



**Jersey Financial
Services Commission**

Jersey Private Fund Guide

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The purpose of this Guide is to set out the eligibility criteria for a Jersey Private Fund (**JPF**), as further described and defined under part D. of this Guide, which requires a consent to be issued pursuant to the Control of Borrowing (Jersey) Order 1958 (**CoBO**). A JPF which satisfies the eligibility criteria set out in this Guide may be established and issued with a relevant consentⁱ as a JPF pursuant to CoBO using the streamlined authorisation process, as described in this Guide.

A. Basic definition

A JPF is a private investment fund involving the pooling of capital raised for the fund and which operates on the principle of risk spreading.

A JPF may be established in Jersey or in a country or territory outside of Jersey. Each investor must be a person who meets one or more of the following criteria:

1. who is a **'professional investor'** (within the meaning of paragraph 1. of Annex A of this Guide);
2. who makes a minimum initial investment in or commitment to the JPF of not less than two hundred and fifty thousand pounds sterling (or the equivalent of that amount in another currency) either through an initial offering of units in the JPF or by subsequent acquisition;
3. to whom paragraph 3. of Annex A of this Guide applies; or
4. to whom paragraph 5. of Annex A of this Guide applies,

(for the purposes of this Guide, persons meeting the eligibility criteria set out in any of paragraph 2., 3. or 4. above shall each be an **'eligible investor'** and, together, **'eligible investors'**).

A JPF shall not be a collective investment fund (**CIF**) within the meaning of the Collective Investment Funds (Jersey) Law 1988, as amended (**CIF Law**). This includes where the JPF meets the requirements of the Collective Investment Funds (Jersey Private Fund) (Jersey) Order 2025 (the JPF Order). Under the JPF Order, which comes into effect on 6 August 2025, any offer for subscription, sale, or exchange of units of a JPF must be addressed exclusively to a **'restricted group of investors'**ⁱⁱ to ensure that the offer does not in any way constitute an **'offer to the public'** within the meaning of Article 3 of the CIF Law.

If an existing JPF authorised prior 6 August 2025 wishes to rely on the JPF Order, it must hold a relevant consent dated on or after 6 August 2025. An existing JPF can apply to us for an updated relevant consent at any time. However, until such time as that relevant consent is reissued, that JPF's relevant consent will continue to have conditions on the number of offers/investors and will also remain subject to the **'restricted circle of persons'**ⁱⁱⁱ test under the CIF Law. Any existing JPF wishing to avail itself of the JPF Order and make more than 50 offers to a restricted group of investors will need to apply to us for a new relevant consent. See part J of this Guide.

B. Scope

It is not intended that holding companies or joint venture arrangements will fall within the definition of a JPF or be treated by us, the Jersey Financial Services Commission (**JFSC**), as a JPF for the purpose of this Guide. Equally, a special purpose/securitisation investment scheme issuing **'securities'** (as defined in the Collective Investment Funds (**Restriction of Scope**) (Jersey) Order 2000 (**Restriction Order**)) and which has either (i) received a relevant consent from Registry and which meets all of the other requirements of Article 2 of the Restriction Order; or (ii) does not require a consent to be

issued under CoBO in respect of those securities, will not be treated by us as a JPF for the purpose of this Guide.

Furthermore, provided that the criteria and relevant definitions outlined in Annex B of this Guide are met, arrangements between persons who are connected to each other by way of a 'family connection' or incentive arrangements between persons who are connected to each other by way of an 'employment connection' will not be treated by us as a JPF for the purpose of this Guide.

The service providers to a JPF may rely on the Financial Services (Investment Business (Restricted Investment Business - Exemption)) (Jersey) Order 2001 and/or the Financial Services (Trust Company Business (Exemptions No.5)) (Jersey) Order 2001, subject to the terms of such Orders (together, the **Professional Investor Regulated Scheme (PIRS) Orders**). Any person meeting the eligibility criteria as a 'professional investor' or 'eligible investor' under paragraph 1 of Annex A of this Guide shall be a 'professional investor' for the purpose of its investment in a JPF, or any scheme directly associated with a JPF, under the Professional Investor Regulated Scheme (PIRS) Orders.

C. Structure

Our expectation is for a JPF to be established: (i) in Jersey and/or (ii) to have its governing body and management and control in Jersey.

Where a JPF is established in a country or territory outside of Jersey, having its governing body and management and control outside of Jersey, post authorisation we will request additional data on the JPF from the Designated Service Provider (**DSP**) (as more specifically described under part G. of this Guide), to establish the indirect but relevant nexus to Jersey.

