

Sound Business Policy - Our Guide To What We Do

Recent years has seen the environment in which Fiduchi operates changing apace driven by a number of external macro factors. At Fiduchi we have established a sound business policy that sets out our Ethical business statement and Acceptable business risk appetite.

Fiduchi's Ethics Statement

Fiduchi will not provide services to any individuals, or groups of individuals, or corporate or legal body or person, unless:

- We fully understand the business needs of the structure;
- The client is referred from an approved or well-known source or specifically approved by the Board;
- We possess the resources and technical competence to provide the services we do as a regulated trust and company service provider;
- Having taken into account the risks of money laundering, we are satisfied that funds introduced have not been derived from criminal activity;
- We will not accept clients where there is any reticence to provide appropriate due diligence without good reason, or if there is any doubt over the integrity and accuracy of the due diligence provided. In particular where there is no transparency in ownership or to which the relevant AML / CFT KYC cannot be applied – this includes structures with Bearer shares.
- We will always consider the requirements of the Sound Business Policy as issued by the Jersey Financial Services Commission (and as amended from time to time) in considering any new or existing business relationships.

Fiduchi's Risk Appetite

Fiduchi will not conduct business with parties where it knows or suspects that the arrangements facilitate money laundering. Fiduchi will seek to exit a relationship if such activity is detected in an existing relationship and will refuse to take on new business in such circumstances as set out below:

- We have a zero tolerance for working with clients involved in any criminal activity, including breaching anti-terrorist legislation.
- We will not deal with any person who is subject to an embargo, by reason of their country of residence or nationality, or because they appear on any list of persons included in any EU, UK or wider international or local sanctions.
- We will not assist with any activity that is illegal under the laws of the place of incorporation or establishment of the entity or which may damage the good reputation of Fiduchi or the wider Baker Tilly International network.
- We will not deal with any person or entity where an unsatisfactory method of control or monitoring by Fiduchi is proposed.
- We do not act for clients with a link to the USA, unless a reputable firm of accountants or lawyers oversees all activities and takes responsibility for the associated reporting obligations.
- We provide limited services including registered office only, only in those situations where we have fully identified the risks and can put in place measures to mitigate those risks.
- We will generally be very cautious about accepting a new client in a high risk jurisdiction and will only accept a client where appropriate structuring advice (legal and / or tax) will be provided at the outset and on an ongoing basis from a suitably or internationally recognised firm of accountants or lawyers.
- We do not administer structures established as a tax avoidance mechanism and commercially marketed as such, or any structure that relies on non-disclosure or any step where the economic consequences are inconsistent with the form of the transaction.
- We will not consider schemes which promote tax avoidance, which whilst they may be legal, are considered to be aggressive or designed to circumvent the spirit and intention of the law.
- Fiduchi does not provide tax advice in any form.

Prohibited Customer types and activities

Unacceptable Types	High Risk Types
Undischarged bankrupt	Any Customer relationship where the fees to Fiduchi from the services provided are greater than or equal to 10% or more of Fiduchi's revenue
Disqualified Directors in any jurisdiction	
Any person who has been convicted of any criminal offence involving fraud or dishonesty	
Any customer with a relevant connection to a country or territory for which a Financial Action Task Force (FATF) call for action applies (detailed in the Jersey Financial Services Commission's Handbook). Relevant connection means a residential / business address, registered office, entity is incorporated there, is managed or controlled there, the source of funds are derived from there or a material part of the Customer's source of wealth is derived from activity there	
Biological matter or nuclear material	Complex trading activities
Genetic material	Trading activities involving High risk jurisdictions
Pornography	Financial services business involving soliciting of funds from the public, or offering investment advice to the public, brokerage or management of third party investments or operation and administration of collective investment schemes
Civilian arms manufacture, sales, technology, training or dealing	Holidays or travel
Animal testing or live experimentation	E-commerce
Fur trade	US related
Any suspicion of abuse of human rights, e.g. child labour/ oppression	Trading Companies
Unconventional or internet gambling providers	Jersey Private Fund Regime
Aggressive tax avoidance or Schemes which are considered fiscally aggressive or not within spirit the law intended	Business with direct public involvement
Distribution of weapons or involvement in arms dealing	Limited services including registered office
Tax evasion	
Exchange control evasion	
Where the identity of the client and / beneficiary or intermediary / introducer is hidden	
Business aimed at defeating the rights of creditors or third parties	
Sanctions busting	
Commissions or bribery (other than where there is a trade norm and where there is a proper contract)	
Bearer shares	
Couriers	
Jewellers / Gem dealers	
Antique dealers	
Car dealers, including selling of auto parts	
Sellers of leather goods	
Mail Order	
Import / Export	
Complex structures that would require the allocation of resources and expertise that Fiduchi does not have but can access on a commercial basis	
Any business on the IMF List of unacceptable business	

Relevant legislation regarding sensitive activities

The Jersey Financial Services Commission (the “Commission”) has issued its Sound Business Practice Policy, which sets out those activities which are considered sensitive. Whilst the list is not exhaustive, the tables are replicated below.

