondents when stating that, for sustainability disclosures, “there may be some locally based institutions for which such reporting would be overly onerous and would not enhance sustainability objectives.”

Another respondent insists that in the context of sustainable finance, “global standards are moving at such a pace that it is difficult to envisage a small jurisdiction being anything other than a “fast follower”.”

There seems to be a consensus in this group around the fact that there are divergent rules and that “until there is market consensus, if we accelerate, we may find that we are going down the wrong path and find it hard to retrace our steps.”

Question 3.2: If you selected “moderate” in Question 3: Are there any aspects of this approach as described in Figure 2 that you disagree with? Are there any specific examples of legal, policy and regulatory measures you would expect the Government and/or the JFSC to adopt?

Respondents selecting ‘Moderate’ provided views on different topics, as follows:

1) Cost of regulation

As in Compliant, respondents raised the need to have a targeted approach to regulation and that “given the amount of regulation thrust upon the industry recently [...] any amendments should be minimal and be targeted towards the businesses that can make the difference, i.e. the banks, administrators and trust companies as opposed to structures they administer.”

2) Leading by example

Respondents also mentioned that the Government and the JFSC should be operating “at an Advanced level, even if they set Industries targets pragmatically [...] to appreciate the complexity and burden this will create”.

3) Market Access and Labelling

Respondents noted that we need to *“follow international regulation to not risk falling behind”* otherwise Jersey could be *“ending up as a jurisdiction of “dirty” assets”*.

Other respondents highlighted the need to ensure we do not lose market access *“purely because we don’t have a policy in place”* or that *“whatever is adopted, it needs to enable funds to apply international standards (such as arts. 8 and 9), to enable full market access”*.

A respondent representative of the funds’ industry is of the view that *“we propose broadly adopting the SDR labels and ensure we can offer structures which are Articles 8 and 9 compliant”*. This respondent believes that Jersey should *“apply to the UK FCA to allow Jersey to use the same labels/names as the UK”*.

There seems to be a consensus within this group therefore that Jersey must follow international standards.

4) Alignment to Net Zero

A couple of respondents also picked on net zero commitments (which featured in the consultation as “advance”) noting that *“net zero commitment as an IFC shouldn’t be an advance measure, it should be a compliant measure with a realistic timeline.”*

5) Incentives

Various comments have been made around incentives and the need to *“ensure that we have the training opportunities required to service these structures etc”* or that *“Jersey would need to invest in promotion and training”* or that *“government needs to ensure that sustainability considerations, together with potential risks and opportunities, are understood at every level, not just by specialists”*.

Question 3.3: If you selected **“advanced”** in Question 3: Are there any aspects of this approach as described in Figure 2 that you disagree with? Are there any specific examples of legal, policy and regulatory measures you would expect the Government and/or the JFSC to adopt?

Respondents selecting ‘Advance’ touched on similar topics raised in Question 3.2, albeit expressing a different perspective at times.

1) Cost of regulation and pace of change

Respondents believe that *“we cannot simply sit on our existing rules and expect ourselves to be compliant. Global expectations will continue to move forward and we cannot be seen to be laggards”*. Whilst it is acknowledged that *“initial costs to do so at this stage may be high, ultimately it will end up costing the same overall in the long term - by then, the damage may already be done”*.

Respondents keep noting that with an increasing number of standards and regulations expected in this field, it may be better for Jersey to be ahead of the game. Indeed, in this fast-moving environment, respondents believe it is necessary to *“be as advanced as possible to start taking advantage of the opportunities and minimising the risks”*.

Other respondents also believe that because of this pace of change, we need to *“make sure we are dynamic and flexible and can incorporate new and other aspects as and when they appear”*.

2) Jersey as a leading sustainable IFC

A respondent provided Sustainable Finance growth forecasts to justify that, as a jurisdiction of choice, Jersey needs to *“diversify and attract new business and skills to the Island [...] to securing*

the long-term economic future of Jersey'. That is because *"sustainable and well-regulated assets will domicile in areas where a dynamic and strong regulatory regime exists, where managers can be confident their assets reside in a robust space and investors have a choice."*

Overall respondents believe that meeting advanced regulatory standards and becoming a leader in the sector will ensure Jersey remains competitive in the longer term, as *"climate change and other issues are the greatest of our time"*.