A JPF established in Jersey shall take the form of a company incorporated under the laws of Jersey (including a protected cell company, an incorporated cell company or any cell thereof), a limited liability company (**LLC**) registered under the laws of Jersey, a partnership (including limited partnerships (**LP**), limited liability partnerships (**LLP**) separate limited partnerships (**SLP**), or incorporated limited partnerships (**ILP**)) or a unit trust constituted under the laws of Jersey.

A JPF established in a country or territory outside of Jersey shall be incorporated or constituted, as applicable, in such equivalent form as is permitted under the laws of the relevant country or territory.

While there is no explicit requirement for the governing body and management and control of a JPF to be in Jersey, our expectation is for at least one or more Jersey resident directors to be appointed to a JPF's board or, if different, to the board of its governing body.

A JPF is not required to appoint an auditor but may do so.

D. Eligibility criteria

1. A JPF must meet the basic definition of a JPF set out under part A. of this Guide and must meet the requirements of part C. of this Guide.
2. A JPF may be open or closed-ended.
3. A JPF may be listed with the prior approval of an officer of the JFSC in advance.

4. No retail investors^{iv} are permitted to invest (directly or indirectly) in a JPF (except in the circumstances where paragraphs 3. or 5. of Annex A of this Guide apply).
5. Only professional investors (within the meaning of paragraph 1. of Annex A of this Guide) or eligible investors (within the meaning of paragraphs 2., 3. or 4. of part A. of this Guide) who have acknowledged in writing receipt and acceptance of an investment warning and disclosure statement in substantially the same form as the investment warning set out under part E. of this Guide may invest in a JPF.^v
6. A JPF must appoint a DSP that is regulated by us for Fund Services Business (**FSB**) and/or Trust Company Business (**TCB**) within the meaning of the Financial Services (Jersey) Law 1998 (**FSJL**), whose role and the requirements around which are described in detail under part G. of this Guide.
7. The DSP can also be the Anti-Money Laundering Services Provider (**AMLSP**) to the JPF and, where different, to its governing body, in accordance with Article 9A of the Money Laundering (Jersey) Order 2008 (**MLO**) but it does not have to be. Where the DSP is not also the AMLSP to the JPF or its governing body, appropriate controls must be put in place and documented to ensure that the division of AML/CFT/CPF responsibilities and conflicts of interest are properly managed and mitigated between the DSP and the AMLSP.
8. A JPF established in Jersey or a JPF established in a country or territory outside of Jersey having its governing body and management and control in Jersey and their DSPs, are required to comply with all the relevant provisions of the MLO and the AML/CFT/CPF Handbook. For the avoidance of doubt, they are a Schedule 2 business for the purposes of the Proceeds of Crime (Jersey) Law 1999 and the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008.
9. Our Outsourcing Policy (**OSP**) applies to the provision of AML/CFT/CPF services to a JPF established in Jersey or a JPF established in a country or territory outside of Jersey having its governing body and management and control in Jersey. Our OSP also applies to the DSP and any other Jersey Service Providers to a JPF established in Jersey or a JPF established in a country or territory outside of Jersey where those Service Provider(s) are subject to any Regulatory Law(s) (within the meaning of our OSP). The OSP does not however apply where a Service Provider which is an AMLSP, performs Outsourced Activity (i.e. AMLSP services) to a JPF or, for the avoidance of doubt, in other circumstances where the arrangement is not caught by the OSP as set out in the OSP itself.
10. Where a JPF is also an alternative investment fund (**AIF**) (within the meaning of Regulation 3 of the Alternative Investment Funds (Jersey) Regulations 2012 (**AIF Regulations**)), Jersey's alternative investment fund managers directive (**AIFMD**) legislation and code of practice for AIFs and AIF services business will apply.
11. The activity of a JPF is subject to our sound business policy, as amended from time to time.
12. A JPF must comply with the requirements of part L. of this Guide in relation to Sustainable Investment.

Provided the criteria set out in paragraphs 1. to 12. of this part D. are met:

- i. A JPF is not required to comply with the Code of Practice for Certified Funds.
- ii. Personal questionnaires are not required for an application pursuant to this Guide.

- iii. The promoter of a JPF does not need our prior approval.
- iv. A JPF is not required to have a prospectus, private placement memorandum or an offer document unless it is specifically required by another statutory requirement or applicable law, but it may do so, provided that such document contains all the material information which investors and their professional advisers (if any) would reasonably require, and would reasonably expect to find and to have brought fairly to their attention for the purpose of making an informed judgement about:
 - a. the merits of purchasing units in the JPF; and
 - b. the nature and levels of the risks accepted by making such a purchase.

