

Regulatory information for **Jersey**Applicable to **All Jersey registered collective investment funds**Last review **August 2021**

Legal and Regulatory Framework

1.	Legal landscape	<i>Which laws apply?</i>
	Regulatory	<p>A person or entity carrying on financial service business in or from within Jersey are required to be registered and comply with the Financial Services (Jersey) Law 1998 ("FSJL"). This includes funds and those providing services ('restricted activities') to funds, e.g. managers, custodians, administrators, etc.</p> <p>The laws and regulations applying to funds and fund service providers are set-out below.</p> <p>Funds:</p> <p>A wide range of fund types are available under the Jersey regulatory fund regime, from the highly regulated "retail type" recognised funds to unregulated funds.</p> <ol style="list-style-type: none"> 1. Recognised funds - collective investment funds that comply with the Collective Investment Funds (Recognized Funds) (General Provisions) (Jersey) Order 1988. Recognised Funds (also known as "retail" funds) are the most highly regulated funds in Jersey and whose functionaries are regulated under the Collective Investment Funds (Jersey) Law 1988. 2. Certified funds - funds that requires a permit under the Collective Investment Funds (Jersey) Law 1988 and are required to comply with the Codes of Practice for Certified Funds. Jersey based service providers to certified funds need to be regulated and apply the Codes of practice for fund services business. These certified funds include: <ul style="list-style-type: none"> • <i>Expert funds</i>, which denotes a collective investment fund that meets the criteria set out in the Jersey Expert Fund Guide • <i>Listed funds</i>, which denotes a collective investment fund that meets the criteria set out in the Jersey Listed Fund Guide • <i>Unclassified funds</i> are those who do not fall within the simplified regulatory regimes of the Expert Fund or Listed Fund Guides. 3. Private funds are those offered to no more than 50 investors (open/closed ended) that meet eligibility criteria set out in the Jersey Private Fund Guide and consent is issued pursuant to the Control of Borrowing (Jersey) Order 1958 (established March 2017). This product replaces the following private funds

		<p>as a single product offering; COBO Only Funds, Private Placement Funds and Very Private Funds.</p> <p>https://www.jerseyfsc.org/media/4792/gn-jersey-private-fund-guide.pdf (last revised 15 July 2021)</p> <ol style="list-style-type: none"> 4. Unregulated funds (exchange traded and eligible investor) are exempt from regulation by the Collective Investment Funds (Unregulated Funds) (Jersey) Order by filing a prescribed form of notice that must be filed with the Jersey Financial Services Commission (“the Commission”). 5. AIFs - These are Private Funds or Certified funds where the Commission has issued a certificate under the Alternative Investment Funds (Jersey) Regulations 2012 – AIF Regulations (“the AIF Regulations”) <p>The list of regulated Jersey funds on the Commission’s website does not include unregulated funds, private funds authorised under the Control of Borrowing (Jersey) Order 1958 or non-Jersey domiciled funds that are serviced from within the Island.</p> <p>Fund service providers:</p> <p>A fund functionary is any person that has been granted a permit to act as functionary to a collective investment fund under the Collective Investment Funds (Jersey) Law 1988. The functionary is registered under the Financial Services (Jersey) Law 1998 to act in respect of the collective investment fund.</p> <p>A fund services business is any person that has been registered to conduct fund services business under the Financial Services (Jersey) Law 1998.</p> <p>An AIF services business is any person that has been registered to conduct AIF services business under the Financial Services (Jersey) Law 1998.</p> <p>NB: Jersey remains a third country for the purposes of the European Union’s Alternative Investment Fund Managers Directive (“EU’s AIFMD”). Jersey has introduced an equivalent AIFMD regime i.e. the AIF Regulations on the strength of which the European Securities and Markets Authority (“ESMA”) have recommended third country passport rights be extended to Jersey when the time comes.</p> <p>For Jersey Managers and depositaries that want to opt-in to a fully compliant AIFMD regime from 22 July 2013, the Commission created an authorisation regime based on the existing Financial Services (Jersey) Law 1998. This authorisation regime quite simply mirrors all the requirements of the AIFMD Level 1 and Level 2 texts.</p>
	<p>Corporate and contract law</p>	<p>Companies in Jersey are incorporated under the provisions of the Companies (Jersey) Law 1991 (“CJL”) and company formations are described in Article 3 of the CJL.</p> <p>Limited partnerships in Jersey are registered under the provisions of the Limited Partnerships (Jersey) Law 1994 (“LPJ”).</p> <p>Trusts in Jersey are formed under the provisions of the Trusts (Jersey) Law 1984 (“TJL”).</p>