Some respondents believe that leadership in this field would not only promote inward investment but also enable Jersey to diversify *"across other industries: energy transition, green energy, green farming, and technology..."*.

As in 1) above, respondents seem to be aware that all this has a cost in the short term but believe *"bravery to do this would likely reap rewards in the longer term"* with some comments indicating that the only way to minimise the cost of doing business is by falling behind global standards and therefore becoming uncompetitive.

3) TCFD, ISSB, TNFD, and labelling regimes

Many respondents confirmed that adoption of TNFD/ISSB is necessary *"to align any regulatory and legal frameworks to globally accepted standards"*. Some respondents argue that this alignment will enable investors to have comparable information when making decisions.

Several respondents recognise ISSB may need to be *"phased-in"*, using *"thresholds and timelines"* or allow for a *"comply or explain"* approach on certain aspects over the initial years to allow adjustment. Two respondents also linked ISSB S2 (climate risk) to the benefits of reporting on scope 3/ financed emissions, this being how Jersey can make a real impact.

Some respondents highlighted the need for Jersey to commit now or at least consider adoption the of TNFD (disclosures standards on nature) in the future, as *"the allocation of our capital is our impact"* and on the basis it will likely be widely adopted by 2030.

The idea that Jersey needs to align itself with incoming regulations coming from the EU and others is recurrent in responses with one respondent cautioning that against Luxembourg, Ireland, or the UK (all with more advanced labelling regimes) Jersey *"risks becoming a 'stranded' Island"*.

An important number of respondents highlighted the opportunity to use the UK approach to labels by adopting or aligning ourselves with SRD for being *"much simpler and ensure end investors (retail/private) understand"*.

4) The role of the JFSC

Direct references to the role of the JFSC were also made, in the need to develop their Codes of Practice to embed *"1) obligations to consider sustainability-related risks, 2) knowledge and qualifications within regulated financial services businesses and boards when it comes to ESG and 3) general anti-greenwashing rules that match the UK SDR regime."*

Linked to skills, some respondents believe the JFSC should introduce *"mandatory minimum ESG-specific CPD hours for all employees of regulated businesses."*

Other respondents highlighted the need for mandatory sustainable data reporting to the JFSC.

5) Incentives, Data, Skills, Directors and Trustees

Respondents believe more incentives are needed to attract new business, and that whilst they do not need to be particularly big, incentives have the potential to *"differentiate ourselves from competitors"*.

Skills are also a recurrent topic, with some believing the lack of skills is “concerning”. Other respondents also shared examples of Irish scheme and Luxembourgish schemes to upskill and promote the growth of a green finance ecosystem as examples Jersey could follow to alleviate the cost of doing business.

On skills, respondents believe there must be mandatory skills requirements for “all financial services businesses, boards, trustees and directors is essential and a priority to have the basis for credibility”.

Respondents believe incentives should include grants, either for “for companies to relocate impact funds to Jersey” or “to comply with green listing criteria”.

A respondent believes changing the trust law “to protect trustees would make the finance industry bolder with their sustainable and impact investing”. Others whilst not advocating for a law change, still believe the trust industry “is sorely lacking clear guidance/legislation on how to effect sustainable investments”.

Other respondents also believe this should not only cover trustees but also director’s duties.

Question 3.4: If you selected “a combination of approaches” in Question 3: Which elements of each approach do you consider represent the right approach for Jersey?

Respondents took diverse approaches to respond to this question, from tackling specific topics of interest for them to sharing their particular preferences as to their level of ambition.

Indeed, in total, 12 respondents provided their specific ambition levels for each of the four policy areas consulted.

Policy areas	Compliant	Moderate	Advanced
Sustainability disclosures	16,6%	50%	33.3%
Risk & Governance	16,6%	58,3%	25%
Labelling and Anti-greenwashing	8.3%	41.6%	50%
Strategic enablers	0%	50%	50%

It is apparent that preferences are around a combination of moderate and advanced approaches with little preference for compliant approaches.

In terms of specific topics, below is a summary of some of the main points:

1) Approach to policy-making

Some respondents believe Jersey should look at easy wins to gain traction and ensure “a baseline policy can be implemented in a short period for minimising the reputational risk of being characterized as a slow adopter.”