The private placement memorandum or offer document will also need to contain the following statement: “[The directors of the company have] [the manager/general partner/managing partner/LLC manager or trustee (as the case may be) has] taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. The [directors accept] [the manager/general partner/managing partner/LLC manager or trustee (as the case may be) accepts] responsibility accordingly.”

Given the basic definition of a JPF and the restriction on any public offering under part F. of this Guide, we would not ordinarily expect the units/shares/interests of the JPF to be admitted to trading on a stock exchange. However, we recognise that some JPFs may seek a ‘technical listing’ with no active trading, or where units/shares/interests have been ‘privately placed’ with select investors (with no public offering). In these circumstances, a JPF may be eligible for listing with the prior approval of an officer of the JFSC in advance.

E. Investment warning and disclosure statement

The investment warning referred to under paragraph 5. of part D. of this Guide shall be in substantially the following terms:

1. “[The Fund] has been established in Jersey as a Jersey Private Fund. It is only suitable for those who fall within the definition of ‘professional investor’ or ‘eligible investor’ as such terms are defined in the Jersey Private Fund Guide published by the Jersey Financial Services Commission (JFSC). Requirements which may be deemed necessary for the protection of retail or non-professional/eligible investors, do not apply to the [Fund]. By acknowledging this statement, you are expressly agreeing that you fall within the definition of a ‘professional investor’ or an ‘eligible investor’ and accept the reduced regulatory requirements on [the Fund] accordingly.
2. If you are acquiring an interest in [the Fund], directly or indirectly, for or on behalf of a retail investor, the JFSC expects you to be satisfied that the investment is suitable for the relevant underlying retail investor and that the relevant underlying retail investor is able to bear the economic consequences of investment in [the Fund], including the possibility of the loss of their entire investment.
3. You are wholly responsible for ensuring that all aspects of [the Fund] are acceptable to you. Investment in a Jersey Private Fund may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of [the Fund] and the potential risks inherent in [the Fund] you should not invest in [the Fund]. The investor or their duly authorised agent must acknowledge in writing that the

investor has received and accepted this investment warning. By signing the acknowledgement, it is accepted that an investment in the Fund may involve special risks that could lead to a loss of all such investment.”

The disclosure statement referred to under paragraph 5. of part D. of this Guide shall be in the following terms:

1. “The JFSC has given, and has not withdrawn, its consent under Article [●] of the Control of Borrowing (Jersey) Order 1958 to the issue of interests in this Fund.”
2. “It must be distinctly understood that, in giving this consent, the JFSC does not take any responsibility for the financial soundness of this Fund or for the correctness of any statements made, or opinions expressed, with regard to it.”
3. “The JFSC is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that Law.”

F. Test for a Restricted Group of Investors

The following rules shall generally apply when determining that the JPF is made available to a restricted group of investors (Restricted Group of Investors Test):^{vi}

1. An offer to acquire units/shares/interests in the JPF must be addressed to an identifiable category of persons and may only be directly communicated by the JPF or the JPF's appointed agent.
2. Only members to whom the offer has been communicated may accept that offer.
3. A top up of investment, or a transfer of units/shares/interests in a JPF, either in whole or in part, from one investor to another shall be treated as part of the original offer to the relevant investor(s).
4. Where a person acquires a unit/share/interest in a JPF with no rights attaching to it other than management and/or control rights (that is, no share in the profits of the relevant JPF), that person does not need to be treated as an investor requiring an offer under the Restricted Group of Investors Test.
5. A carried interest and/or co-investment vehicle which is established for the sole purpose of sharing in the profits of a JPF or any other vehicle promoted or advised by the promoter of the JPF does not need to be treated as an investor requiring an offer under the Restricted Group of Investors Test. This is on the basis that generally, the principal purpose of a carry vehicle and/or co-investment vehicle is to align interests and/or to incentivise the relevant fund's management and/or advisory team. Each participant of the carried interest or co-investment vehicle must either be a **‘professional’** or an **‘eligible’** investor as such terms are defined in this Guide, or alternatively, the carry vehicle and/or co-investment vehicle must qualify in the circumstances where paragraphs 3. or 5. of Annex A of this Guide apply.
6. A general partner of a JPF which is established as a form of limited partnership shall not be treated as an investor but shall be treated as an investor where that general partner commits capital to the JPF for the purposes of co-investment (other than for a carried interest and/or co-investment incentive arrangement referred to under paragraph 5. of this part F. of this

Guide, or in the circumstances where paragraphs 3. or 5. of Annex A of this Guide apply) in that limited partnership. The same position shall apply to general partners of separate limited partnerships, general partners of incorporated limited partnerships and managing partners of limited liability partnerships.

