



Legal and Technical Projects and Priorities

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Vision 2050 - Pillars

Talent

Become a talent magnet

Jersey will be a talent magnet attracting from outside and within skilled future generations essential for its success as a global finance hub. We will put people at the heart of our strategy; retain, attract and close gaps. where the next generation choose to live, work and thrive

Toolkit

Keep proposition fresh and relevant

Jersey will deliver products and services that address market and societal needs, keeping the proposition fresh and relevant. This will include evolving current regulation and legislation and innovating in new areas.

Technology

Leverage tech as a force multiplier

Jersey will have a technology-enabled global finance industry, utilising best-in-class digital infrastructure to deliver exceptional client service in a safe and secure way. We will embrace technology to create ideas that reduce the cost of doing business, increase process efficiency and workforce capacity.

Together

Inspire Jersey to embrace its finance industry

Jersey's reputation will be unquestioned by those we want as clients and users of our industry, as well as our home community who will feel proud of Jersey's status as a global IFC and appreciate its benefits in the local economy.

Technical Workstreams at a Glance

- Schedule 2 working group
- JPF working group
- AIFMD II working group
- LLC use cases working group
- SBPP
- Companies Law working group
- Trusts Law working group
- CoBO working group





Schedule 2

Current Status:

- A working group launched to review Schedule 2 guidance
- Focus on ensuring proportional application across business models.

What to expect:

- Revised guidance aligned with international standards
- Enhanced clarity around reporting obligations and customer due diligence
- JFSC will collaborate with industry to co-design improvements.

Schedule 2

Key dates and activities

- The Proceeds of Crime (Low Risk Financial Services Business) (Jersey) Amendment Order 2025 was made on 2 September and came into force on 3 September.
- A schedule 2 trusts communication was issued to AMLSPs by the JFSC to clarify that trusts themselves are not required to be registered with the JFSC under the POC Law. Trustees remain in scope and where a trustee is acting in or from within Jersey and its Schedule 2 activities are conducted as a business, it must be registered with the JFSC. For trusts that were registered, JFSC fees will be refunded.
- As part of the ongoing review of Schedule 2, a consultation paper on proposed changes to the guidelines on interpretation of Article 36 of the Proceeds of Crime (Jersey) Law 1999 is anticipated later in **Q4 2025**.





Jersey Private Funds

Current Status

- Removal of the 50 offer/investor cap
- 24-hour authorisation
- Broader definition of professional investor
- Listing may be permitted

What to expect

- Since its launch in 2017, the JPF has become Jersey's fastest-growing fund category, particularly well-suited to private equity, venture capital and real asset strategies.
- As private capital continues to evolve globally, these updates have further increased Jersey's appeal.
- Jersey is supporting innovation and responding to specific market needs for scalability, speed to market and optionality.

Key date and activities

- New JPF regime effective from 6 August 2025

AIFMD II – What it Means For Jersey

Background

- The revised **EU AIFMD II directive** introduces targeted changes around delegation, liquidity risk management, data reporting, and depositary regimes.
- Jersey's position is to maintain equivalence **for market access**, but without introducing unnecessary burdens.

Jersey's Approach

- No legislative change required – transposition via revised AIF Code(s).
- Focus on **proportionate regulation** and maintaining access via NPPR and the passport when it becomes available to third countries
- Alignment with **UK developments** to ensure global market relevance.





AIFMD II Working Group

Key date and activities

- **Jan – Dec 2025** - Monthly Working Group (WG) meetings coordinated by JFSC.
- **June – September 2025** - WG review of draft EU AIF Code changes.
- **October 2025** – Publication of a public consultation paper.
- **Q1 2026** - Industry outreach and training.
- **April 2026** - AIFMD II comes into force in the EU.

LLC Use Cases– What it Means For Jersey

Background

- The Limited Liability Company (LLC) framework in Jersey was created by the Limited Liability Companies (Jersey) Law 2018
- The framework was modelled on the well-established Delaware LLC Act and the Cayman LLCs, combining the limited liability of a company with the flexibility of a partnership.
- The primary goal was to enhance Jersey's financial services offering by providing a flexible and familiar vehicle for structuring investments, particularly for US investors.

