

UPDATE

Family PIFs simplified: a new era

Update prepared by James Cousins (Guernsey)

Today marks a key milestone for Guernsey's Family Private Investment Fund regime. With the launch of the Guernsey Financial Services Commission's new 'limited POI licence', fiduciary firms can now administer Family PIFs without holding a full POI licence - making it easier than ever to offer regulated fund structures tailored for high-net-worth families.

Introduction

Earlier this year, the Guernsey Financial Services Commission (**Commission**) unveiled a streamlined framework for Private Investment Funds (**PIFs**) under the Private Investment Fund Rules and Guidance, 2025, consolidating the previous three-route framework into two distinct categories of PIF according to their investor base, namely the Qualifying Private Investment Fund (**QPIF**)¹ and the Family Private Investment Fund (**Family PIF**).

These updates marked a fresh chapter in Guernsey's fund offering, with a focus on flexibility, simplicity, and speed-to-market.

Family PIF: a bespoke wealth vehicle

The Family PIF is designed exclusively for investors with a family relationship, or who are 'eligible employees' of the family, ie those working within the family structure who also qualify as a 'Qualifying Private Investor' (**QPI**).² Marketing is not permitted outside of the family group and the designated administrator is required to confirm to the Commission that effective procedures are in place to ensure compliance with the family-only investor base.

New developments: 'limited POI licence' for fiduciary firms

A Family PIF must appoint a designated administrator who is licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (**POI Law**) - a role typically carried out by firms within the mainstream fund administration sector. This requirement has posed a regulatory hurdle for fiduciary firms whose core business is private wealth management rather than fund administration.

The Commission has today introduced a 'limited POI licence' to remove this barrier, in recognition that users of Family PIFs are often clients of fiduciary firms, who have deep relationships with their high-net-worth family clients. This targeted reform allows fiduciaries licensed solely under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020 as primary licensees to act as designated administrators of Family PIFs (only), provided that they do not intend to carry out other POI-regulated activities.

¹ Further details on the QPIF are available in our [Legal Guide – The Guernsey Private Investment Fund: efficient, flexible and investor-focused](#).

² A 'Qualifying Private Investor' or 'QPI' means an investor who (i) is able to evaluate the risks and strategy of investing in the PIF (ii) is able to bear the consequences of investment in the PIF; including the possibility of any loss arising from the investment, and (iii) falls within one of the following categories of investor: Professional Investor, Experienced Investor, Knowledgeable Employee, High Net Worth Investor, UK Professional Client, EU Professional Client, US Accredited Investor or Licensee Admitted Investor.

While limited POI licensees must comply with the POI Law in the same manner as full licensees, many of the associated regulatory requirements³ are modified or waived to reflect the restricted nature of their activities. As a result, the applicable prudential standards align with the financial resources and liquidity requirements of the Fiduciary Rules and Guidance, 2021, and professional indemnity insurance requirements are consistent with the Licensees (Capital Adequacy) Rules, 2021.

Importantly, a limited POI licensee may also fulfil the role of applying customer due diligence (CDD) measures to all investors in a Family PIF in accordance with paragraph 4.58 of the Handbook on Countering Financial Crime (AML/CFT/CPF). This role was previously undertaken by a full POI licensee nominated by the PIF. The ability for the limited POI licensee to perform this role ensures continued compliance with AML/CFT obligations while simplifying operational requirements for fiduciary firms administering Family PIFs.

Fees

The application fee for a limited POI licence will remain aligned with that of a full POI licence (currently £3,080). However, recognising the restricted scope of investment activities permitted under this licence, the Commission will apply a reduced annual fee of £1,000 (compared to £2,205 currently in respect of a full POI licence).

Conclusion

The introduction of the limited POI licence significantly enhances the appeal of the Family PIF, offering fiduciary clients the ability to remain with a single, trusted service provider for all their family wealth needs. This is particularly attractive to families looking to establish a fund structure to invest in specific assets or to take a more active role in investment decisions.

For fiduciaries, the changes will allow them to broaden their product offering to private wealth clients, with whom they invariably have deep relationships.

The Family PIF sits within Guernsey's broader PIF regime - a short, streamlined and innovative framework designed for qualifying private and family investors. It combines the benefits of a regulated product with a focus on strong corporate governance, including effective management of conflicts of interest.

Tailored for high-net-worth families, the Family PIF provides a flexible wealth solution with the advantages of a regulated structure. Key features include:

- Flexible structuring: can be open- or closed-ended and use a range of legal forms
- No upper limit on investor numbers or offers, although naturally constrained by the family relationship
- No requirement to appoint an auditor
- No requirement to prepare a prospectus
- One business day regulatory approval following submission of a complete application

Together, these features allow families to invest with confidence in a regulated fund structure calibrated to their needs, administered by their existing fiduciary provider, and established within Guernsey's well-regarded financial centre.

This targeted reform supports Guernsey's reputation as a responsive and forward-thinking jurisdiction, ensuring it remains competitive and attractive to high-net-worth families and their advisers seeking to manage and grow their wealth through a regulated structure.

³ The Licensees (Conduct of Business) Rules, 2021, the Licensees (Capital Adequacy) Rules, 2021 and the Fiduciary Rules and Guidance, 2021.

Contacts



Darren Bacon
Partner | Advocate
Mourant Ozannes (Guernsey) LLP
+44 1481 731 502
darren.bacon@mourant.com



Frances Watson
Partner | Advocate
Mourant Ozannes (Guernsey) LLP
+44 1481 739 331
frances.watson@mourant.com



Gilly Kennedy-Smith
Partner | Advocate
Mourant Ozannes (Guernsey) LLP
+44 1481 731 397
gilly.kennedy-smith@mourant.com



James Cousins
Partner | Advocate
Mourant Ozannes (Guernsey) LLP
+44 1481 739 329
james.cousins@mourant.com

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