

Consultation on changes to the AIF Code to transpose EU AIFMD II

No. 7 2025

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1 Executive summary

1.1 Overview

- 1.1.1 Jersey's financial services regime, while independent to the UK and EU systems, is still expected to monitor and plan for developments with a UK or EU element.
- 1.1.2 Through applicable legislation and our current AIF ('**Alternative Investment Fund**') Code, we operate a dual AIFM ('**Alternative Investment Fund Manager**') regime which complies with the EU AIFM Directive ('**AIFMD**') and the UK AIFM Regulations. This ensures Jersey's equivalence and its resulting market access in the EU and UK through the Private Placement Rules.
- 1.1.3 The EU AIFMD was updated in April 2024 to take account of EU AIFMD II, which must be implemented by April 2026. UK authorities are currently consulting on proposed UK AIFM changes. The UK consultations closed in June, and draft rules implementing the UK AIFM proposals are due to be consulted on in H1 2026.
- 1.1.4 To maintain market access in the EU and the UK, Jersey must adapt its AIFM regime to reflect and align with both the EU AIFMD and the UK AIFM regime changes.
- 1.1.5 The EU and UK AIFM regimes are diverging, with the EU's changes already finalised while the UK's new approach remains under development. Our AIF Code must now be split to reflect the (i) EU AIFMD II requirements by April 2026 ('**EU AIF Code**') and (ii) final agreed UK AIFM proposals ('**UK AIF Code**') in due course.
- 1.1.6 A working group of fund sector experts, led by the JFSC, reviewed AIFMD II to assess any necessary legislative or Code updates. They found that while the AIF Code will need changes to transpose the EU AIFMD II by April 2026, no changes are needed to the AIF Regulations, AIF Order or the FS(J)L, CIF or the FSB Code.
- 1.1.7 The working group has further concluded that the consequential amendments to the EU AIF Code to take account of EU AIFMD II should not materially impact Jersey as a third country.
- 1.1.8 In relation to the EU AIFMD II changes that impact the Private Placement Rules, including paragraphs 25 (AIF/AIFM) and 26 (Depositary) of the EU AIF Code (Articles 36 and 42 of the AIFMD), we have not transposed into the EU AIF Code the EU's requirements in respect of third countries. However, industry should be aware of the EU lists of high-risk and non-co-operative jurisdiction changes in respect of third countries.
- 1.1.9 Updated paragraph 15 of the EU AIF Code (Depositary) has also been shared with Jersey Depositaries, with one respondent helpfully noting that the EU AIFMD II changes are in line with their existing work practice.
- 1.1.10 We invite your feedback on the proposed updates to the EU AIF Code. These changes reflect the requirements of EU AIFMD II and include other revisions based on the updated Level 2 EU AIFMD Regulation.

1.2 What is proposed and why?

- 1.2.1 We update the AIF Code on a routine basis to ensure that it remains current. Consequential changes to the EU AIF Code to take account of EU AIFMD II are required, effective from April 2026.
- 1.2.2 The updated EU AIF Code is designed to maintain our current market access in the EU through the Private Placement Rules and, to support business as usual.

1.3 Who would be affected?

- 1.3.1 The proposals in this consultation paper have the potential to affect our Jersey Funds industry who should be aware of the consequential amendments to the EU AIF Code to transpose EU AIFMD II.

2 Consultation

2.1 Basis for consultation

- 2.1.1 The JFSC is a statutory body corporate established under the Commission Law. We are responsible for the supervision and development of financial services provided in or from within Jersey.
- 2.1.2 We have issued this consultation paper in accordance with Article 8(3) of the Commission Law, as amended, under which the JFSC “may, in connection with the carrying out of its functions ...consult and seek the advice of such persons or bodies whether inside or outside Jersey as it considers appropriate”.