Jersey's Approach

- Jersey Finance worked closely with the JFSC and LLC working group on the initiative to widen the regulatory use cases for LLCs
- JFSC supportive of many of the regulatory policy changes recommended by the working group





LLC Use Cases

Key date and activities

- Jersey Finance worked closely with the JFSC and LLC working group on this initiative
- JFSC supportive of many of the regulatory policy changes recommended by the working group
- Subject to the use of LLCs as corporate trustees with States approval for the amendments to the Trusts (Jersey) Law 1984 aimed at correcting ambiguity as to LLCs acting as trustees there will be a consultation in 2026 on the revised regulatory guidance



Repeal of the Control of Borrowing Framework

Tim Hart
Consultant

Introduction

- Proposed repeal of Control of Borrowing Framework
- Control of Borrowing (Jersey) Law 1947 and the Control of Borrowing (Jersey) Order 1958
- Government competitiveness programme – Workstream 2 - quick impact, on-island improvements to the business and regulatory environment
- Consultation paper published on 11 July, closed on 30 September





What is the COB Framework?

- Mid-20th Century legislation – evolved to become mechanism with broad powers to monitor all capital raising activity
- Gatekeeping tool - JFSC has power to grant or refuse COBO Consent across broad range of transactions
- Complex interrelationship with multiple other pieces of legislation
- Link with Sound Business Practice Policy (SBPP).

What is the Problem?

- Evolution of Jersey's legal and regulatory framework
- Anti-financial crime, conduct of business, prudential, taxation, economic substance requirements, controls within product laws
- COB overlaps with Jersey's modern legal and regulatory framework and doesn't reflect modern best practice
- Remove unnecessary grit in regulatory system to enhance ease of doing business.





Consultation proposals

- Repeal whole of COB Framework
- Embed JFSC's powers to refuse applications to incorporate/establish companies and other entities on reasonable grounds in product laws
- Existing COB controls (issue of shares/ownership interests, issue of other securities, circulation of prospectuses) to fall away
- Existing COBO consents to become redundant
- SBPP to be streamlined or potentially removed
- New regimes for Jersey Private Funds (and other legacy private funds) and digital issuers.

Culture Change

- Change to be cultural not just legal
- Removal of comfort for applicants of JFSC transactional pre-clearance/ condition-setting
- Maturing of practice in line with international best practice
- Burden of compliance on applicant, burden of enforcement on regulator





Prospectuses

Control through COBO of circulation of prospectuses in and from within Jersey

Repeal proposed as:

- overlaps and conflicts with product and regulatory laws
- offers no investor protection standards, disclosure thresholds, or enforcement tools
- not aligned with international norms
- friction for legitimate capital markets activity

Local market

**Entities not administered by regulated sector
approx. 20% of active entities**

**Potential perception of reduced oversight but other
controls remain:**

- regulatory laws
- Financial Services (Disclosure and Provision of Information (Jersey) Law 2020
- Registry Supervision inspections
- AML and sanctions legislation



