



**Jersey Finance**

Delivering Insight • Driving Innovation

# Jersey First for Funds

**Lisa Springate**

**Head of Technical, Jersey Finance**



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# Highlights from 2018

- A strong funds marketing campaign: Jersey – First for Funds
- The benefits of NPPR
- Positioning Jersey as a no change jurisdiction throughout Brexit and beyond
- Continued success of the JPF regime





# Jersey Finance

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# 2018 Factsheets

Factsheet		Funds Comparison Factsheet		Jersey Finance	
Type of Fund					
Jersey Private Fund	JPF application form	JSC Authorisation £1,000 - Annual fee £1,315 - Manager's APIS registration (if applicable) £1,315 - AP Certificate (if applicable)	JSC Fees	JSC Timescales	48 hours
Expert Fund	Expert fund application form + application for CFI, fund certificate draft offer document, structure chart, investment manager's confirmation cover signed by the administrator, manager or trustee personal questionnaires for principal persons not previously approved Fig/18 forms for any unapproved fund service providers being established to act for the fund, including business plan and business risk assessment	£2,235 - Application fee £2,235 - in respect of each fund service provider in relation to the collective investment fund £1,450 to £38,676 - Annual fee depending on number of funds of assets			72 hours
Linked Fund	Linked fund application form + CFI, fund certificate application draft offer document, structure chart, investment manager's confirmation cover signed by the administrator, manager or trustee personal questionnaires for principal persons not previously approved Fig/18 forms for any unapproved fund service providers being established to act for the fund, including business plan and business risk assessment	£2,235 - Application fee £2,235 - in respect of each fund service provider in relation to the collective investment fund £1,450 to £38,676 - Annual fee depending on number of funds of assets			72 hours

**Factsheet**  
**Jersey for Private Equity**  
Jersey Finance

**A clear choice**  
Jersey is proud to be a leading funds jurisdiction. With alternative investment funds in high demand globally, particularly among institutional and pension fund investors, Jersey is a specialist centre and works with some of the world's biggest private equity managers. In fact, we have more than 30 years of experience in structuring, managing and administering funds. It's this track record, together with the flexibility of our funds regime and the future-proofed solutions we provide, that makes us a clear choice.

**Private equity and venture capital funds business**  
+94% since 2014

**Jersey-based promoters have almost doubled in five years**

More than 100 new private equity funds have been established in Jersey since 2014. This is a testament to the strength of the Jersey funds regime and the expertise of our industry professionals.

**Factsheet**  
**Some private equity promoters using Jersey**  
Jersey Finance

**Triton** **ARDIAN** **NEOS CAPITAL**

The turbulent global economic and political environment of recent years has prompted our forward-thinking private equity sector. It's continued to flourish, with the launch of significant new funds using Jersey structures.

**Factsheet**  
**World's largest investment fund established in Jersey**  
Jersey Finance

SoftBank Group Corporation selected Jersey for the structuring of its Vision Fund (the SoftBank Vision Fund 2). It has raised over \$93 billion in committed capital, making it the world's largest and most ambitious fund. This record-breaking level of commitment has been made from some of the world's largest sovereign wealth funds, including real estate investment technology companies.

For a list of all Jersey Finance Member Firms, including Real Estate Managers, Real Estate and Fund Administrators, visit [www.jerseyfinance.com](http://www.jerseyfinance.com) Member Directory

**Factsheet**  
**Jersey for Hedge Funds**  
Jersey Finance

**Future-proof solutions for US promoters and investors**  
Old Jersey is a leading, future-focused international finance centre (IFFC), located between the UK and France. The island's unique constitutional position as a British Crown Dependency means that it has domestic autonomy, which has been preserved for the last 800 years. Being outside the European Union (EU) means that Jersey is able to offer more flexible funds regimes. Jersey's special relationship with the UK means that investors can still well continue to have access to UK investments, despite Brexit.

