

Uncertainty as the new normal (Chambers Private Equity Global Practice Guide 2025 – Jersey trends and developments)

Briefing Summary: This guide provides the latest trends and developments on the past, current and future state of the private equity sector in Jersey. The guide covers Jersey's funds, corporate structures and investments.

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Trends and developments

2025: uncertainty as the new normal

The year 2025 started with a general sense of optimism for the private equity (PE) industry and the broader M&A market. PE investors had endured a challenging couple of years from 2023 when, following the giddy highs of the post-COVID PE investment bonanza of 2021 and 2022, soaring inflation, rising interest rates, macroeconomic uncertainty and geopolitical upheaval put an end to the free-money-era party and led to a rapid-onset hangover. Higher cost of capital, significant gaps in valuation expectations and balance sheet pressure led to a significant pull back in M&A activity. Global buyout deal value per quarter fell by roughly 65% from the peak of USD274 billion in Q3 2021 to the nadir of USD98 billion in Q2 of 2023, according to data from Bain & Company, with exit values plummeting by a similar amount. Distributions to limited partners (LPs) started to lag, and hold periods for investments extended.

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By late 2024, however, falling inflation, interest rate cuts, increasingly positive economic data and a new “business-friendly” administration in the United States were all predicted to herald a new dawn: leverage would be cheaper, traditional exit paths would re-open and pent-up demand coupled with record levels of aging dry powder – and a backlog of unsold assets purchased at inflated (silly) multiples in the boom times – would spur activity. The end of 2024 and start of 2025 saw a steady and encouraging uptick in activity as PE looked to emerge from one of its most challenging periods since the global financial crisis, with buyout deal value sitting at USD182 billion in Q2 of 2024, up from USD98 billion in Q2 of 2023. And then: tariffs. A new aggressive trade policy from the White House and the resulting macroeconomic and capital market uncertainty (read: chaos) made effective asset valuation and pricing of deals challenging, drove up borrowing costs and led many deals to be put on hold.

Whilst tariff turbulence put paid to the idea that 2025 was to be the long-anticipated comeback year, PE activity has remained relatively resilient. Policy uncertainty and stubborn inflation have continued to weigh, but what is perhaps most notable is that PE investment has, as of mid-2025, remained solid. The estimated global buyout value for Q2 2025 is USD158 billion, only slightly down from 2024 values and still far above the approximately USD100 billion per quarter that the 2023 low saw. Amid the constantly shifting market and geopolitical outlooks of the last few years, PE investors have been forced to adapt to uncertainty as the new normal, executing deals and continuing to raise funds in less-than-ideal environments whilst adopting new strategies to continue to deploy capital and generate liquidity for LPs.

The trends in activity observed in Jersey have generally mapped those observed in the global PE market – ie, activity = down. Against this market backdrop, however, Jersey has continued to be a jurisdiction of choice for the PE industry, with investors continuing to select the jurisdiction as a leading domicile for their fund vehicles, a flexible location for their acquisition structures and an attractive market for direct investment. All of these trends are set to continue.

Jersey funds

Jersey has long been a leading domicile for private capital funds, a trend that has continued into 2025. As of June 2025, the number of regulated funds in Jersey stood at 608, with nearly GBP221 billion in PE and venture capital assets under management (**AUM**) held in Jersey regulated funds, up from the approximately GBP212 billion recorded in June 2024 according to data from Jersey Finance. This growth in AUM held in Jersey funds bucks the trend of generally lower global fundraising activity (USD506 billion of private capital was raised in H1 2025 against USD644 billion raised in H1 2024, according to Bain data), marking the resilience of Jersey as a fund domicile for leading investors even in a diminished fundraising environment.

Jersey continues to update and evolve its legislation to meet market appetites. The Jersey Private Fund (JPF) – Jersey’s fund vehicle for sophisticated investors – was first introduced in 2017 and has become Jersey’s fastest-growing fund “product”, numbering, alongside the above-mentioned regulated funds, approximately 750 additional funds with around GBP85 billion in AUM between them as of June 2025. The JPF is a streamlined, lightly regulated fund structure aimed at professional investors that offers speed to market and flexibility for managers, making it particularly popular with PE, venture capital and other alternative strategy investors.

Significant updates were made to the JPF regime in August 2025. Key changes included the removal of the 50-investor cap, meaning a JPF may now be offered to a defined “restricted circle” of professional or eligible investors with no hard numerical limit, an expansion of the definition of “professional investor” and the introduction of a 24-hour authorisation timeline for regulatory approval. The changes further increase the flexibility and efficiency of JPFs and are anticipated to drive further growth and increase the competitiveness of Jersey as a fund domicile, as the long-anticipated recovery in PE activity gathers pace.

Jersey corporate structures

Jersey continues to also be a leading jurisdiction for PE investors to establish their acquisition structures. PE investors typically acquire and hold assets through a “Newco stack” – a chain of newly incorporated companies with “Bidco” (the target acquisition vehicle) at the bottom of the stack, “Topco” (the holding entity in which the PE house and management hold equity of various classes) at the top, and a range of intermediate entities, “Midcos”, in the middle, into which financing for the acquisition and structure is injected. The stack allows for financing flexibility, effective risk management, incentive alignment and, in some cases, advantageous tax treatment. Effective implementation and management of the stack is a key consideration during the structuring and throughout the lifetime of a PE investment.

