

Guernsey funds legal and regulatory update

An overview of Guernsey legislative and regulatory developments relevant to investment funds for the period 2 September to 1 December 2025.

1 Family Private Investment Fund

Earlier this year, the Guernsey Financial Services Commission (**Commission**) simplified the Private Investment Fund (**PIF**) regime, consolidating the former three routes into two, namely the Qualifying PIF and the Family PIF. These changes marked a new chapter for Guernsey's fund offering, focused on flexibility, simplicity and speed-to-market.

The Family PIF is designed for investors connected by family relationships or family employees, offering a secure, regulated structure without unnecessary complexity and with rapid, one-day approval.

Previously, a Family PIF had to appoint a designated administrator licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 – a role typically carried out by firms within the mainstream fund administration sector. This prevented fiduciary firms whose core focus is on private wealth management from administering these vehicles. On October 15, the Commission introduced a 'limited POI licence', enabling fiduciary firms to administer Family PIFs without the cost and burden of a full licence.

This innovation is intended to maintain strong regulatory standards while reducing complexity, allowing trusted advisers to deliver tailored fund services alongside their private wealth expertise. Further information is available in our [Legal Update](#) (*Family PIFs simplified: a new era*).

2 Commission's Pro-Growth Regulatory Agenda

In a recent speech entitled 'Enabling Growth – Digital and Sustainable Finance', the Commission's Director General, William Mason, set out a pro-growth regulatory agenda placing economic growth and financial stability ahead of the 'precautionary principle'. Key takeaways from the speech include:

- **Sustainable Finance:**
 - No plans to mandate ISSB/IFRS sustainability disclosures
 - New anti-greenwashing guidance due in December, confirming that existing licensing criteria already prohibits greenwashing – so new rules are unnecessary, and
 - Proposed changes to the Finance Sector Code of Corporate Governance to ensure boards consider environmental matters holistically, rather than narrowly focussing on net zero.
- **Digital Finance:**
 - Upcoming consultation on regulatory changes to support tokenisation, stablecoins and digital asset custody
 - Strong encouragement for widespread adoption of Artificial Intelligence (AI) across all sectors, and
 - Rebranding of the innovation 'sandbox' into a fully-fledged sandbox, complemented by an enhanced concierge service for firms launching innovative products or services.
- **Financial Stability:** Long-term stability is best achieved through sustained economic growth – not by eliminating all risk.

The Director General's full speech is available [here](#).

3 Digital Finance Initiative

The Commission has **launched** its **Digital Finance Initiative (DFI)** aiming to position the Bailiwick as a trusted and forward-thinking jurisdiction for digital financial innovation. DFI is the umbrella identity for:

- Digital Finance Regulatory Strategy – a framework supporting innovation in blockchain, tokenisation, stablecoins, and emerging financial technologies while maintaining robust oversight and international alignment, and
- the Digital Forum (**Forum**) – a platform for industry engagement via dialogue and collaboration. As part of the DFI, the Forum hosts a series of roundtable discussions focused on emerging technologies, regulatory priorities and strategic opportunities.

4 A&A Portal – general update

According to the Commission's latest newsletter, The Leopard, most applications are now being submitted through the Commission's Applications and Authorisations (**A&A**) Portal, which reached its 100th application milestone in October. The Commission has confirmed it is on track to phase out paper and email submissions entirely by the end of November 2025.

5 Conflicts of Interest Thematic (Investment)

The Commission has issued a **thematic review (Review)** on Conflicts of Interest for the Investment business sector. The Review highlights that most investment licensees do already appropriately identify, manage and record conflicts of interest that arise during the course of doing business.

Helpfully, the Review includes examples of good practice, and some areas that licensees should consider when next enhancing their policies, procedures and controls, and set out a non-exhaustive list of the types of conflicts reported by firms, which licensees are encouraged to consider in the context of their own business.

6 Investment statistics

Investment statistics for Quarter 2 of 2025 have been published by the Commission and are available [here](#).

7 Commission's Fees

The Commission has **published its annual fees consultation** for 2026 which proposes an overall increase in fees of 3.9 per cent in line with Guernsey inflation. Other proposals include:

- **Private investment funds (PIFs)**: a significant reduction in application and annual fees aimed to enhance Guernsey's competitiveness in the funds sector and positioning PIFs as a globally leading product
- **'User pays'**: introducing 'user pays' fees for certain *ad hoc* submissions (which require the Commission's active approval), and
- **Virtual asset service providers (VASPs)**: a reduction in fees to encourage innovation and development in this market.

The **consultation** closed on 8 October 2025.

8 Finance Sector Policy Framework

Consultancy firm, Oliver Wyman has begun work to formulate a **Finance Sector Policy Framework (Policy Framework)**, with the objective to unlock new opportunities whilst maintaining Guernsey's competitive edge.

The project, which is expected to conclude during quarter one of 2026, has been jointly commissioned by the States of Guernsey's Committee for Economic Development, the Commission, Guernsey Finance (the promotional agency for Guernsey as a leading international finance centre) and the Guernsey International Business Association.

The Policy Framework will identify the opportunities for Guernsey's finance sector to grow, diversify and become more competitive over the next five to ten years, building on work that has already been undertaken to cement Guernsey's position as a leading and well-regulated international finance centre.

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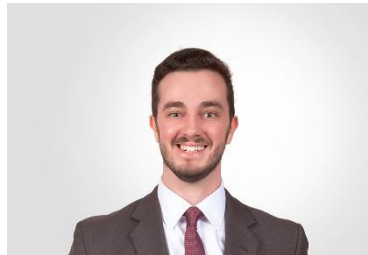
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