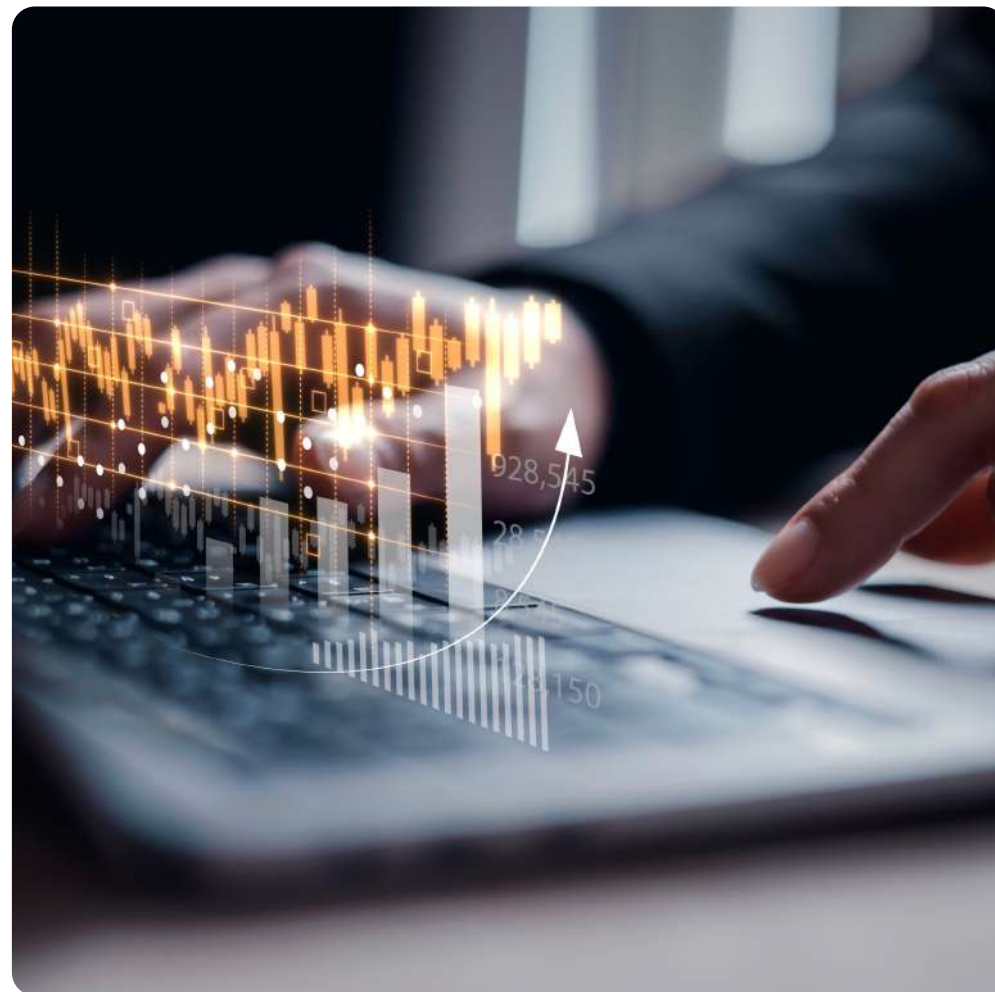


COBO Consent as Regulatory Gateway

- COBO consent as a condition for application of regulatory exemptions
- Financial Services (Investment Business (Restricted Investment Business – Exemption)) (Jersey) Order 2001 (“PIRS Order”)
- Exempts from registration under Financial Services (Jersey) Law 1998 (“FSJ Law”) a wide range of entities and their functionaries - used extensively in various sectors
- Not full exemption from the FSJ Law
- Consultation paper proposes retention of current partial exemptions but without COBO consent

Jersey Private Funds/Legacy Funds

- Current regime - JPF Guide with COB Framework as statutory anchor
- CP suggests new class of business (Private Fund Services Business) under FSJ Law
- Importance of regulatory approval/badge for the product
- Potential other approaches



