

## Jersey Private Funds - An Overview

Jersey has a long established track record as a flexible and dependable international funds centre of choice. The purpose of this briefing document is to provide a summary of the Jersey Private Fund regime. For further information regarding the other regulatory fund regimes available in Jersey, please refer to the 'Jersey Funds Overview' briefing note or contact us directly using the contact details included herein.

**Jersey Private Funds provide a highly flexible solution where a cost effective and non-intrusive regulatory environment is sought. Funds of this type are subject to very little prescription and are accordingly highly versatile in the way in which they can be structured and operated.**

Jersey Private Funds can be established very rapidly, at reasonable cost and fall outside the scope of the Collective Investment Funds Law which means that they are subject to limited regulatory conditions in Jersey. This type of fund is only suitable where the total number of invitations made to investors does not exceed 50 and is organised on a private placement or private subscription basis. This means that there can be no general marketing or public offering of the fund. The minimum subscription per investor is £250,000. Jersey Private Funds can be formed within a matter of a few working days subject to disclosure to the Jersey Financial Services Commission (the "JFSC") of certain basic details.

### Key features and eligibility criteria:

- Can be offered to no more than 50 potential investors
- Minimum investment per investor of £250,000
- Can be open or closed ended (provided there are 50 or fewer investors)
- Cannot be listed (including technical listings)
- No investment or borrowing restrictions are prescribed within the regime
- Fund vehicle can take a variety of legal forms e.g. company, limited partnership etc
- Does not have to be a Jersey legal entity
- Promoter does not require prior regulatory approval in Jersey
- No requirement for a formal offering document
- Investors must acknowledge an investment warning & disclosure statement
- No audit is required although we usually recommend one as good practice
- Must appoint a 'designated service provider' ('DSP') in Jersey, Minerva can fulfil this role
- Regulatory approval within 48 hours of application being lodged with JFSC
- Regulatory application fee of £1,070 and annual regulatory fee of £500
- When marketed into EEA - AIF Codes apply and an offer document may be required

### Requirements relating to the Investment Manager / Adviser

The regime is highly flexible in respect of the profile and attributes of the investment manager / adviser to be appointed to the Fund. This makes Jersey Private Funds highly effective in start-up situations where track record is limited. The manager, investment manager or adviser, where it is established in Jersey, will ordinarily be able to take advantage of exemptions which mean that it will not fall to be regulated under the Financial Services Law in Jersey and will therefore not be required to obtain a licence or permit from the JFSC.

## **The regulatory approval process**

An application must be made to the JFSC by the DSP. The application must include certain basic details together with confirmation that all investors meet the requirements of the regime and that there will be no more than 50 investors. A declaration is also required from the DSP confirming they will complete all CDD checks prior to launch and they will also ensure compliance with ongoing AML requirements. Upon submission of the application to the JFSC, an authorisation time of 48 hours should be allowed for. It should be noted that sufficient time should be allowed in advance of this in order to agree the legal structure, procure relevant professional advice and to prepare the application pack. This timetable may vary according to the nature and complexity of the fund. Please contact us to discuss.

## **How Minerva can help**

Minerva is fully licensed to act as DSP and we can help you to establish the structure and lodge the fund application as outlined in the previous section. As part of our role we will provide a comprehensive range of administration and support services which are tailored to the requirements of the Jersey Private Funds and its investors. These include:

- Establishment and administration of the Fund and related structures such as General Partners (GPs), management entities or carried interest vehicles (CIVs)
- Formation and administration of investment holding vehicles and SPVs including limited partnerships, cell companies, no-par value, guarantee, hybrid, limited or unlimited companies across a wide range of jurisdictions
- Monitoring obligations and commercial agreements
- Governance and risk management support services
- Investor reporting and preparation of consolidated financial reporting in accordance with International Financial Reporting Standards (IFRS)
- Committed and relevant transactional support including establishment of escrow facilities, provision of corporate trustees and security trustee services
- Provision of resident directors and officers including assistance with identification and sourcing of suitable non-executive directors if required
- Co-ordination of advice from local and international lawyers, tax and other advisers
- Management of international banking facilities
- On-going administration, including processing of transactions, maintenance of statutory and corporate records and undertaking relevant filings
- Provision of Money Laundering Reporting Officer and Money Laundering Compliance Officer as required under Jersey anti-money laundering legislation.

Our specialised and highly qualified corporate team has extensive experience in administering a variety of complex structures, which often demand significant emphasis on corporate governance, regulatory or technical disciplines. We understand the importance of getting the detail right first time, on time and within budget.

## **If you would like further information please contact:**

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*This note is intended to provide a brief rather than a comprehensive guide to the subject under consideration. It does not purport to give legal or financial advice that may be acted or relied upon. Specific professional advice should always be taken in respect of any individual matter.*

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