7. In accordance with paragraph 5. of Annex A of this Guide, a professional investor may acquire an interest in a JPF directly for or on behalf of one or more retail investors. In this scenario, the professional investor will be treated as one investor in the relevant JPF and it will not be necessary to look through to the number of underlying investors. By subscribing for or acquiring an interest in a JPF, it is expected that retail investors will not be active participants in the JPF and that the holder of such interest or person acquiring such interest (being the professional investor that is the participant) shall have represented to the relevant JPF that such holder or such acquirer is a professional investor. The board of directors, general partner/managing partner/LLC manager or trustee (as the case may be) of the relevant JPF shall be entitled to rely upon such representation for these purposes.^{vii}
8. A JPF may have associated with it, any ancillary scheme or arrangement (for the purposes of this paragraph, a **'Feeder Fund'**), whose sole or exclusive purpose is to invest in the relevant JPF, and the Feeder Fund only has investors who are professional and/or eligible investors.
9. On a case-by-case basis we may, in exceptional circumstances, deem it appropriate to permit a derogation from the above general rules. Any such application for derogation(s) will not be dealt with on an expedited basis.

G. Designated service provider (DSP)

1. A JPF must appoint a DSP, as referred to under paragraph 6 of part D. of this Guide, and there shall be no change in the DSP without the prior approval of an officer of the JFSC.
2. The DSP must be registered by us under the FSJL to carry on one or more of class V (Administrator), class U (Manager), class X (Investment Manager) or class ZG (Trustee) of FSB.
3. Where however, in relation to a JPF there are to be 15 or fewer offers and professional and/or eligible investors (a **'very private' JPF**), the duly appointed DSP does not have to be an FSB registered under the FSJL for class V, U, X or ZG and may instead be registered by us to carry on any class of FSB or TCB within the meaning of the FSJL.^{viii}
4. The DSP must be an existing Jersey full substance entity.^{ix}
5. As referred to under paragraph 7 of part D. of this Guide, the DSP can also be the AMLSP to a JPF established in Jersey or a JPF established in a country or territory outside of Jersey having its governing body and management and control in Jersey but it does not have to be. Where the DSP is not also the AMLSP to the JPF or its governing body, appropriate controls must be put in place and documented to ensure that the division of AML/CFT/CPF responsibilities and conflicts of interest are properly managed and mitigated between the DSP and the AMLSP.
6. The duties and responsibilities of the DSP do not replace the duties and responsibilities of the governing body of the relevant JPF for all aspects of the JPF (including marketing and capital raising).
7. Specifically, the DSP must assume responsibility for the following duties in relation to the relevant JPF:

- i. making all reasonable enquiry, to ensure that the JPF meets all of the eligibility criteria referred to under part D. of this Guide both on its establishment and, on a continuing basis;
 - ii. ensuring that all necessary due diligence on the JPF and its promoter is carried out and ensuring that the promoter of the JPF has put in place appropriate measures to ensure that all service providers to the JPF are fit and proper and can fulfil the tasks in a responsible, professional and suitable manner;
 - iii. ensuring that all documents relating to its due diligence enquiries will be readily retrievable in Jersey and, if kept otherwise than in legible form, will be maintained by it so as to be readable at a computer terminal in Jersey so that they may be produced in legible form without delay;
 - iv. ensuring compliance with all necessary Jersey AML/CFT/CPF requirements applicable to a JPF established in Jersey or a JPF established in a country or territory outside of Jersey having its governing body and management and control in Jersey.
 - v. completing and submitting a JPF Form to us for authorisation of the JPF declaring in its capacity as DSP to the JPF and having made all reasonable enquiry, that the information provided in the JPF Form “is complete, true and accurate” to the best of the DSP’s knowledge and belief;
 - vi. completing and submitting a JPF notice of change or event (**JPF Notice of Change or Event**) to notify us as soon as reasonably practicable, and for the avoidance of doubt within 28 calendar days’, in the event of any:
 - a. material change in relation to the JPF which would impact the accuracy of the information provided to us in the JPF Form (including the termination of the JPF (under any circumstances) or any change to the JPF’s Jersey service provider(s) other than the DSP (on the basis that there shall be no change in the DSP without the prior approval of an officer of the JFSC));^x
 - b. non-compliance with the JPF’s Jersey AML/CFT/CPF obligations (noting that the requirement for reporting/notice to be given in such circumstances may be a statutory requirement pursuant to other laws and regulations);
 - c. material/unresolved complaint(s) made in relation to the JPF; or
 - d. qualified audit of the JPF’s annual accounts and financial statements (where the JPF has appointed an auditor).^{xi}
 - vii. completing and submitting a JPF annual compliance return (**JPF Return**) with us in each relevant year.
8. As referred to under paragraphs 6 and 8 of part D. of this Guide, the DSP is required to comply with all relevant provisions of the FSJL, MLO and AML/CFT/CPF Handbook and, we may consider and take account of such conduct when assessing the ‘fit and proper’ status of the DSP for the purposes of its FSJL registration.

