

Adopting innovative technology – Jersey Outsourcing Policy considerations

The Jersey Financial Services Commission is about to close their consultation paper on Proposals for a Revised Outsourcing Policy. Have you looked at the proposed changes and do they work for you?

As a Supervised Person, you may be wondering whether these even apply to you. We created a checklist for you to consider:

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1. Are you asking a service provider to perform an activity that you would normally perform yourself (an “Outsourced Activity”)
2. Is the activity you wish to outsource part of the business you conduct which is regulated (a “Regulated Activity”)
3. Is the outsourcing to the Service Provider such that if they failed to perform, it would materially prevent, disrupt or impact on your ability to comply with your Regulated Act Activities (an “Outsourcing” subject to the Outsourcing Policy)
4. Is there an exemption from the Outsourcing Policy
 - a. Failure to provide the service would not have a material impact
 - b. It’s not a Regulated Activity (you may provide services outside of the Regulated Activities)
 - c. It fits within one of the specified exemptions of 2.2.3 of the draft Outsourcing Policy
 - i. Extended definition of Telecommunication Services
 - ii. Extended definition of Cloud Services

As a Service Provider, you may want to consider whether the policy will apply to you. Assuming you don’t fit into one of the specific exemptions in 2.2.3 of the Policy, the key is whether the service you provide is material to the regulated activities of the business to whom you provide those services.

What are your thoughts? This is your opportunity to provide feedback on “Consultation on Revisions to the Outsourcing Policy”. Comments are due by 31st August 2022, so if you haven’t submitted yours yet, there is still time. Jersey Finance is coordinating an industry response, so if you prefer to be part of the industry response, email Joanna McAviney Joanna.McAviney@jerseyfinance.je who is coordinating the response.