

Guernsey investment funds - Autumn 2025 update

Briefing Summary: Our investment funds team outline the latest developments within the investment funds market in Guernsey, including the changes to the the New Private Investment Fund Rules and Guidance, The Commission's approach to cryptocurrency funds and Guernsey's expanding contribution to UK growth through international private capital.

Service Area: Investment Funds, Fund Regulation and Compliance

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New Private Investment Fund Rules and Guidance

The Private Investment Fund Rules and Guidance, 2025 (the “**New PIF Rules**”), which replaced the previous rules with effect from 19 May 2025, have introduced new categories of eligible investors and removed some previous regulatory requirements.

Under the New PIF Rules, there is no limit on the number of investors in a private investment fund (“**PIF**”), or the number of persons to whom PIFs may be offered (but they cannot be offered to the general public). There is also no requirement for a prospectus or disclosure document, an audit or a Guernsey manager under the New PIF Rules.

There are now two types of PIFs, Qualifying Investor PIFs (which replace and consolidate the old Route 1 and Route 2 PIFs) and Family PIFs (based on the former Route 3 PIF). Investors in Qualifying Investor PIFs must be able to evaluate the risks and strategy and bear the consequences of investing in the PIF, including the possibility of any loss arising from the investment. In addition, they must fall within specified categories of investor – including professional or experienced investors, or an investor which the Guernsey manager (if any) or administrator of the PIF has reasonably ascertained is able to evaluate the risks and strategy and bear the consequences of investing in the PIF, including the possibility of a total loss of their investment. Family PIFs are only open to investors who share a family relationship or are an employee of the family.

See our detailed briefing note [here](#).

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New Prospectus Rules and Guidance

Guernsey's prospectus rules regulate the issuance of a prospectus in relation to general securities and derivatives and registered collective investment schemes ("RCISs"). The rules do not apply to Private Investment Funds (PIFs) under Guernsey's Private Investment Fund Rules and Guidance, 2025. The Prospectus Rules and Guidance, 2025 (the "**New Prospectus Rules**") updated and replaced the previous iteration of the rules with effect from 1 July 2025. The New Prospectus Rules deliver broader exemptions and provide greater clarity on certain issues.

The New Prospectus Rules do not apply, *inter alia*, to offers of any general security and derivative falling within the scope of Schedule 1, Part 2 of The Protection of Investors (Bailiwick of Guernsey) Law, 2020 which are:

- promoted directly to "Professional Investors" (the definition of which is largely aligned with the definition in the New PIF Rules), or to up to 200 (increased from 50 under the previous rules) non-Professional Investors provided that such non-Professional Investors have sufficient information to enable them to reasonably evaluate the offer and are the only persons who may accept the offer (these exemptions are cumulative so an offer can be made to an unlimited number of Professional Investors and up to 200 non-Professional Investors);
- promoted directly to "qualified investors" as defined under the Regulation (EU) 2017/1129 of 14 June 2017, in circumstances where securities are offered to the public or admitted to trading on a regulated market;
- made in connection with transactions that are subject to, and undertaken in accordance with, the City Code on Takeovers and Mergers;
- made in relation to transactions which are the subject of a court sanctioned scheme, process or order, which is sanctioned by a court in the Bailiwick of Guernsey, Jersey, the United Kingdom or any such jurisdiction as the Guernsey Financial Services Commission (the "**Commission**") may approve on application; or
- where the minimum consideration required for the investment is £100,000 (or equivalent in another currency).

The New Prospectus Rules also do not apply to securities which are offered or allotted by way of distributions by a company (eg scrip dividend or rights issue) or in relation to employee incentive arrangements.

Although the New Prospectus Rules typically apply to RCISs, prospectuses for RCISs that are (or are to be) listed or traded on any London Stock Exchange market are exempted from the disclosure requirements in Part 2 (Information to be specified in the prospectus) of the New Prospectus Rules. Part 2 of the New Prospectus Rules does however include additional prospectus disclosure requirements for those RCISs to which Part 2 does apply.

See our detailed briefing [here](#).

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The Commission's approach to cryptocurrency funds

On 9 June 2025, the Commission issued a statement affirming its openness to innovation and its commitment to fostering an enabling environment where good business can grow. The Commission acknowledged the evolving nature of crypto, noting that some cryptocurrencies are entering a more mature period. The Commission noted that Guernsey, as a long standing and experienced funds centre, considers that collective investment schemes can, when appropriately run, provide vehicles for a range of investors to invest indirectly in cryptocurrencies. This is subject to investors being well-informed of the risks and able to bear potential losses.

The statement confirms that the Commission is happy to discuss innovative structures or prospective applications. It also sets out factors that will be considered as part of the application process and the Commission's specific expectations for funds with crypto exposure.

The Commission's online application and authorisations portal

On 8 August 2025, the Commission completed the production and launch of its online applications and authorisations portal ("A&A Portal"). The A&A Portal is intended to streamline the applications and authorisations process through a secure, online platform, making it significantly easier for people to start financial services businesses in the Bailiwick of Guernsey. The A&A Portal can be accessed via the Commission's online services page.

Various investment, insurance and fiduciary applications can now be completed and submitted to the Commission through the A&A portal, including applications for standard and fast-track investment licences, insurance business licences, and fiduciary discretionary exemptions. Additional application types will be added over the coming months, after which the Commission intends to collaborate with industry to achieve full portal utilisation by the end of 2025.