H. JPF Form, JPF Notice of Change or Event and JPF Return^{xii}

The DSP is required, on application, to provide us with the information requested in the JPF Form. In the event of a change of DSP, our Authorisation Team will require the incoming DSP to provide it with a written declaration in substantially the same form as the original declaration received from the outgoing DSP in the JPF Form.

It should be noted that every relevant consent issued by us under CoBO is issued based on the information provided to the DSP in the JPF Form. Any material change in relation to the JPF which occurs prior to the launch of the JPF, and which would impact the accuracy of the information provided in the JPF Form, should be brought to our attention as soon as possible.

The DSP is required, on an ongoing basis, to notify us as soon as reasonably practicable, and for the avoidance of doubt within 28 calendar days, in the event of any of the circumstances provided for in the JPF Notice of Change or Event.

The DSP is also required, by 31 July in each relevant year, to provide us with the information requested in the JPF Return for the period up to 30 June of that year.

I. Timescale and cost

A 24-hour streamlined authorisation process will apply to all JPFs which meet all the eligibility criteria for a JPF set out in detail under part D. of this Guide. The relevant consent will be granted in 24 hours in relation to a JPF provided that our Authorisation Team receives the fully completed JPF Form and the corresponding application fee in the amount prescribed in our notice of fees payable by or in relation to CoBO (**CoBO Fees Notice**), as amended from time to time.

For the avoidance of doubt, the 24-hour JPF timescale and fee is separate from the timescale and fee attaching to any application to the Jersey Companies Registry for the incorporation/registration of a Jersey company, LLC or partnership. Similarly, where a JPF is also an AIF, the application timescale and fee attaching to the relevant AIFMD Form(s) shall be separate from the 24-hour JPF timescale and fee.

An annual fee (in the amount prescribed in our CoBO Fees Notice) is also payable to us in each relevant year.

J. Transitional provisions and conversion

This Guide is not intended to have retroactive effect. Accordingly, this Guide does not apply to any Jersey private fund (very private fund (**VPF**), private placement fund (**PPF**) or CoBO only fund) which has been issued with a relevant consent prior to the introduction of this Guide.

While the establishment of any new VPF, PPF or CoBO only fund is no longer permitted following the introduction of this Guide, existing VPFs, PPFs and CoBO only funds may continue in operation until the end of their natural life or, alternatively, they (through their duly appointed DSP) may apply to us to convert into a JPF by completing and submitting a JPF Form with the corresponding application fee in the amount prescribed in our CoBO Fees Notice.

Should:

1. an existing fund (including any VPF, PPF or CoBO only fund) wish to convert into a JPF and be subject to the requirements of this Guide, it must meet all the eligibility criteria for a JPF set out under part D. of this Guide;

2. an existing JPF authorised prior 6 August 2025 wish to rely on the JPF Order, it must hold a relevant consent dated on or after 6 August 2025. An existing JPF can apply to us for an updated relevant consent at any time. The new relevant consent will be issued without any conditions on the number of offers/investors. Until such time as that relevant consent is reissued, that JPF's relevant consent will continue to have conditions on the number of offers/investors and will also remain subject to the 'restricted circle of persons' test under the CIF Law. Any existing JPF wishing to avail itself of the JPF Order and make more than 50 offers to a restricted group of investors will need to apply to us for a new relevant consent;^{xiii} or
3. an existing CIF (which has been granted a CIF certificate pursuant to the CIF Law) wish to convert to a JPF, this may be possible on a case-by-case basis where the fund meets all the eligibility criteria for a JPF set out under part D. of this Guide.^{xiv} However, we'd expect the fund to go through the process of revoking the fund's CIF certificate and we'd expect the fund to also seek written confirmation from its investors including an acknowledgement and acceptance in writing of the investment warning and disclosure statement in substantially the same form as the investment warning set out under part E. of this Guide. The fund (through their duly appointed DSP) will then need to apply to us to convert into a JPF (for a new relevant consent under CoBO) by completing and submitting a JPF Form with the corresponding application fee in the amount prescribed in our CoBO Fees Notice.