2.	Regulated activities	<i>What kind of activities are regulated?</i>
		<p>The regulated activities in Jersey are set out in classes of financial services business which have been prescribed for the purposes of Article 8(2) of the Financial Services (Jersey) Law 1998 in the Financial Services (Financial Service Business) (Jersey) Order 2009.</p> <p>https://www.jerseylaw.je/laws/enacted/PDFs/RO-074-2009.pdf</p>
3.	Managing an AIF	<i>What does managing an AIF mean?</i>
		<p>The Code of Practice for AIFs and AIF Services Business specify that <i>managing AIFs</i> means performing at least investment management functions referred to in point 1(a) or (b) of the Notes attaching to paragraph 1 of the Code for one or more Directive AIFs i.e. portfolio management and/or risk management. An AIFM must not, as a consequence of any outsourcing arrangements, become devoid of functions to the extent that it becomes a “letter box” entity in accordance with reference to the guidance note on outsourcing under Section 15.</p> <p>https://www.jerseyfsc.org/media/4284/cop-alternative-investment-funds-code-of-practice.pdf (Last revised:1 January 2021)</p>
4.	Marketing an AIF	<i>What does marketing an AIF mean?</i>
		<p>The Code of Practice for AIFs and AIF Services Business specify that marketing AIFs means a direct or indirect offering or placement at the initiative of the AIFM or on behalf of the AIFM of units or shares of a Directive AIF it manages to or with investors domiciled or with a registered office in the European Union including any European Economic Area (“EEA”) State to which Level 1 AIFM Directive applies.</p>
5.	Regulated entity	<i>Which entity is regulated?</i>
		<p>In general, all Jersey registered entities performing the regulated activities specified in the Financial Services (Financial Service Business) (Jersey) Order 2009 are required to be regulated under the FSJL and are regulated by the Commission. Please refer to section 2 above for details of the regulated activities.</p>
6.	Regulatory Authorities	<i>Who are the regulatory authorities?</i>
		<p>The Jersey Financial Services Commission is the regulatory body for the finance sector in Jersey. The Commission is responsible for the supervision of all regulated financial services activity. It achieves this with reference to local laws and orders, plus a series of regulations, rules, policy statements and guidance notes it publishes itself through powers conveyed to it by legislation.</p>
7.	Type of AIF's	<i>What is the legal form?</i>
	Incorporated fund vehicles	<p>Jersey funds can be incorporated as follows in terms of the CJL:</p> <ol style="list-style-type: none"> 1. Limited liability companies

		2. Cell companies (i.e. Protected Cell Companies (“PCC”) and Incorporated Cell Companies (“ICC”))
	Un-incorporated fund vehicles	Unincorporated Jersey funds are as follows: 1. Trusts; and 2. Limited partnerships
Exemptions to license requirement		
8.	Regime for “small” AIFMs	<i>The “small” AIFM exemption as meant in the AIFM Directive</i>
		The EU’s AIFMD directive is not in force in Jersey. However, in Jersey the AIF Regulations do provide for exemption where a fund meets one or more of the exemption provisions set out in the EU’s AIFMD. There are no specific exemptions from licensing requirements for entities undertaking restricted activities under fund services business rules and regulations.
9.	Licensed EU AIFM	<i>Regimes applicable to EU-AIFMs licensed in another Member State?</i>
	AIFMD Passport	ESMA published advice in 2016 that concludes that there are no obstacles impeding the application of the AIFMD passport to Jersey. However, extension of the passport to Jersey remains pending at this time and thus EU passporting to and from Jersey is not currently permitted.
	Retail offerings	ESMA published advice in 2016 that concludes that there are no obstacles impeding the application of the AIFMD passport to Jersey. However, extension of the passport to Jersey remains pending at this time and thus EU passporting to and from Jersey is not currently permitted.
	Private Placement Regime	ESMA published advice in 2016 that concludes that there are no obstacles impeding the application of the AIFMD passport to Jersey. However, extension of the passport to Jersey remains pending at this time and thus EU passporting to and from Jersey is not currently permitted.
10.	Third country fund managers	<i>Please include a description of the regulations that apply to non-EU AIFMs active in your jurisdiction.</i>
	Private Placement Regime	All Jersey AIFMs actively marketing AIFs (wherever domiciled) and all Jersey AIFs which are either marketed into the European Economic Area (“EEA”) beyond 22 July 2013 or have an EEA AIFM, will be subject to the Commission’s regulation from that date. Non-Jersey domiciled funds do not require a separate authorisation in Jersey as long as Jersey service providers have a licence from the Commission to act as fund services providers.