First quarter (Q1) and second quarter (Q2) 2025 investment statistics

The Commission published the Q1 2025 investment statistics on 4 June 2025.

- At the end of Q1 2025, the total net asset value of Guernsey funds was £278.6 billion, marking a quarterly decrease of £11.5 billion (-3.9%) and an annual drop of £13.9 billion (-4.7%). Closed-ended funds decreased by £5.5 billion (-2.3%) over the quarter to just under £232.8 billion, down £8.8 billion (-3.6%) in the past year, while open-ended funds fell by £5.9 billion (-11.4%) to £45.9 billion, representing a £5.1 billion (-10.1%) decrease over the past year. Within these totals, Guernsey Green Funds held a total net asset value of £4.7 billion at the end of the quarter.

The Commission published the Q2 2025 investment statistics on 22 September 2025.

- At the end of Q2 2025, the total net asset value of Guernsey funds stood at £270.9 billion, reflecting a quarterly decrease of £7.7 billion (-2.8%) and an annual decline of £24.8 billion (-8.4%). Closed-ended funds dropped by just under £6.2 billion (-2.7%) over the quarter to £226.6 billion, down £17.4 billion (-7.1%) in the past year, while open-ended funds fell by £1.6 billion (-3.5%) to £44.3 billion, representing a £7.4 billion (-14.4%) decrease over the past year. Within these totals, Guernsey Green Funds held a total net asset value of £4.5 billion at the end of the quarter.

Guernsey's expanding contribution to UK growth through international private capital spotlighted in new Frontier Economics report

A report titled "*The Value of Guernsey's Funds Industry to the UK's Growth Ambitions*" published by Frontier Economics, one of Europe's largest economic consultancies, highlighted that Guernsey-domiciled funds are channelling international capital into the UK at twice the rate of overall foreign direct investment. Shared on 1 September 2025 by Guernsey Finance, which commissioned the report, it highlights that £58 billion is currently invested in UK assets via Guernsey funds, reflecting annual growth of 7% since 2021. Notably, nearly 90% of these assets originate from non-UK investors, supporting key government growth pillars including investment, infrastructure and planning, innovation, and net zero. With investors from 63 countries each contributing over £50 million in 2024, Guernsey funds are projected to deliver almost £23 billion in additional private finance by 2029—surpassing the UK's National Wealth Fund target of £22 billion. Guernsey's streamlined regulatory environment and deep expertise continue to attract UK-based fund managers, while Guernsey-backed projects span all four UK nations across various key sectors including telecommunications, biodiversity and food-tech to fibre connectivity and student housing.

If you would like to discuss any of the above, please contact the Carey Olsen team.

FAQs

How much international capital is being channelled into the UK through Guernsey funds?

According to a report prepared by the Frontier Economics, one of Europe's largest economic consultancies, titled "*The value of Guernsey's Funds Industry to the UK's Growth Ambitions*" and commissioned by Guernsey Finance and published September 2025 (the "**Guernsey Funds Value Report**"), Guernsey-domiciled funds held investment positions worth £58 billion in UK assets at the end of March 2024, with nearly 90% of managed assets originating from non-UK investors, making Guernsey a significant conduit for international private finance into the UK.

What is the projected contribution of Guernsey funds to UK growth by 2029?

If growth rates reported in the Guernsey Funds Value Report continue, Guernsey funds are expected to channel almost £23 billion in additional private finance over the five years between 2024 and 2029, meeting the UK Government's National Wealth Fund private financing target of £22 billion.

Which sectors and regions in the UK benefit from Guernsey-backed investments?

The Guernsey Funds Value Report highlights that Guernsey-backed investments span all four UK nations and include sectors such as telecommunications, biodiversity, food-tech, fibre connectivity, and student housing, supporting government priorities such as innovation and net zero.

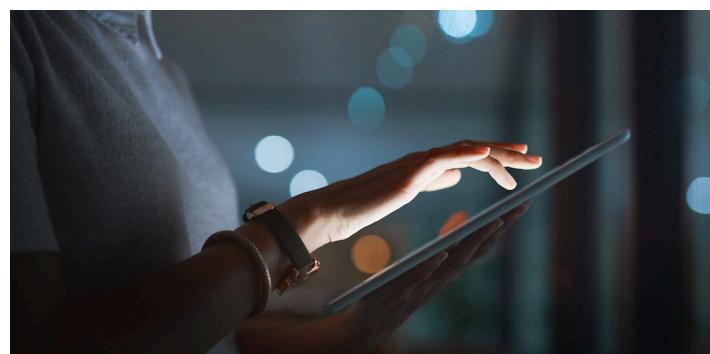
Why is Guernsey considered an attractive jurisdiction for fund managers?

The Guernsey Funds Value Report shows that the reasons Guernsey is favoured by fund managers include its streamlined regulatory environment, deep industry expertise, and innovative, cost-effective fund structures, enabling faster speed to market and strong support for fund managers.

How does Guernsey's funds industry align with UK government growth priorities?

As noted in the Guernsey Funds Value Report, Guernsey funds support the UK's growth pillars—investment, infrastructure and planning, innovation, and net zero—by channelling global capital into projects that drive sustainable economic growth.

Please note that this briefing is intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied on as such. © Carey Olsen (Guernsey) LLP 2026



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