2.2 Have your say

- 2.2.1 We invite your feedback on this consultation paper by **17:00 on 30 November 2025**.
- 2.2.2 Where comments are made by an industry body or association, that body or association should also provide a summary of the type of individuals and/or institutions that it represents.
- 2.2.3 [Submit your feedback through our online form](#).
- 2.2.4 Respondents are requested to use this form when providing feedback, directly or via JFL. For the avoidance of doubt, all responses received will be considered, with the response form intended only to ease our processing.
- 2.2.5 The JFSC contact is:
Caroline McGrath, Senior Advisor - Policy team
 Jersey Financial Services Commission
 PO Box 267
 14-18 Castle Street
 St Helier
 Jersey
 JE4 8TP
 Telephone: +44 (0) 1534 822000
 Email: c.mcgrath@jerseyfsc.org
- 2.2.6 Alternatively, Tim Hart at Jersey Finance Limited (JFL) is coordinating an industry response that will incorporate any matters raised by local businesses. Comments should be submitted to JFL by **30 November 2025**.
- 2.2.7 The JFL contact is:
Tim Hart
 Jersey Finance Limited
 4th Floor, Sir Walter Raleigh House

48-50 Esplanade

St Helier

Jersey

JE2 3QB

Telephone: +44 (0) 1534 836010

Email: timothy.hart@jerseyfinance.com

- 2.2.8 All responses will be considered non-confidential (unless specifically requested otherwise by the respondent). It is the policy of Jersey Finance (unless otherwise requested or agreed) to collate all responses and share them verbatim with the JFSC on an anonymised basis (with reference made only to the type of respondent, for example individual, law firm, trust company). This collated, anonymised response will, typically, be placed in JFL's permanent electronic archive which is currently open to all their members.

2.3 What next?

- 2.3.1 Following this consultation, we will publish feedback to this consultation paper by the end of 2025.

3 Proposals

3.1 Revised EU AIF Code

- 3.1.1 Due to divergence between the EU and UK AIFM regimes, the AIF Code has been split into two parts. One part reflects the updated EU AIF Code requirements from April 2026; the other part reflects the UK AIFM Regulations.
- 3.1.2 We will consult on a separate, updated UK AIF Code once the final UK AIFM proposals have been confirmed.
- 3.1.3 Consequential changes to the EU AIF Code have been made to reflect the changes made to the EU AIFMD by EU AIFMD II.
- 3.1.4 The EU AIF Code has also been amended to reflect the most recent Level 2 EU AIFMD Regulation and to delete reference to the original Implementation Date for AIFMD and the Transitional Period.
- 3.1.5 Please see [Appendix A](#) for a clean and marked-up version of the updated EU AIF Code, to be effective from April 2026, showing all amendments.

Question 1:

Are there any matters that are unclear regarding the proposals?

Question 2:

What will be the impact of the updated EU AIF Code, effective from April 2026, on your business?

4 Summary of questions

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6	Question 1: Are there any matters that are unclear regarding the proposals?
6	Question 2: What will be the impact of the updated EU AIF Code, effective from April 2026, on your business?

Appendix A:

[Updated AIF Code of Practice \(blackline version\)](#)

[Updated AIF Code of Practice \(clean version\)](#)

Glossary

Defined terms are indicated throughout this document as follows:

AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Manager
AIF Code	JFSC Code of Practice for Alternative Investment Funds and AIF Services Business
AIF Order	Alternative Investment Funds (Jersey) Order 2013, as amended
AIF Regulations	Alternative Investment Funds (Jersey) Regulations 2012, as amended
CIF Code	JFSC Code of Practice for Certified Funds
Commission Law	Financial Services Commission (Jersey) Law 1998, as amended
EEA State	State which is a Member State or any other State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May, 1992 as adjusted by the Protocol signed at Brussels on 17 March 1993 (currently Iceland, Liechtenstein and Norway) or a State which becomes a contracting party to these arrangements in the future, to which the AIFM Directive applies
EU AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010, as amended
EU AIFMD II	Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024 amending EU AIFMD as regards delegation arrangements, liquidity risk management, supervisory reporting, the provision of depositary and custody services and loan origination by alternative investment funds
FSB	Fund Services Business
FSB Code	JFSC Code of Practice for Fund Services Business
FS(J)L	Financial Services (Jersey) Law 1998, as amended
Jersey Depositary	Jersey depositary within the meaning of the paragraph 15.1 of the AIF Code
JFSC, we, us, our	Jersey Financial Services Commission
Level 2 EU AIFMD Regulation	European Commission Delegated Regulation of 19 December 2012 supplementing Level 1 AIFM Directive as regards to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as amended
Member State	Member State of the European Union or other EEA State

Private Placement Rules	Member States' national private placement rules under which Jersey AIFMs are permitted to market AIFs
UK AIFM Regulations	Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (S.I. 2013/1773), as amended