License requirements and application

11.	General requirements	<i>Please provide a general overview of the statutory requirements applicable to a (prospective) AIFM.</i>
		<p>All prospective investment managers (and any other entities wishing to undertake restricted activities) must demonstrate that they meet minimum criteria; those applicants seeking to be licensed must refer to the Policy Statement on Licensing Policy in respect of those activities that require registration under the FS(J)L. The key aspects are summarised below:</p> <ol style="list-style-type: none"> 1. Transparency of Ownership: the Commission must be able to identify the individuals who ultimately own the business and who exercise control over the appointment of the management team as well as the management team and any individuals who will have significant powers and responsibilities in relation to the regulated activities; 2. Fitness and propriety - of the controllers and principal officers of the entity by demonstration of a minimum of 3 years relevant and satisfactory track record as a person supervised by a relevant supervisory authority, a satisfactory audit history, as demonstrated by the audit reports provided on its, or its immediate parent's financial statements and a well-established and stable management team with the necessary developed capability in respect of corporate governance and conduct of business matters relevant to the proposed regulated activity(ies) and risk profile of the applicant; 3. Systems and controls: the Commission expects that the applicant must be able to demonstrate the existence of adequate risk management systems and the existence of systems and controls which are designed to manage its affairs effectively for the proper performance of its regulated activities including those that evidence transparency in its business arrangements 4. Managed Businesses – the provision of resources under circumstances in which an applicant will be able to undertake its business in reliance on resources which do not include fully staffed premises of its own in Jersey are to be provided to the managed business under a written agreement with a registered person. 5. Structure and organisation - An applicant will be expected to restrict its activities to the regulated activities for which it holds licences and other activities that are wholly associated with or allied to the licensed business. When determining an application it is the Commission's policy to consider the activities of associated persons to assess whether they may impact the applicant negatively. 6. Financial standing/capital adequacy - An applicant will be expected to maintain, and be able to demonstrate the existence of, adequate financial resources in terms of capital adequacy, solvency and professional indemnity insurance. It is the Commission's policy that after taking account of contingent liabilities, a registered person must be, and be likely to remain, a going concern 7. Competence - Competency, with respect to those employed by or associated with an applicant may be evidenced by the attainment of relevant qualifications or by having sufficient relevant experience for the function they are charged with performing and applicant must be able to demonstrate that it is, and will have procedures that will assist it

		<p>to remain, competent to undertake its regulated activities, including the ability to comply with the aspects of the regulatory framework relevant to the proposed regulated activities of the applicant.</p> <p>8. Integrity - An applicant must be able to demonstrate that it intends to, and on an ongoing basis through compliance with the relevant Codes of Practice, will conduct its business with integrity, have due regard for the interests of its customers and provide appropriate supervision and training to those employed by or associated with it.</p> <p>The above is evidenced by submission of formal application, a business plan and supporting documentation such as policies, risk assessments and resumes of key management.</p> <p>Refer to link for those activities that require licencing under the Financial Services (Jersey) Law 1998 include the aspects of the “fit and proper” assessment: https://www.jerseyfsc.org/media/2775/gn-fsji-licencing-policy.pdf (refer to <i>Part 2: the JFSC’s “fit and proper” assessment</i>)</p>
11a.	Special retail requirements	<p><i>Are there any additional requirements in the event that there will be offerings to non-professional investors?</i></p>
		<p>The requirements for the constitutional documents of such funds, their mode of operation, the categories of investments and assets they can acquire and the investment restrictions which they must follow are set out in detail in the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003, as amended, and the Collective Investment Funds (Recognized Funds) (Permit Conditions for Functionaries) (Jersey) Order 1988, as amended. Funds within this category are the most highly regulated under Jersey law.</p> <p>There are no specific additional requirements on AIFMs managing such funds as a result of being licensed in Jersey per se, however the rules governing each fund the AIFM manages require it to operate those fund in accordance with them.</p>
12.	Legal structure AIFM	<p><i>Please provide an overview of the key organizational characteristics of an AIFM</i></p>
		<p>AIFMs in Jersey must be directed by at least two Jersey resident directors with sufficient experience and independence of each other. As such AIFMs are always legal entities and not natural persons.</p>
		<p>The Code of Practice for AIFs and AIF Services Business has various requirements for AIFMs, Furthermore, the Codes of Practice for Fund Services Business stipulates the following main principles in the provision of fund administration services:</p>
		<p>An AIFM must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems to demonstrate sound corporate governance, strong internal systems and controls.</p>
		<p>The AIFM is responsible for ensuring the fund is administered in accordance with the fund agreement, however, it may delegate or outsource the day-to-day administration function to a third party in accordance with the Commission’s Policy Statement and Guidance Note on Outsourcing and Delegation – this outsourcing can be off the</p>