New international governance requirements for hedge funds make Jersey a clear choice. Jersey can offer a range of tailored solutions for the requirements of the Organisation for Economic Co-operation and Development's (OECD's) Base Erosion and Profit Shifting (BEPS) project. The island has been home to hundreds of hedge funds and more than 20 hedge fund managers are currently based in Jersey, following a culture of discretionary, quantitative, and systematic, global macro, managed funds and commodity trading advice (CTA) strategies. Jersey is also seeing an increasing number of hedge fund managers looking to relocate all or part of their business here, from well-established operations through to start-ups.

**Flexible funds solutions**  
APIS assistance of APIS users

Jersey offers a full range of flexible fund structures and solutions. Thanks to professional autonomy throughout Europe continues to be available through local national private placement regimes (NPPs). And, because Jersey is not part of the EU, for Jersey funds and Jersey managers that target 'fund of funds' based, the requirements of the EU's Alternative Investment Fund Managers Directive (AIFMD) do not need to be met.

**Factsheet**  
**Jersey's African connections**  
Jersey Finance

With more than a thousand regulated collective investment funds and the largest number of FIA 100 companies registered outside of the UK, Jersey is one of the world's leading international finance centres (IFFC), a jurisdiction of choice for the European market and an approved investment jurisdiction for many high net worth and institutional investors.

Acting as a bridge between capital raising in Europe and investment in Africa, Jersey currently accounts for around £1.5 billion in deployed capital across Kenya, Uganda, South Africa and Egypt.

**Factsheet**  
**Hedge funds**  
Jersey Finance

Private equity investment for Africa, Jersey is a great jurisdiction for the investment management industry. At the same time, it offers a competitive and regulated environment that is proving strong through to strength.

Hedge Fund Manager  
Openly fund their profits in the top 10 globally, with large players such as Systematic, Bessemer Howard and BlackRock following them.

Ben Dixon  
General Counsel and Director, Systematic

**Factsheet**  
**Jersey Funds Supporting Investment into Africa**  
Jersey Finance

**Using Jersey to navigate capital raising in Europe**  
In recent years, European institutional investors have demonstrated a renewed interest in overseas capital which they have turned down to deliver more higher profit and strong corporate operational markets. The search for yields has resulted in increasing appetite for foreign direct investment, and currently presents a large opportunity for Africa-based managers looking to fund their start-ups. It is the best reason that international managers choose Jersey as a domicile.

Whether you are raising capital for direct investment or seeking to raise money for your current investors, it is important that your fund or corporate vehicle address the regulatory and legislative requirements of Europe. It must also take substantial governance and operational risk requirements of the investor destination.

**Factsheet**  
**UK Real Estate Investment Trust (UK REIT)**  
Jersey Finance

**The UK REIT continues to prove an attractive option for investors looking to target UK-focused property assets.**  
A UK REIT is a listed closed-end company, which aims and manages commercial and/or residential property on behalf of its shareholders. This has become an increasingly popular investment option over a long period of time. It is a good alternative to other real estate structures given it is tax exempt on its rental income and gains from qualifying property investments.

**What is a UK REIT?**  
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**Qualifying conditions to becoming a UK REIT**

- Must be a company or group of companies where the parent company is tax resident solely in the UK, but not necessarily registered or incorporated in the UK.
- Must not be an open-ended investment company.
- Must distribute 90% of net profits annually.
- At least 75% of profits should be derived from property rental activity.
- Must have only one class of ordinary share capital in issue.
- The ordinary shares must be listed on the London Stock Exchange or a foreign equivalent (i.e. The International Stock Exchange, or traded on an approved stock exchange in its AEM).
- Must own or lease three single rental properties (these can be commercial or residential) and not involve a property representing more than 10% of the total value of the property owned.
- Must have a net financing ratio where profits are at least 1.25 times the finance cost and must be a Jersey tax payer that carries out more than 75% of its activities in Jersey (this is not dependent on the result of the company's business, but that provides the majority of its revenue).
- Must not be a 'listed' company (broadly, not under the control of five or fewer investors).

In partnership with **HIGHVERN**

**Factsheet**  
**Jersey Funds and BEPS: Working Towards a More Certain Future**  
Jersey Finance

**Facts not myths**  
The global tax environment has never seen such fundamental change at such a rapid pace. As a result, funds, fund managers, investors and advisors must be proactive in their current and future strategies.