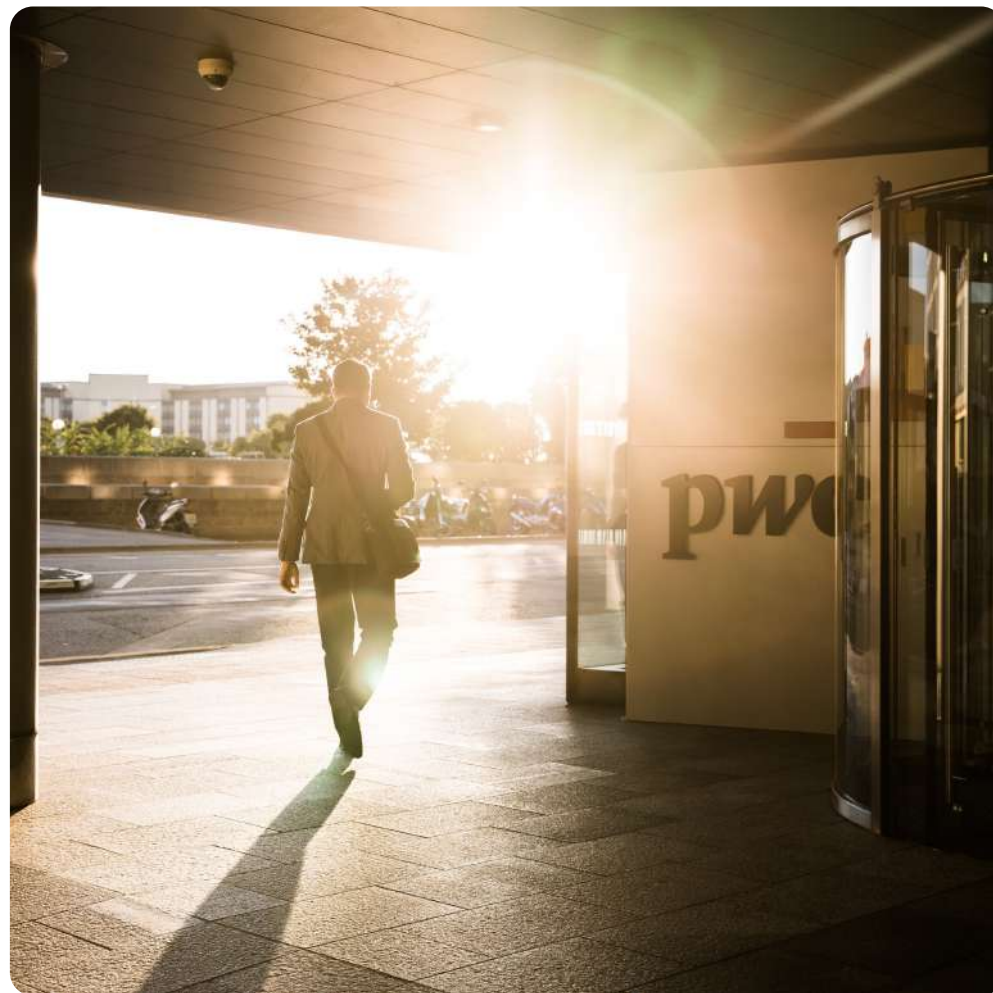


Digital Assets

- Initial Coin and Token Offerings (ICTO), Tokenised Real World Assets (TRWA)
- Issuers granted COBO Consent with bespoke COBO conditions – JFSC guidance
- Jersey open for business in fast-moving digital asset space – premature to develop fully functioning regime
- CP suggests targeted amendments to codes of practice issued under the FSJ Law for service providers to digital issuers
- Potential other approaches

Next Steps

- Consultation closed on 30 September
- Refining policy approach in light of feedback - law drafting
- CP sets out indicative timeline – lengthy transitional period
- Extensive changes to JFSC processes and industry adaptation
- Formal consultation on JFSC codes of practice at appropriate stage
- Ongoing industry engagement





Case Law Update 2025

Sally Edwards
Legal and Technical
Manager

Case Law Update (1)

- **In the matter of Restore Builders Limited En Désastre** - 20 December 2024
- **Comptroller for Revenue v B** - 3 March 2025
- **Representation of Transtech Glass Investment Limited** - 12 March 2025
- **Representation of R & H Trust Co (Jersey) Limited re Tomato Trust** - 25 March 2025





Case Law Update (2)

- **OWH SE.i.L v RTI Ltd** - 22 May 2025
- **Representation of SG Kleinwort Hambros Trust Company (CI) Limited re The C Trust** - 10 June 2025
- **Representation of Prospect Holdings Limited and Anor re degrevement of Sullivan** - 18 June 2025
- **Geneva Trust Company (GTC) SA v Tchenguiz** - 30 July 2025

Case Law Update (3)

- **Imperium Trustees (Jersey) Limited v Jersey Competent Authority and anor** - 24 June 2025
- **Mauger v Mauger** - 1 October 2024
- **Jardine Strategic Limited v Oasis Investments II Master Fund Limited & Others** - 24 July 2025





**Thank you
for listening**

Any questions?