		<p>island. There are certain activities that are required to be provided from Jersey particularly the regulated activities, the role of Compliance Officer, Money Laundering Compliance Officer and the role of Money Laundering Reporting Officer.</p> <p>An AIFM must maintain, and be able to demonstrate the existence of, both adequate financial resources and adequate insurance. Each law class for which the AIFM has carries a minimum level of paid up share capital and non-distributable reserves that are available on registration.</p>
13.	Legal ownership of AIF assets	<i>Who holds legal title to the assets of the AIF?</i>
		Legal title typically held by the AIF itself (nominee holdings are possible). In the case of a Trust, the legal title would rest with the trustee or in terms of the Trust Instrument/Trust Deed.
14.	Depository	<i>Please include an overview of the arrangements with depositaries</i>
		Jersey fund rules differ on their requirements for a custodian. Fund Managers captured under the AIFMD regime typically need to appoint an independent Depository to their funds.
		The level of Depository service required varies depending on the domicile of the AIFM and of the AIFs. A Depository is only required for non-EU Fund Managers when marketing a non-EU Fund in certain EU countries.
		Where applicable, in accordance with the Jersey Policy Statement and Guidance on Outsourcing and Delegation, the Commission would normally expect the checks undertaken by the Custodian to verify the accuracy of valuations and compliance with investment restrictions to be carried out in Jersey. However, the day-to-day work may be carried on outside Jersey with eligible third parties, such as a prime brokers provided the management and control/oversight of those tasks remain in Jersey.
		Depositaries will need to review their existing contractual arrangements with sub-custodians and prime brokers and with each AIF and make the necessary changes to comply with AIFMD. The AIF will also need to review its constitutional documents to ensure that the necessary provisions are provided for and make any necessary amendments.
15.	Delegation	<i>Please include an overview of the arrangements with respect to delegation</i>
		<p>The manager is responsible for ensuring the fund is administered in accordance with the fund agreement, however it may delegate or outsource the day-to-day administration function to a third party in accordance with the Commission's Policy Statement and Guidance Note on Outsourcing and Delegation.</p> <p>All registered persons will need to examine outsourcing and delegation arrangements to satisfy themselves that they meet the requirements of the Policy Statement and Guidance Note. Where they do not, the Commission will look to the registered person to take appropriate action to bring itself within the requirements of the Core Principles,</p>