Other respondents believe “it is unlikely that finance can use the fast follower approach which we have done in regulation over the last couple of decades and a more dynamic approach is required”.

Flexibility in developing a Policy Framework is referred to as required to allow those who are ready to go forward “without deterring those that do not want to / are not ready to just yet”.

Four respondents coincided in that their strategic preference is to start with a Moderate approach (i.e. “for 3 years/ short-medium term”) and then move to an Advanced approach (either holistically or in those areas where it may be beneficial).

2) Net zero

Making commitments to Net Zero is referenced at least by four respondents in this section some highlighting that net zero commitment in this Consultation should be placed in “moderate” not advanced.

3) Anti-greenwashing and Labelling regimes

There is a consensus that the expansion of anti-greenwashing rules is needed but should be “a straightforward rule to introduce”.

However, there seem to be more diverse opinions on labels, with some respondents expressing the need for a labelling framework ‘urgently’ whereas others prefer a “formal recognition of existing internationally recognized product labels (UK SDR/EU SFDR) without creating a new/Jersey specific labelling regime.”

Some of the supporters of ‘advance’ in risk and governance (for example in anti-greenwashing measures) argue that this is to reduce the reputational risks associated with these bad practices and “to ensure that confidence and integrity was maintained”.

4) Incentives

A respondent also highlighted that the only way to mitigate the cost of doing business is through “increasing the efficiency of the jurisdiction by considerably greater take-up of technology across both the regulator, industry and government, from technology on KYC through to reporting, etc”.

Not only technology but the need for skills is also required as “we are woefully behind on upskilling and training. Given increased PE ownership this means it is more incumbent on GoJ to fund this upskilling”.

Another respondent also expressed the view that the Consultation is not ambitious enough on incentives. The respondent expresses the need for “bold to attract new funds, new forms of finance, new capital mechanisms, and new skills. These should be both financial and non-financial”.

Question 3.5: If you selected “None of the above/don’t know” in Question 2, please explain your response. You may select more than one response and provide comments in free text.

Only one person (a member of the public) chose this option in the consultation expressing that “the difference Jersey will make will be less than negligible”.

Question 4: Are there any areas of sustainable finance not covered by this consultation that you would like to see addressed by the Government in any subsequent policy development? Please detail any approaches taken in other jurisdictions that you consider to be relevant to Jersey.

The purpose of this final question was to enable respondents to provide additional thoughts or comments deemed necessary. We received 78 comments in total. Due to the large number of responses, a range of structured quotes illustrating the sense of the responses can be found below.

1) Jersey as a leading sustainable finance IFC

“We have an opportunity as an IFC and should think big to differentiate.”

“Please be ambitious, brave, and have courage. Jersey markets itself as being extremely well regulated, but we are sorely lacking in the SF space of regulations.”

“In the 1990s, Jersey aligned to global standards [...] In the short term, some business was lost, but this decision ensured the long-term future of the Island as a leading jurisdiction. A similar decision must be taken now, this time with less risk and lots of opportunity attached to ‘doing the right thing.’”

“In the long term, I envisage sustainability issues will ultimately become regulated, monitored, and risk-rated to a similar extent as AML issues. It is a question of how quickly Jersey wants to reach that position and whether it wants to let other jurisdictions master this first.”

2) Strategic considerations

“Sustainable finance cannot operate as a silo; it needs to be considered alongside the broader initiatives both the finance industry and the wider island are embarking on.”

“Overall, I think there is a tendency to view sustainable finance through a risk lens and not as an opportunity.”

“We either aim to be the leading sustainable international finance centre - or we do not. If we do decide to become world-leading, we must commit to it at all levels - including the Government, the JFSC, and all related parties (including locally regulated businesses).”

“Jersey as an Island has an affinity to the ocean and should build more on this.”

3) Approach to Policy and Regulatory Framework

“Sustainable finance policy is still in its infancy [...] transition requires time and so changing from condition to another needs to be appropriately sequenced.”

“The roll-out of a policy and regulatory framework should be proportionate and phased. We should recognise that the Island is a conduit to international markets where there may be a lack of consistency in approach to Sustainable Finance.”

“We need a framework that is initially light touch and financially supported, with clear timelines to deliver sustainable impact targets, with consideration as to [...] whether this would fall on the JFSC as a thematic review to sense check compliance.”