K. JFSC powers

Each DSP will be regulated by us for FSB or either FSB or TCB in relation to a 'very private' JPF and will be subject to our standard supervision process.

L. Sustainable Investment

Sustainable Investment is an investment or investments which contribute to either an environmental or social objective.

When a JPF is marketed on the basis of investing in a Sustainable Investment as part of its investment objective, it must disclose (through its website, or pre-contractual document, private placement memorandum, offer document, or documents in which the terms of investing in the JPF are contained such as a subscription agreement) all material information in relation to the sustainable investment strategy and objectives; including but not limited to:

- › alignment with any specific taxonomy, or where there is no alignment to a specific taxonomy a statement to that effect;
- › the proportion of investments that are sustainable;
- › the basis on which due diligence, benchmarking, and performance measurement and reporting, are likely to be conducted; and
- › any limitations to methodologies and data.

Annex A

Definition of a Professional Investor

1. A 'professional investor' is:
 - a. a natural or legal person, partnership, trust, or other unincorporated association whose ordinary business or professional activity includes, or it is reasonable to expect that it

includes, acquiring, underwriting, managing, holding or disposing of investments whether as principal or agent, or the giving of advice on investments (except in the circumstance where paragraph 5 of this Annex A applies);

- b. an individual who has a net worth, or joint net worth with that person's spouse or civil partner, greater than one million United States dollars (or the equivalent of that amount in another currency) excluding that person's:
 - i. principal place of residence; and
 - ii. any rights under a contract of insurance;
- c. a body corporate, partnership, trust, or other unincorporated association which has assets available for investment of not less than one million United States dollars (or the equivalent of that amount in another currency);
- d. a person who is authorised to carry on fund services business, trust company business or investment business within the meaning of the Financial Services (Jersey) Law 1998, as amended, or a person who is authorised in another jurisdiction to carry on materially equivalent services by way of business to or in connection with a Jersey Private Fund (JPF) (a '**Relevant Service Provider**') and any Associate thereof or a co-investment entity in which a Relevant Service Provider or Associate thereof is participating in relation to a JPF;
- e. a person who is a financially sophisticated employee, director, partner, expert consultant or shareholder of or to a Relevant Service Provider or an Associate or an expert consultant thereof, who acquires an interest in a JPF as part of their remuneration or as an incentive, benefit or reward for acting in such a role;
- f. a person who is a financially sophisticated employee, director, partner, or expert consultant of or to a person referred to in sub-paragraph 1.a. above;
- g. a carried interest scheme and/or co-investment arrangement established in relation to a JPF;
- h. a family trust settled by or for the benefit of one or more persons referred to in sub-paragraphs 1.e. or 1.f. above or their spouses, civil partners or dependants;
- i. a trustee of an employment benefit or executive incentive arrangement/scheme established for the benefit of one or more persons referred to in sub-paragraphs 1.e. or 1.f. above or their spouses, civil partners or dependants;
- j. a government, local authority, public authority or supra-national body in Jersey or elsewhere;
- k. a body corporate, partnership, trust, or other unincorporated association of which, every member, partner or beneficiary is a 'professional investor' (within the meaning of this paragraph 1.);
- l. 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; or

- ii. the UK Financial Conduct Authority's Conduct of Business Sourcebook;
 - m. a 'US accredited investor' within the meaning of 'Accredited Investor' as defined by the U.S. Securities and Exchange Commission in rule 501 of Regulation D – Rules Governing the Limited Offer of Sale of Securities Without Registration Under the Securities Act of 1933;
 - n. any person is an '**eligible**' investor within the meaning of paragraphs 2., 3. or 4. of part A. of this Guide will also be deemed a '**professional investor**' for the purpose of the Professional Investor Regulated Scheme (PIRS) Orders in relation to its investment in a JPF or any scheme directly associated with a JPF; or
 - o. where an application is made to us, such other natural or legal persons as we may deem appropriate on a case-by-case basis.
2. For the purposes of this Annex A:
- a. '**Associate**' means:
 - i. in relation to a legal person, any legal person which is a subsidiary or a holding body of that legal person or a subsidiary of any such holding body and any individual, partnership or other unincorporated association or firm which has direct or indirect control of that legal person and any legal person which is directly or indirectly controlled by any such individual, partnership or other unincorporated association, or firm; and
 - ii. in relation to an individual, partnership or other unincorporated association, means any legal person directly or indirectly controlled by that individual, partnership, or other unincorporated association.
 - b. '**holding body**' and '**subsidiary**' shall have the meanings set out in the Companies (Jersey) Law 1991, as amended.
3. The acquisition of:
- a. non-participating units in a JPF that is structured as a corporate vehicle (such as non-redeemable founders' or management shares);
 - b. founder or nominal interests in a JPF that is structured as a limited partnership; or
 - c. any founder or nominal interests equivalent to those referred to in subparagraphs 3.a. and 3.b. above, in a JPF that is structured as a unit trust or a LLC, limited liability partnership (or, if the JPF is established in a country or territory outside of Jersey, in such form as is permitted under the laws of the relevant country or territory),

which are created or issued to facilitate:

- i. the formation and structuring of the relevant JPF;
- ii. to exercise voting and/or management rights in respect of the relevant JPF; or

- iii. to give entitlement to performance related fees or dividends as part of remuneration arrangements for management or advisory entities to the relevant JPF or their personnel; or
- d. the transfer of any interest in a JPF where the transfer has been involuntarily made, such as on the death or bankruptcy of a registered holder, in the absence of provision in the constitutive documents, to the personal representatives or trustee in bankruptcy,

shall be permissible notwithstanding that the person acquiring the same does not fall within paragraphs 1. or 5. or does not make the minimum investment in or commitment to the relevant JPF as prescribed in this Guide. However, in the case of sub-paragraph 3.d. above, it is acknowledged that there shall be no requirement for the transferee to qualify as a professional investor through the same criteria as the transferor, provided that the transferee is at the time of such transfer a **‘professional’** or an **‘eligible’** investor as such terms are defined in this Guide.

- 4. Professional investors, investors who make an acquisition in accordance with paragraph 3. of this Annex A, and those investors that make the minimum initial investment in or commitment to a JPF as prescribed in this Guide are deemed to be able to evaluate the financial risks of a JPF and to bear the economic consequences of investment in a JPF, including the possibility of the loss of their entire investment.
- 5. Any professional investor which is a discretionary investment manager or the governing body of any carry vehicle and/or co-investment vehicle acquiring an interest in a JPF, directly or indirectly, for or on behalf of one or more persons who are not professional investors must be satisfied that such investment is suitable for the underlying investor, and that the underlying investors are able to bear the economic consequences of investment in the relevant JPF, including the possibility of the loss of their entire investment.
- 6. Any person meeting the eligibility criteria as a ‘professional’ or an ‘eligible’ investor under paragraph 1 of Annex A of this Guide shall be a ‘professional investor’ for the purpose of its investment in a JPF, or any scheme directly associated with a JPF, under the Professional Investor Regulated Scheme (PIRS) Orders.

Annex B

JFSC treatment of family office and employee incentive arrangements for the purpose of this Guide.

In the case of an arrangement between persons who are connected to each other by way of a family connection or incentive arrangements (such as those referred to in paragraph 5. of part F. of this Guide) between persons who are connected to each other by way of an employment connection and/or family connection, for so long as such arrangement satisfies the criteria and relevant definitions outlined below, the arrangement will not be treated by us as a JPF for the purpose of this Guide.

Criteria for ‘employment connection’ and ‘family connection’

The arrangement:

- 1. may or may not meet the basic definition of a JPF under part A. of this Guide but does not meet the definition of a collective investment fund under Article 3 of the CIF Law; and

2. has its administration carried out by a person that is registered by us to carry on Trust Company Business and/or Fund Services Business within the meaning of the Financial Services (Jersey) Law 1998, as amended but who is not a managed entity; and
3. is disclosed in the application for a relevant consent to be issued by us pursuant to CoBO.

Definitions^{xv} of **‘employment connection’** and **‘family connection’**

‘employment connection’ means a connection that exists between persons by reason of each being an eligible employee.

‘eligible employee’ means:

- a. an individual that is a financially sophisticated employee, partner, director, or expert consultant of or to an employer or of a company in the same group as the employer; or
- b. a trust, foundation, company, partnership or other scheme or arrangement established for the sole benefit of an individual referred to in paragraph a. of this definition or such an individual and his/her dependants or a person with a family connection (as defined below).

‘family connection’ means:

- a. a connection that exists between two persons (respectively the **‘first person’** and the **‘second person’**) by reason that the first person is:
 - i. the wife, husband or civil partner of the second person,
 - ii. a relative (as defined below) of the second person,
 - iii. the wife, husband or civil partner of a relative of the second person,
 - iv. the wife, husband or civil partner of the second person’s wife, husband or civil partner, or
- b. a connection that exists between two persons (either or both of which is a family vehicle) by reason that at least one beneficiary of the family vehicle has a family connection described in paragraph a. with:
 - i. at least one other natural person who is a participant in the arrangement, or
 - ii. at least one beneficiary of another family vehicle that is a participant in the arrangement.