		<p>depending on whether the arrangements relate to outsourcing or delegation.</p> <p>A registered person must inform the Commission in writing of its intention to outsource or delegate any material part of its regulated functions, within a reasonable time prior to the commencement of the outsourcing or delegation arrangement, in order to allow the Commission to consider the proposal and raise any concerns.</p> <p>However, there are certain activities that are required to be provided from Jersey particularly the regulated activities, the role of Compliance Officer, Money Laundering Compliance Officer, the role of Money Laundering Reporting Officer and the appointment of at least two Jersey resident directors.</p>
16.	Notifications to regulators	<i>Description of <u>any subsequent notifications</u> to the regulators</i>
	Material amendments to the information submitted for the license	<p>The Commission requires licensed AIFMs to notify it in advance of any proposed changes to the details submitted as part of its initial licence application. This would include changes to the nature of AIFs to which it provides management activities.</p> <p>As a regulated fund services business, an AIFM is required to make regular annual, bi-annual and quarterly returns depending on AIFM type returns and also file audited annual accounts with the Commission.</p>
	Notification managing new AIF with different strategy	<p>The Commission requires licensed AIFMs to notify it in advance of any proposed changes to the details submitted as part of its initial licence application. This would include changes to the nature of AIFs to which it provides management activities.</p> <p>As a regulated fund services business, an AIFM is required to make regular annual, bi-annual and quarterly returns depending on AIFM type returns and also file audited annual accounts with the Commission.</p>
	Notification managing a new AIF with same investment strategy	<p>The Commission requires licensed AIFMs to notify it in advance of any proposed changes to the details submitted as part of its initial licence application. This would include application for a new AIFs to which it provides management activities.</p> <p>As a regulated fund services business, an AIFM is required to make regular annual, bi-annual and quarterly returns depending on AIFM type returns and also file audited annual accounts with the Commission.</p>
	Notification marketing	<p>The Commission requires licensed AIFMs to notify it in advance of any proposed changes to the details submitted as part of its initial licence application. This would include changes to the nature of AIFs to which it provides management activities.</p> <p>As a regulated fund services business, an AIFM is required to make regular annual, bi-annual and quarterly returns depending on AIFM type returns and also file audited annual accounts with the Commission.</p>
	Notification annual report	<p>The Commission requires licensed AIFMs to notify it in advance of any proposed changes to the details submitted as part of its initial licence</p>

		<p>application. This would include changes to the nature of AIFs to which it provides management activities.</p> <p>As a regulated fund services business, an AIFM is required to make regular annual, bi-annual and quarterly returns depending on AIFM type returns and also file audited annual accounts with the Commission no later than 6 months following the end of the financial year end.</p>
17.	Timing	
	License application	Upon receipt of a complete and correct application the Commission will use its best endeavours to authorise the application within 3 to 5 days for various fund categorisations.
	Material amendments to license application (incl. managing a new AIF with same investment strategy)	Upon receipt of a complete and correct application the Commission will use its best endeavours to authorise the application within 3 to 5 days for various fund categorisations.
	Marketing notification	Upon receipt of a complete and correct application the Commission will use its best endeavours to authorise the application within 3 to 5 days for various fund categorisations.
18.	Costs (at 01-07-2021)	<i>Please include an overview of mandatory fees charged by regulators or other charges in relation to the license application and subsequent supervision.</i>
	License application	<p>AIFM: initial application fee of £1,620</p> <p>AIF: initial application fee of £1,620</p> <p>An AIF which is a Certified Fund or a Recognized Fund is not required to pay an application fee</p> <p>Refer to: https://www.jerseyfsc.org/media/4733/aif-and-aifsb-fees-notice-july-2021.pdf (Effective 01/07/21 - 30/06/22)</p>
	Extension of license	<p>AIFM/AIF</p> <p>This is not specified but please follow link to details of costs to vary licences for each holder</p> <p>Refer to: https://www.jerseyfsc.org/media/4733/aif-and-aifsb-fees-notice-july-2021.pdf (Effective 01/07/21 - 30/06/22)</p>
	Material amendments to license application (incl. managing a new AIF with same investment strategy)	<p>AIFM/AIF</p> <p>This is not specified but please follow link to details of costs to vary licences for each holder</p> <p>Refer to: https://www.jerseyfsc.org/media/4733/aif-and-aifsb-fees-notice-july-2021.pdf (Effective 01/07/21 - 30/06/22)</p>

