

# The Guernsey Private Investment Fund: efficient, flexible and investor-focused

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## Introduction

The Guernsey private investment fund (PIF) continues to be a popular choice for fund promoters targeting a broad range of sophisticated investors. The PIF offers a streamlined regulatory framework, including a fast-track, one business day registration process, and flexibility in fund structuring. These features make it particularly attractive for those seeking speed-to-market and a lighter touch regime while maintaining proportionate regulatory oversight.

A PIF can be an open or closed-ended collective investment scheme and must be registered as a PIF by the Guernsey Financial Services Commission (the **Commission**) under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the **POI Law**). The applicable rules are set out in the [Private Investment Fund Rules and Guidance, 2025](#) (the **PIF Rules**).

## Investor base

There are no restrictions on the number of investors (or offers) in a PIF or a minimum investment level – instead the focus is on investor suitability. There are two categories of PIF, according to their investor base, namely the Qualifying Private Investment Fund (**QPIF**) and the Family PIF.

**QPIF:** A QPIF is open to 'Qualifying Private Investors' (**QPIs**), being investors who have an ultimate interest in the fund and who:

- are able to evaluate the risks and strategy of investing, and able to bear the consequences of investment, in the PIF, including the possibility of any loss arising from the investment, and
- fall within one of the following categories of investor (the meanings for each of which are set out in the schedule):
  - [Professional Investor](#)
  - [Experienced Investor](#)
  - [Knowledgeable Employee](#)
  - [High Net Worth Investor](#)
  - [UK Professional Client](#)
  - [EU Professional Client](#)
  - [US Accredited Investor](#)
  - [Licensee Admitted Investor](#)

**Family PIF:** a Family PIF is open to investors who share a family relationship, or who are 'eligible' employees of the family (ie an employee of the family meeting the definition of QPI (above)). A Family PIF cannot be marketed outside of the family group.

## **Flexibility of form**

A PIF can take a variety of legal forms, including as a company, a unit trust, a limited partnership or any other vehicle or entity recognised under Guernsey law.

Where a PIF is structured as a protected cell company or an incorporated cell company, there can only be one investment adviser to the entire structure, ie there cannot be separate investment advisers acting in relation to individual cells.

## **Service providers**

A PIF must have a Guernsey-resident administrator licensed under the POI Law. While there is no requirement for a custodian, auditor, trustee, or manager, any appointed Guernsey-based entities acting in such capacity must be licensed under the POI Law (and accordingly meet the 'four-eyes' principle, typically with two Guernsey-resident directors). If audited, the auditor must operate from a place of business in Guernsey. A corporate PIF is expected to have at least one Guernsey-resident director.

If a Guernsey-licensed manager is appointed and acts solely as the manager to one or more PIFs (and does not undertake any other controlled investment business) the Commission will (i) typically disapply The Licensees (Conduct of Business) Rules and Guidance, 2021 and The Licensees (Capital Adequacy) Rules and Guidance, 2021 and (ii) not require the appointment of an auditor in respect of that manager.

## **Offer document**

Whilst promoters of a PIF may wish to prepare an offer document, there is no obligation to do so. With the emphasis on investor-suitability, rather than mandating detailed disclosure documents, the administrator must make a declaration that effective procedures are in place to ensure restriction of the QPIF to QPIs (and the Family PIF to family members, as appropriate). In addition, QPIs must provide certain specific acknowledgements regarding their status and understanding of the risks involved.

## **Application process**

To establish a PIF, an application must be submitted online via the Commission's applications and authorisations portal. Supporting documents include personal questionnaires for all relevant individuals involved with the promoter, the PIF and the Guernsey-licensed manager (if applicable); an offer document (if available); a licence application and business risk assessment for the manager (if applicable); and payment of the application fee. QPIs must also acknowledge their status and understanding of associated risks.

## **Timeframe**

Once a fully completed application is received, the Commission will register a PIF – and license the manager, if applicable – within one business day.

## **Ongoing requirements**

Following registration, a PIF must comply with a number of ongoing obligations under the PIF Rules. These include the submission of quarterly statistical returns to the Commission, and an annual declaration by the designated administrator confirming that the PIF continues to meet the conditions of the PIF regime.

Any material changes to the PIF, such as amendments to its structure, service providers, or investor base, must be promptly notified to the Commission.

Where a PIF is audited, its financial statements must also be submitted to the Commission. These requirements ensure that the PIF maintains transparency and regulatory alignment throughout its lifecycle, while preserving the regime's hallmark of proportional oversight.