These changes, however, have not altered Jersey's position as a leading, forward-thinking centre for the development, management and servicing of funds.

In particular, within the Organisation for Economic Co-operation and Development (OECD's) Base Erosion and Profit Shifting (BEPS) Project has resulted in the introduction of new international tax measures and legislative change in some jurisdictions, Jersey has remained focused on ensuring investors and investors by providing a clear, stable and certain environment in line with the action points contained by the BEPS outputs.

**Factsheet**  
**BEPS objectives**  
Jersey Finance

The OECD's Action Plan (BEPS) was published in July 2013 with a view to addressing perceived flaws in international tax rules for investors in detecting and preventing unwarmed tax-motivated cross-border activities.

These provisions raise risks, for instance, deficiencies in certain domestic anti-avoidance provisions and differences in the treatment of bilateral tax treaties that are currently in force. The OECD also identified issues in relation to the lack of information sharing between national tax authorities.

Addressing these issues, the OECD's work contains 15 'actions', some of which are further split into specific workstreams or outputs.

As the BEPS Project is still in progress, it is possible that there will be interaction between domestic tax systems, which may be exposed where profits are geographically diverse from activities.

In partnership with **pwc**

**Jersey Finance**  
[www.jerseyfinance.com](http://www.jerseyfinance.com)

**Jersey - First for Funds throughout Brexit**

**Best is the biggest change the European Union has faced since the UK joined the EU. As UK EU negotiations are moving slowly, the full impact of Brexit remains uncertain. It is likely, however, that investors will seek stability and certainty throughout current negotiations and beyond - putting Jersey's stable, political and financial environment in a positive position.**

**Jersey has had phenomenal success as a third country in relation to the EU and is clearly poised to assist financial professionals and organisations navigate the current uncertainty for a prosperous future.**

**Certainty**  
Jersey has been part of the EU but has no member, long-standing bilateral relationships with Member States and established business make asset management for its asset management industry.

These provisions are entirely independent of the UK and will not be impacted by Brexit.

Jersey is also not part of the EU but has a historic connection with the nation that goes back centuries. The UK Government has always treated that relationship with respect in Brexit and, as a result, access to UK markets will continue unhindered. This access to UK markets will continue after other jurisdictions are currently unable to purchase the same, over Brexit.

The Government will continue to work with the UK Government to ensure that the relationship will not be impacted by Brexit and, as a result, access to UK markets will continue unhindered. This access to UK markets will continue after other jurisdictions are currently unable to purchase the same, over Brexit.

**Jersey Finance**

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In partnership with **JFA**

# 2018 Paid for Placement Activity

- In addition to our usual paid for placement activity, we ran campaigns with the following media



**funds** europe



THE INDEPENDENT VOICE OF EUROPEAN PRIVATE EQUITY

PRIVATE EQUITY NEWS



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# 2018 Press Releases and Blogs



## Impact of technological advances highlighted at record breaking London conferences

Tuesday 01 May 2018



The far-reaching capabilities of Artificial Intelligence (AI), the increasing threat to business to safe harbours were among the major themes to emerge from Jersey Finance's annual conference. Attracting record numbers of UK-based practitioners, the two events showcased together to the stage leading figures from the private equity, real estate, private wealth and fintech sectors. Keynote speaker, Professor Nicholas Resnik, discussed the implications of AI for the legal profession.

## The African FDI Opportunity

Tuesday 4 September 2018

## The Good Debt

Friday 2 November 2018

## Innovation is Vital

Wednesday 18 April 2018

## The Future is (Virtually) Here

Thursday 25 January 2018

## Jersey fund administration values break £300bn barrier

The value of regulated funds serviced in Jersey has broken through the £300bn barrier for the first time, according to the latest figures to be collated by the Jersey Financial Services Commission (JFSC).

Figures for the third quarter of 2018 (ending 30 September 2018) show that the net asset value of regulated funds under administration in Jersey grew 14% year-on-year to stand at £301.7bn, the highest recorded figure to date.