‘family vehicle’ means a trust, foundation, company, partnership or other scheme or arrangement established for the benefit (directly) of:

- a. a natural person; or
- b. two or more natural persons, who are all connected to each other by virtue of a family connection described in paragraph a. of that defined expression.

‘Relative’ means brother, sister, aunt, uncle, first cousin, nephew, niece, lineal ancestor, or lineal descendant, for which purpose:

- a. any relationship of the half-blood shall be treated as a relationship of the whole blood and the stepchild or adopted child of a person as his or her child; and
- b. an illegitimate child shall be treated as the legitimate child of his or her mother and reputed father.

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- ⁱ For the purpose of this Guide, a ‘relevant consent’ means:
- in the case of a body corporate, the consent of the JFSC under Articles 1,2,3, or 4 of CoBO;
 - in the case of a unit trust, the consent of the JFSC under Article 9 of CoBO;
 - in the case of a limited partnership, the consent of the JFSC under Article 10 of CoBO;
 - in the case of a limited liability partnership, the consent of the JFSC under Article 11 of CoBO; or
 - in the case of a limited liability company, the consent of the JFSC under Articles 4A or 11A of CoBO.
- ⁱⁱ Under the JPF Order, an offer is made to a ‘restricted group of investors’, where:
- the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror’s appointed agent;
 - only persons in that category may accept the offer.
- ⁱⁱⁱ Under the CIF Law, an offer is made to a ‘restricted circle of persons’, where:
- the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror’s appointed agent;
 - the members of that category are the only persons who may accept the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the offer;
 - the number of persons in Jersey or elsewhere to whom the offer is so communicated does not exceed 50; and
 - the units which are the subject of the offer are not to be listed on any stock exchange within one year of the offer being made.
- ^{iv} A ‘retail investor’ means any investor that is not: (i) a ‘professional investor’ (as defined under paragraph 1. of Annex A of this Guide); (ii) an investor that makes an acquisition in accordance with paragraph 3. of Annex A of this Guide; or (iii) an investor that makes the minimum initial investment in or commitment to the JPF as prescribed under part A. of this Guide
- ^v Investor eligibility is determined at the time of admittance to the JPF. This eligibility can continue to be relied upon notwithstanding a status change, for example, a departing “employee, director, partner or expert consultant”, who may still retain their interest in the JPF notwithstanding their departure.
- ^{vi} Where a JPF’s duly appointed DSP is not registered for FSB under the FSJL for class V, U, X or ZG, or is only registered by us to carry another class of FSB or TCB within the meaning of the FSJL, that JPF will be limited 15 or fewer offers and professional and/or eligible investors as a ‘very private’ JPF. See part G. of this Guide.
- ^{vii} A JPF relying on paragraph 7. of part F. of this Guide should have due regard to paragraph 2. of the investment warning and disclosure statement set out in part E. of this Guide.
- ^{viii} Refer to the Financial Services (Financial Service Business) (Jersey) Order 2009.
- ^{ix} A DSP must not be a ‘managed entity’ for FSB purposes.
- ^x It should be noted that it is not necessary to obtain our consent prior to any material change taking place where such change is in accordance with this Guide.
- ^{xi} Except in the circumstances when adopting modified GAAP.
- ^{xii} Following the introduction of our Jersey Private Fund online authorisations tool, applications, notifications and submissions of Annual Returns in paper format are no longer accepted. To access the online authorisations tool, individuals authorised to use the tool on behalf of a DSP will need to contact our Authorisations Team to receive log-in details to a portal account.
- ^{xiii} Where a JPF’s duly appointed DSP is not registered for FSB under the FSJL for class V, U, X or ZG, or is only registered by us to carry another class of FSB or TCB within the meaning of the FSJL, that JPF will be limited 15 or fewer offers and professional and/or eligible investors as a ‘very private’ JPF. See part G. of this Guide.
- ^{xiv} Given the basic definition of a JPF and the restriction on any public offering under part F. of this Guide, certain CIFs might not be eligible for conversion. For example, if the units/shares/interests of the JPF are presently listed for trading on an exchange, or have been, or are currently, the subject of an ‘offer to the public’ within the meaning of Article 3 of the CIF Law, that fund might not be eligible for conversion. Where a converting fund can evidence that an ‘offer to the public’ has not been made within the meaning of Article 3 of the CIF Law, an approval for a conversion can be considered and granted on a case-by-case basis.
- ^{xv} These definitions are broadly aligned with the policy set out in the Financial Services (Investment Business (Qualifying Segregated Managed Accounts – Exemption)) (Jersey) Order 2014.