	Annual costs ongoing supervision	Please follow link to fee notices for costs associated with each licence under fees payable to the Registrar (depending on form of incorporation) and those payable to the Commission https://www.jerseyfsc.org/industry/fees/
Marketing		
19.	Professional investors	<i>Is marketing to professional investors permitted in your jurisdiction?</i>
	Small AIFMs	<p><i>Jersey funds = Yes</i></p> <p><i>Non-Jersey funds marketing into Jersey</i></p> <p>Non-Jersey domiciled funds do not require a separate authorisation in Jersey as long as Jersey service providers have a licence from the Commission to act as fund services provider.</p> <p>Non-domiciled funds may be marketed into Jersey subject to the issuance of permits and consents by the Commission to act as the fund's functionary. If responsibility for the management of a non-domiciled fund is to be assumed by a Jersey based entity the Commission will treat the fund for authorisation purposes as if it were a fund established in Jersey. In such cases, applicants should either submit an application pursuant to the Jersey Expert Fund Guide (assuming the fund satisfies the requirements of that Guide) or approach the Securities Division for guidance as to the manner in which any application should be made.</p>
	Licensed EU AIFMs	<p><i>Jersey funds = Yes</i></p> <p><i>Non-Jersey funds marketing into Jersey</i></p> <p>Non-Jersey domiciled funds do not require a separate authorisation in Jersey as long as Jersey service providers have a licence from the Commission to act as fund services provider.</p> <p>Non-domiciled funds may be marketed into Jersey subject to the issuance of permits and consents by the Commission to act as the fund's functionary. If responsibility for the management of a non-domiciled fund is to be assumed by a Jersey based entity the Commission will treat the fund for authorisation purposes as if it were a fund established in Jersey. In such cases, applicants should either submit an application pursuant to the Jersey Expert Fund Guide (assuming the fund satisfies the requirements of that Guide) or approach the Securities Division for guidance as to the manner in which any application should be made.</p>
	Third-country AIFMs offering under the PPR	<p><i>Non-Jersey funds marketing into Jersey</i></p> <p>Non-Jersey domiciled funds do not require a separate authorisation in Jersey as long as Jersey service providers have a licence from the Commission to act as fund services provider.</p> <p>Non-domiciled funds may be marketed into Jersey subject to the issuance of permits and consents by the Commission to act as the fund's functionary. If responsibility for the management of a non-domiciled fund is to be assumed by a Jersey based entity the Commission will treat the fund for authorisation purposes as if it were a fund established in Jersey. In such cases, applicants should either</p>

		submit an application pursuant to the Jersey Expert Fund Guide (assuming the fund satisfies the requirements of that Guide) or approach the Securities Division for guidance as to the manner in which any application should be made.
	Third-country AIFMs offering under the designated state regime	<p><i>Non-Jersey funds marketing into Jersey</i></p> <p>Non-Jersey domiciled funds do not require a separate authorisation in Jersey as long as Jersey service providers have a licence from the Commission to act as fund services provider.</p> <p>Non-domiciled funds may be marketed into Jersey subject to the issuance of permits and consents by the Commission to act as the fund's functionary. If responsibility for the management of a non-domiciled fund is to be assumed by a Jersey based entity the Commission will treat the fund for authorisation purposes as if it were a fund established in Jersey. In such cases, applicants should either submit an application pursuant to the Jersey Expert Fund Guide (assuming the fund satisfies the requirements of that Guide) or approach the Securities Division for guidance as to the manner in which any application should be made.</p>
20.	Non professional investors	<i>Is marketing to non-professional investors permitted in your jurisdiction?</i>
	Small AIFMs	<p><i>Jersey funds</i></p> <p>Yes - only certain fund types are available to non-professional investors. Please refer to Section 22 below for the types of funds available.</p> <p><i>Non-Jersey funds marketing into Jersey</i></p> <p>Non-Jersey domiciled funds do not require a separate authorisation in Jersey as long as Jersey service providers to the fund have a licence from the Commission to act as fund services provider.</p>
	Licensed EU AIFMs	<p><i>Jersey funds</i></p> <p>Yes - only certain fund types are available to non-professional investors. Please refer to Section 22 below for the types of funds available.</p> <p><i>Non-Jersey funds marketing into Jersey</i></p> <p>Non-Jersey domiciled funds do not require a separate authorisation in Jersey as long as Jersey service providers have a licence from the Commission to act as fund services providers.</p>
	Third-country AIFMs offering under the PPR	<p><i>Non-Jersey funds marketing into Jersey</i></p> <p>Non-Jersey domiciled funds do not require a separate authorisation in Jersey as long as Jersey service providers have a licence from the Commission to act as fund services providers.</p> <p>In accordance with Section 4.3 of the Jersey Private Placement Fund Guide, if an investment manager is acquiring an interest in a Private Placement Fund, directly or indirectly, for or on behalf of non-professional or non-sophisticated investors, the Commission expects the manager to be satisfied that the investment is suitable for the underlying investors and that the underlying investors are able to bear</p>