Jersey is a popular jurisdiction in which to incorporate these stacks. It offers a highly flexible yet familiar companies law that continues to be attractive to PE investors. The core statute, the Companies (Jersey) Law 1991 (CLJ), is based on the English Companies Act 1985 and aligns closely, therefore, with English company law in many core aspects, offering a level of familiarity and comfort for investors who are used to working with English companies and legal principles.

The core advantage of Jersey law, however, is the flexibility it affords, particularly in regard to the maintenance of capital and distributions regime under Jersey law. Unlike English law, Jersey law does not require that companies have distributable reserves in order to make a distribution to shareholders. Rather, the requirement to make a distribution is that the directors of the company give a statement that the company is and will remain solvent for the 12-month period following the distribution. In other words, Jersey law looks to cash-flow solvency only, as opposed to balance-sheet solvency, making the process of approving distributions far less onerous. This flexibility is further enhanced by the availability of corporate entities not available in the UK. No-par value companies – ie, companies where the shares do not have a nominal (or “**par**”) value – are commonly used by PE investors as distributions may be made out of capital, and the process for creating or converting classes of shares is more straightforward. Such flexibility is a core benefit of using Jersey entities for investors. A highly developed and efficient corporate services sector that allows relatively fast and smooth incorporations of new companies is also an attraction.

Upcoming amendments to the CLJ are aimed at further enhancing the flexibility of the law and updating certain aspects to fit the requirements of modern markets. The “30-member rule” – which deems companies with more than 30 shareholders to be public companies – is set to be scrapped, removing an administrative burden on companies with larger shareholder bases, which is particularly welcome in instances where there are large numbers of management shareholders coming into an investment structure. The concept of “authorised share capital” for par value companies (Jersey’s equivalent of private limited companies) is also set to be removed, meaning Jersey companies will no longer have to specify an authorised share capital limit in their memorandum of association – or, therefore, update this when it needs to issue shares above that limit. The authors anticipate that these changes will, among other amendments, be made in the first half of 2026 and will maintain and promote Jersey’s status as a highly favourable jurisdiction for PE acquisition structures.

Jersey investments

Alongside being a preferred domicile for PE investors to base their capital and corporate structures, Jersey has been an attractive market for PE investment in and of itself. As a leading financial centre, Jersey is home to large corporate services and professional services markets, which have attracted sustained interest from investors.

With respect to the market for corporate services, the growth of Jersey as a leading jurisdiction for funds and corporate entities has led to the rise of a large number of corporate service providers (**CSPs**), which provide incorporation, administration and regulatory services to the funds and companies based on the island. The growth of the sector has in part been attributable to the growth of the private capital industry in the past 50 years, and the demand it has generated for the fund and corporate structures discussed above.

For upwards of a decade, the CSP market in Jersey has seen high levels of investment from PE sponsors. Indeed, the PE industry appears to have found a way to “eat its own tail”: generating returns from demand that it has itself partly created. Attracted by the stable recurring revenues that CSPs are able to produce from a base of generally sticky clients (ie, other PE buddies, among others), various leading PE houses have made investments into Jersey-based CSPs. In 2016, Inflexion acquired Ocorian, a CSP on the island, which it later merged with Estera, another CSP it acquired from Bridgepoint. This trend has continued in recent years, with the Genstar Capital-backed Apex Group acquiring Sanne Group plc in August 2022, the General Atlantic- and Hg-backed Gen II Fund Services acquiring Crestbridge in April 2024, Warburg Pincus acquiring a minority stake in Aztec Group in May 2025, and Telemos Capital acquiring Highvern and merging it with the Nordic fund administrator Permian in January 2025, among a number of other transactions. High levels of PE investment and bolt-on acquisitions have driven significant consolidation in the corporate services sector in Jersey, somewhat reducing the number of attractive investments available. However, with the growth of the sector generally indexed to the continued growth of the global private capital industry, and with that growth – despite the headwinds discussed – not showing any signs of a continued slow down, this is a trend that looks set to continue, with enough “CSP pie” to go around for the time being.

Jersey is also home to a large professional services market, with a number of wealth management, tax advisory and accountancy businesses being established or having branches on the island. PE investors have taken a particular shine to accountancy firms in recent years, with an eye to rolling up the member firms that comprise their networks. In May 2024, New Mountain Capital acquired a majority stake in Grant Thornton US, which then went on to acquire more than six sister and affiliate firms in various jurisdictions, including Grant Thornton Channel Islands. Grant Thornton UK, meanwhile, agreed to be acquired instead by Cinven, with Grant Thornton US and Grant Thornton UK both then reportedly vying for the German Grant Thornton affiliate business. PE interest in the sector is not limited to the top end of the market either: the Institute of Chartered Accountants of England and Wales recently reported that 93% of independent accounting firms had been approached by a PE house in the last three years, with 25% of firms saying they were likely to secure PE investment within the next three years. Given the scale of the professional services market in Jersey and the high level of PE interest, the authors expect investments into professional services businesses on the island to be a continuing trend.

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