## **Conclusion**

The Guernsey PIF regime offers a compelling solution for fund promoters and sophisticated investors seeking a streamlined, efficient, and flexible investment vehicle. With its fast-track one-day registration process, absence of mandatory offer document or custodian requirements, and broad choice of legal structures, the PIF framework is designed to facilitate speed-to-market without compromising regulatory integrity. Its focus on investor suitability rather than numerical limits, combined with proportionate ongoing

compliance obligations, makes it particularly attractive for bespoke investment strategies, family offices, as well as a variety of fund managers, from first-time venture capital managers to institutional grade private equity managers. These features collectively reinforce Guernsey's position as a leading jurisdiction for innovative and well-regulated private investment funds.

## Schedule

Investor category	Meaning
A <b>Professional Investor</b> means:	<ul style="list-style-type: none"> <li>a Government, local or public authority or supra-national body</li> <li>a person whose ordinary business or professional activity includes acquiring, underwriting, managing, holding or disposing of investments whether as principal or agent, or the giving of advice on investments</li> <li>an affiliate of a PIF or an associate of an affiliate of a PIF, where the 'affiliate' or 'associate of an affiliate' refer to a financial services businesses or financial services professionals associated, directly or indirectly, with the operation of the PIF, or</li> <li>an individual investor who makes an initial minimum investment of US\$100,000 (or equivalent), where the amount invested represents no more than 25% of their investable assets, into the fund</li> </ul>
An <b>Experienced Investor</b> means a person who:	has in the period of 12 months, whether on their own or in the course of their employment by another person, so frequently entered into transactions of a particular type in connection with open/closed-ended collective investment schemes and/or general securities and derivatives (as defined in Schedule 1 of the POI Law), being transactions of substantial size entered into with, or through the agency of, reputable persons who carry on investment business; can reasonably be expected to understand the nature of, and the risks involved in, transactions of that description; or provides a certificate from an appropriately qualified investment adviser confirming that the investor has obtained independent advice
A <b>Knowledgeable Employee</b> means:	<ul style="list-style-type: none"> <li>a person who is, or has been within a period of three years up to the date of application for investment in the PIF, an employee, director, general partner, consultant or shareholder of, or to, an affiliate appointed by the PIF to advise, manage, or administer the investment activities of the PIF; who is acquiring an investment in the PIF as part of their remuneration or an incentive arrangement or by way of co-investment either directly or indirectly through a personal investment vehicle, such as a trust, for or substantially for that person, or</li> <li>any employee, director, partner, or consultant to or of any person who falls under the definition of a 'Professional Investor' (above), or anyone who has fulfilled such a role, in respect of any person who falls under that definition, within a period of three years up to the date of application for investment in the PIF. The term 'employee' only covers persons who are, or have been, employed in a relevant role and does not extend to clerical, secretarial or administrative roles</li> </ul>

Investor category	Meaning
A <b>High Net Worth Investor</b> means:	<ul style="list-style-type: none"> <li>• an individual who has a net worth, or joint net worth with that person's spouse or civil partner, greater than US\$1,000,000 (or equivalent) excluding that person's principal place of residence and/or any rights under a contract of insurance, or</li> <li>• a person, partnership, or other unincorporated association or body corporate which has assets available for investment of not less than US\$1,000,000 (or the equivalent of that amount in another currency)</li> </ul>
A <b>UK Professional Client</b> means:	a professional client within the meaning of the <i>UK Financial Conduct Authority's Conduct of Business Sourcebook</i>
An <b>EU Professional Client</b> means:	a professional client within the meaning of <i>Annex II to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments</i>
A <b>US Accredited Investor</b> means:	an investor who meets the U.S. Securities and Exchange Commission's definition of an 'Accredited Investor' in <i>rule 501 of Regulation D - Rules Governing the Limited Offer of Sale of Securities Without Registration Under the Securities Act of 1933</i>
A <b>Licensee Admitted Investor</b> means:	<p>an investor who, after having made careful and appropriate enquiries is, as far as the manager or the designated administrator has reasonably been able to ascertain and able to declare to the Commission:</p> <ul style="list-style-type: none"> <li>– able to evaluate the risks and strategy of investing in the PIF, and</li> <li>– able to bear the consequences of investment in the PIF, including the possibility of a total loss arising from the investment, at the time of its investment, provided that where it is the manager of the PIF making such determination, the manager is a licensee under the POI Law</li> </ul>

## Contacts

For further information, please get in touch with your usual Mourant contact or, alternatively, a list of contacts can be found [here](#).

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