		the economic consequences of investment in the fund, including the possibility of loss of the entire investment.
21.	Information memorandum	
	Prior approval required?	<p>Units in a certified fund shall not be marketed unless a prospectus has been prepared that complies with Article 3(1) of the Collective Investments Funds (Certified Funds – Prospectuses) (Jersey) Order 2012 or for which the Commission’s consent has been obtained.</p> <p>The Commission may consent to the marketing of units in a fund by means of a prospectus which does not comply in every respect with the requirements of Article 3(1) if it is satisfied that the deviation from those requirements does not materially affect the substance of the prospectus and is not calculated to mislead.</p>
	Closed-end AIF that issues transferable securities to the public	<p>Units in a certified fund shall not be marketed unless a prospectus has been prepared that complies with Article 3(1) of the Collective Investments Funds (Certified Funds – Prospectuses) (Jersey) Order 2012 or for which the Commission’s consent has been obtained.</p> <p>The Commission may consent to the marketing of units in a fund by means of a prospectus which does not comply in every respect with the requirements of Article 3(1) if it is satisfied that the deviation from those requirements does not materially affect the substance of the prospectus and is not calculated to mislead.</p>
	Other closed-end or open-end AIFs	<p>Units in a certified fund shall not be marketed unless a prospectus has been prepared that complies with Article 3(1) of the Collective Investments Funds (Certified Funds – Prospectuses) (Jersey) Order 2012 or for which the Commission’s consent has been obtained.</p> <p>The Commission may consent to the marketing of units in a fund by means of a prospectus which does not comply in every respect with the requirements of Article 3(1) if it is satisfied that the deviation from those requirements does not materially affect the substance of the prospectus and is not calculated to mislead.</p>
Investor matters		
22.	Minimum level of investment	<i>Describe whether there are any minimum level of investments in your jurisdiction</i>
		<p>Levels are set as below:</p> <p>Jersey Private Fund (JPF) – can be open-ended or closed-ended investment scheme. minimum investment level is set at £250,000 or currency equivalent either through an initial offering of units in the JPF or by subsequent acquisition and is a professional investor as defined in the Jersey Private Fund Guide (refer to A.2). https://www.jerseyfsc.org/media/4792/gn-jersey-private-fund-guide.pdf (last revised 15 July 2021)</p> <p>Expert Fund - can be open-ended or closed-ended investment scheme. A minimum of US\$100,000 or currency equivalent (or the investor must satisfy one of the alternative definitions of Expert Investor as set out in the Guide).</p>

		<p>https://www.jerseyfsc.org/media/3224/cop-certified-funds-schedule2.pdf</p> <p>Unclassified Collective Investment Fund - can be open-ended or closed-ended investment scheme. A minimum level is chosen and agreed with the Commission.</p> <p>Listed Fund - closed-ended investment scheme. There is no minimum investment level.</p> <p>Unregulated Funds</p> <p><i>Unregulated eligible investor funds</i> - can be open-ended or closed-ended investment scheme. A minimum investment level of \$1 million (or satisfy one of the other definitions of Eligible Investor set out in the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008 (the Unregulated Funds Order).</p> <p><i>Unregulated exchange traded funds</i> - closed-ended investment scheme. There is no minimum investment level.</p> <p>Where there is a lower minimum investment amount, there will be greater regulation by the Commission.</p>
23.	Investment restrictions/ exceptions	
		<p>No investment or borrowing restrictions are set by the Commission</p> <p>Investment and borrowing restrictions applicable to each fund are set out in the Offer Document and the Constitutive Documents of each fund.</p>
24.	Liquidity	<p><i>Key regulatory/statutory requirements that govern the liquidity rights of investors in the fund – e.g. types of investors, maximum/minimum notice periods and payment periods for redemptions etc.</i></p>
		<p>Dependent of fund type, liquidity rights may be dictated by the applicable rules of each fund.</p> <p>AIFMs shall, for each Directive AIF that they manage which is not an unleveraged closed-ended Directive AIF, employ an appropriate liquidity management system and adopt procedures which enable them to monitor the liquidity risk of the Directive AIF and to ensure that the liquidity profile of the investments of the Directive AIF complies with its underlying obligations. AIFMs shall regularly conduct stress tests, under normal and exceptional liquidity conditions, which enable them to assess the liquidity risk of the Directive AIFs and monitor the liquidity risk of the Directive AIFs accordingly.</p>

Additional information		
25.	Additional information	Whilst funds and fund managers in Jersey operate under the laws and regulations as stipulated in Section 1, it is worth noting that the Commission may offer flexibility in licensing requirements on a case by case basis where derogations and approval may be sought by applicants. The Commission are open to discussions in this respect.

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