- **Table 1** sets out those activities that are subject to oversight by the Commission for one or more of supervision of financial soundness, conduct of business and compliance with requirements relating to anti-money laundering and countering the financing of terrorism, and as a result fall within the scope of this Policy.
- **Table 2** sets out those activities not within the regulatory oversight of the Commission but are considered to likely pose a potential reputational risk to Jersey.

For the avoidance of doubt, the tables apply:

- to e-commerce related activities; and
- whether the activity is to be carried out in Jersey or elsewhere by a Jersey incorporated/registered person, or by a person that is administered by a Jersey registered person.

Where an application for consent is being made to the Commission for one of the activities set out below, additional information may be required to support your final application. The Commission reserves the right to deem activities that do not appear in the Tables as potentially posing a risk to the reputation of Jersey. Where an activity is deemed to pose a risk, the consequence will most likely be as set out in the paragraph above.

Table 1 – Registered, Authorised, and/or Supervised Activities

Activity	Description
1.	Any financial service business as defined in Article 2(1) of the Financial Services (Jersey) Law 1998, namely: (a) AIF services business; (b) fund services business; (c) general insurance mediation business; (d) investment business; (e) money service business; and (f) trust company business.
2.	Any of the following within the meaning of the Collective Investment Funds (Jersey) Law 1988: (a) the business of being a functionary; (b) the business of a recognized fund; and (c) the business of an unclassified fund.
3.	Any deposit taking business as defined in Article 1 of the Banking Business (Jersey) Law 1991.
4.	Any long-term business as defined in Article 1(1) of the Insurance Business (Jersey) Law 1996.
5.	Any of the following within the meaning of the Alternative investment Funds (Jersey) Regulations 2012: (a) the business of an alternative investment fund; and (b) the business of being an AIF prescribed service provider.
6.	Any activity outlined in Part B of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999 - including lawyers, accountants, casinos (including internet casinos) and unregulated funds.
7.	Any non-profit organization as defined in Article 1 and which is obliged to register in accordance with Article 4 of the Non-Profit Organizations (Jersey) Law 2008.

Table 2 – Activities That Pose A Potential Risk To The Reputation Of The Island And Are Not Within The Scope Of Table 1

Activity	Description
1.	Trading activities which include the provision of goods or services that require payment in advance, where such goods or services are not subject to consumer protection or pose a risk of fraud. Examples include, but are not limited to: (a) (b) (c) (d) travel agents which are not ‘bonded’; container leasing; sale or leasing of overseas property development; and time share activities.

Continued overleaf...

Activity	Description
2.	In respect of arms, weapons, ammunitions, countermeasures or other military or defence equipment, goods, technology, and personnel (as applicable) involvement, directly or indirectly, in one or more of the following: (a) manufacture; (b) maintenance; (c) sale; (d) supply; (e) delivery; (f) transfer; (g) purchase; (h) importation; (i) exportation; (j) transportation; (k) financing or financial assistance; (l) use of; (m) provision of brokering services; or (n) training or technical assistance.
3.	Manufacture, marketing or sale of pharmaceutical goods or devices which are not licensed or have not received marketing authorisation in the jurisdiction where they are manufactured, marketed, sold or supplied.
4.	Conduct of scientific research.
5.	Involvement, directly or indirectly, in the exportation or importation of goods or technology, which would require an authorisation or licence under Jersey 'dual- use' legislation.
6.	Investment in or purchase of 'debt' as defined in the Debt Relief (Developing Countries) (Jersey) Law 2013.
7.	Involvement, directly or indirectly, in mining, drilling or quarrying for natural resources.
8.	Involvement, directly or indirectly, in initial coin offerings or crypto exchanges or providing other services relating to cryptocurrencies.
9.	The sale or facilitation of sale of citizenship / citizenship by investment (which includes the administration associated with citizenship and/or arranging for citizenship).



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Fiduchi Limited is regulated by the Jersey Financial Services Commission.