

UPDATE

# Trustees and other fiduciaries – consideration of Guernsey's lending, credit and finance law

Update prepared by Helen Wyatt, Gilly Kennedy-Smith and Iona Mitchell (Guernsey)

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The new legislation, which came fully into force on 1 July 2023, could have implications for trustees, fiduciaries and family offices, depending on the nature of the business activities.

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## Introduction

The Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022 (the **LCF Law**) came fully into force on 1 July 2023.

As a reminder, the purpose of the LCF Law is to regulate:

- consumer credit and finance business (protecting consumers who make use of consumer credit, including individual loans, home finance and credit for the purchase of goods and services)
- financial firm business (replacing the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008)
- virtual asset service providers (relating to crypto assets and other virtual assets), and
- financial intermediation services (including peer to peer and crowdfunding platforms).

## Have you reviewed your clients' activities and assessed whether they are in scope of the LCF Law?

If not, now is the time to do so. We have been supporting fiduciary clients on complicated areas of analysis, such as:

- one-off private lending
- ancillary activities
- group lending (including groups of family trusts)
- personal guarantees
- lending by unregulated trustees
- financial leasing
- litigation funding, and
- discretionary exemptions.

Even if your clients' activities are exempt from the licensing requirements, you still have a responsibility to consider and document relevant decision-making and fulfil your Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) obligations.

More information can be found on our Lending, Credit and Finance Hub [here](#).

Please reach out to one of our specialists or to your usual Mourant contact if you would like a conversation about this new law.

## Contacts

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