“We need [...] a strong Government-led sustainable finance vision backed by a clear roadmap that connects up the different parts of the ecosystem (including digital, the local economy and transition, etc.).”

4) Potential implications for businesses

“We would urge the Government and the JFSC to each adopt a cautious approach to introducing new legislation. Global standards are moving very quickly and are not yet aligned. It would be detrimental to Jersey's position if another layer of obligations were created for global businesses.”

“Need to consider how to bring the majority of the industry alongside in support of any new initiatives. Otherwise, they will fail.”

“Burdensome regulation will deter potential investment and negatively impact local businesses, but inaction will have a longer-term negative impact on the island.”

“This is the right way for Jersey to go [...] We do need to ensure that any new requirements are thought through to ensure that we don't put an immediate burden on companies to become immediately compliant or face sanctions.”

5) On Incentives

“We do not believe regulation alone will be sufficient to retain clients, shift the allocation of capital and secure our place [...] a budget should be allocated to strategic incentives, coordinated through a sustainable finance hub.”

“Unless an enabling environment, with the right level of incentives, opportunity, and risk is created, the market will not concentrate on this area.”

“Other jurisdictions have moved quickly on this agenda but we have not missed the boat. The size of this opportunity is enormous and there are multiple niches still to be explored. Incentives, [...], could be used to attract unique financing solutions to combat global systemic issues”.

“Having some kind of incentive to encourage the establishment of sustainable funds. It would be worth considering whether the Government could institute a fund that will act as a “seed investor” into a fund with a sustainability objective.”

6) On Education

“Even more education around the topic is needed for more and more employees within firms. We can do better by educating.”

“Education across the industry, in schools/higher education, as well as across non-finance industries so that islanders at large are aware of the risks of non/slow compliance/uptake, and the opportunities that exist as well”.

“I feel regulation is only one part of the solution, (using the stick), there should also be an element of the Carrot, i.e. educating people on the benefits of adopting these measures, not just for the greater good, but for the potential for increased revenue opportunity”.

“Initial investment into education will be key to get existing board members up to speed and understanding how this impacts their duties [...] Mandatory ESG-specific CPD for all staff and a minimum competency level for directors to be maintained in this field will drive this also.”

7) On Data

“Green goes hand in hand with digital. [...] This is indeed a green digital transition. We can only meet our goal [...] if we deploy digital technologies such as AI, machine learning, blockchain, big data and IoT.”

“Refresh and broaden the studies on Jersey's contribution to UK and European economies [...] this would require investing in developing a process for collecting the necessary data and processing to provide the required information.”

“The government needs to engage specialists who can mine data and come up with some statistics of how many funds in Jersey have elements of sustainable practices.”

“Need to be mindful of data considerations before setting out any particular disclosure requirements and the development of relevant, reliable and accessible ESG data and technology solutions.”

8) Punitive or restrictive proposals

“If we really wish to be a player within the corporate service provider space then walk away from offering structures holding mining, chemicals, heavy industrial business companies, gambling, etc. make a stand and be willing to lose that revenue line.”

“Carbon taxing on companies with a large footprint.”

“The consultation should consider limiting the involvement of Jersey businesses in certain types of activity which could impact the reputation of the island as a financial centre.”

CONCLUSION

This response paper gathers a substantial amount of input provided by the FS industry and citizens of Jersey.

With 126 participants from across sectors and positions, the feedback provides a useful indication of the current position, and will be helpful in developing Government policy, regulatory development, and business decision-making.

Regardless of whether preferences expressed are more compliant or advanced, the issues described highlight the realities that respondents experience and their aspirations for Jersey. From the responses received, three pillars emerge for the Government to consider more closely:

- 1) Sustainability Disclosures and Data;
- 2) Risk and Governance; and
- 3) Incentives and Skills.

We sincerely thank everyone who has participated, either by attending our workshops, allocating time for us in their industry working group meetings, or speaking to clients and the wider public about the relevance of this consultation.

NEXT STEPS

The Government is preparing an action plan which will provide details of the Sustainable Finance Policy Framework. Our ambition is to provide further details on the action plan in Q4 2024.

We recognise a key pre-condition for a successful Policy Framework is the industry’s support and involvement. We will therefore continue to engage and work with all stakeholders as Jersey’s develops its Sustainable Finance Policy Framework.

-END-