The statistics also show that all the alternative asset classes, which represent 82% of Jersey's total funds business, recorded an annual increase of 26%.

Specifically, private equity fund values rose by 41% to £89.6bn, hedge fund values increased by 18% to £56.8bn and real estate funds by 11% to £40.7bn.

The combined total value of regulated funds under administration in Jersey increased by 26% to £301.7bn.

The value of assets under administration in Jersey, as reported to the JFSC, is not included in these figures.

## The Future is Still Global Despite Protectionist Fears

Tuesday 6 February 2018



Posted: 17/12/2018

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Last Updated: 21 November 2018  
Article by [Jersey Finance](#)

## Jersey: Changes To The UK's Non-Resident Capital Gains Tax Regime: Elective Regimes For CIVs

Your LinkedIn Connections at Firm

## Jersey Private Fund product finds favour across alternative asset classes

Tue | 13 Nov 2018, 09:01

Mid-year figures from Jersey's regulator show that the Jersey Private Fund structure (JPF), launched last year, is continuing to show strong appeal across alternative asset classes.

[READ MORE >](#)



## Jersey: Private Equity Drives Value Of Jersey Funds Business To Record Levels As Managers Seek Future Certainty

Last Updated: 20 March 2018

Article by [Jersey Finance](#)  
Jersey Finance Limited

The value of regulated funds being administered in Jersey rose to a record level of almost £300 billion at the end of 2017, driven primarily by a rise in private equity business, according to the latest figures to be collated by the Jersey Financial Services Commission (JFSC).

Your LinkedIn Connections at Firm



### INDUSTRY NEWS

## Jersey legislature passes limited liability companies law

Thursday, 13 September, 2018

The States of Jersey, the jurisdiction's Parliament, has approved the *Draft Limited Liability Companies (Jersey) Law*, supplying a legal framework for the establishment of limited liability companies (LLCs).

According to law firm Mourant, the LLC regime will give advisors, investors and businesses a new legal vehicle combining features of companies and partnerships. The vehicles are already widely used in other jurisdictions, especially the US, in roles such as general partners, management vehicles, carried interest vehicles, portfolio holding vehicles, joint venture vehicles and private equity vehicles. LLCs currently account for over two-thirds of all new transparent business structures formed in the US each year, according to Jersey Finance. They are particularly popular as a structure for hedge fund managers.

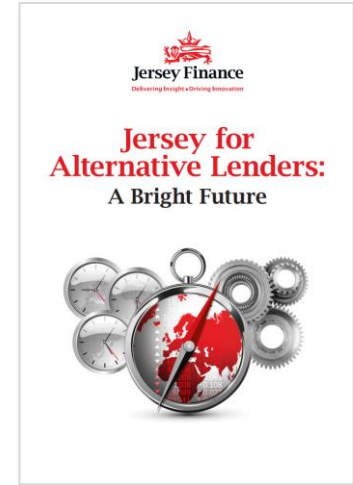


## Let's Work Together

Monday 24 September 2018

# 2018 Additional Activity

- Analysis of the Jersey Alternative Funds Sector Investor Base (KPMG report)
- Jersey for Alternative Lenders: A Bright Future (Debt funds brochure)
- Investing for Impact Report (Eden McCallum)
- Jersey – First for Funds Newsletter (sent to 20,000 funds contacts)
- National Private Placement Regimes video



# 2018 Events

- **Jersey Finance Funds Briefing with Michael Collins, Invest Europe (March)**
- SuperReturn International, Berlin (March)
- PLSA Investment Conference, Edinburgh (March)
- **Jersey Finance Annual Funds Conference, London (April)**
- AFSIC, London (May)
- Invest Europe CFO Forum, Lisbon (June)
- SuperReturn US East, Boston (June)
- EuroHedge Summit, London (June)
- SuperReturn CFO/COO, Amsterdam (September)
- BVCA Summit, London (October)
- **Investing for Impact Event (October)**
- SuperInvestor, Amsterdam (November)





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# Technical Developments

## Consultations

- Capital Gains Tax (CGT)
- Substance requirements



## Legislation

- Limited Liability Partnerships (LLPs)
- Limited Liability Companies (LLCs)
- Limited Partnerships (LPs)





# As We Enter 2019...

## £301.7bn

Net asset value of funds under administration in Jersey breaks £300bn for the first time



## 200+ JPFs

The recently established Jersey Private Fund (JPF) has been a huge success with 205 now established, and assets now more than £20bn



## Positive

The global outlook for Alternative Assets Funds (Alts) remains very positive, so there is lots to be confident about





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# Brexit

- No matter what the result of Brexit, there will be more investment opportunities in the market
- Jersey will remain a traditional domicile for pan-European funds/fund management entities and is well positioned in the EU and UK
- Good opportunities exist for Jersey in 2019 if the Island's non-UK/non-EU position and its economic and political stability are well utilised





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# Opportunities Ahead

## The UK

- Many members see this as a key market going forward, especially given that it will sit outside of the European Union (EU)



## North America

- More than 50% of global fund assets
- Increasing need for substance makes Jersey ideal jurisdiction for US-related funds
- Jersey Finance hoping to open a US office in 2019



## Gulf Region

- An important market for Jersey for many years to come
- By opening a new office in 2018, Jersey became the first IFC to have a presence in the DIFC



# Biggest Challenges in 2019

The recent Jersey Funds Association (JFA) survey found that the key challenges facing Jersey's funds sector over the coming 12 months are:

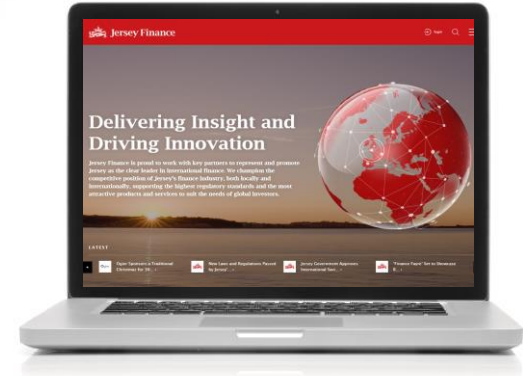
- To ensure the availability of appropriate resources to respond to the growth scene
- To ensure that international fund managers and investors fully understand the vital role Jersey can play in supporting financial flows, and the quality of services and solutions we offer

To help overcome these challenges...

- Through our initiatives, such as our *Life in Finance* and *Future Connect* programmes, our aim is to help develop and retain new talent into the industry
- Jersey Finance and the Government of Jersey have been undertaking significant activity promoting our offering on the international stage and maintaining our share of global growth – this will continue in 2019

# 2019 Activity

- New Jersey Finance Website
- Appointment of Elliot Refson
- Jersey – First for Funds Newsletter
- Podcasts
- Blogs
- Press releases
- Email campaigns





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# 2019 Paid for Placement Activity



FINANCIAL  
TIMES



the|**hedgefund**|journal



**pfm**  
private funds management

**realdeals**

THE INDEPENDENT VOICE OF EUROPEAN PRIVATE EQUITY



**funds** europe



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# 2019 Activity



## Research and reports:

- Impact Investing/SRI
- Tech funds
- US offering
- Lawtech
- Put Simply – Funds campaign
- Continued promotion of Jersey for Institutional Investors report



## Factsheets and brochures:

- Tech funds brochure
- NPPR case studies
- Substance requirements
- Jersey for Real Estate factsheet
- Jersey for Listed Funds factsheet

# 2019 Events

- **Jersey Finance Masterclasses, London**
  - The solution offered by Jersey for cost effective, tailored distribution to EU/non-EU investors (12 February)
  - Substance – understanding the new substance rules and the structuring opportunities offered by Jersey (4 April)
  - Tax and Brexit update including CGT for RE funds (30 April)
- SuperReturn International, Berlin (February)
- IBA International Conference on PIF, London (March)
- AFSIC, London (May)
- SuperReturn US East, Boston (June)
- **Jersey Finance Annual Funds Conference, London (September)**
- SuperReturn CFO/COO, Amsterdam (September)
- BVCA Summit, London (October)







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**Thank You**

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