Jersey digital assets – December 2025 update

Briefing Summary: Our Jersey update highlights the key regulation and legislation implemented by the Jersey Financial Services Commission ("**JFSC**"), and it's impact on Virtual Asset Service Providers ("**VASPs**"), tokenisation and digital asset funds.

Service Area: Corporate

Sector: Blockchain, Digital Assets and Tokenisation, Fintech and Regtech

Location: Jersey

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Jersey has emerged as a progressive and pragmatic jurisdiction for digital assets, providing a balanced regulatory environment that supports innovation while ensuring investor protection. The island's approach to digital assets is underpinned by its robust yet flexible legal framework and a regulator, the Jersey Financial Services Commission ("**JFSC**") that engages constructively with market participants whilst not allowing a crypto "free for all". Jersey has chosen not to implement specific digital assets legislation, instead treating digital assets as another asset class within the island's existing legal and regulatory framework. Where appropriate, Jersey has issued specific guidance on the treatment of digital assets (see below).

To strengthen regulatory clarity, promote industry engagement, enhance competitiveness and align with global standards, Jersey has established a Digital Assets Working Group (of which Carey Olsen is a founder member and Chair), which was set up to drive regulatory discussions with participants across industry, Jersey Finance, the Government of Jersey and the JFSC.

Virtual Asset Service Providers

Key provisions under Jersey's AML law (the Proceeds of Crime (Jersey) Law 1999) and associated AML/CFT/CPF regulations apply where digital assets are involved in financial services or exchanged for fiat currencies. In particular, any Jersey entity conducting activities such as exchange, transfer, safekeeping, or issuing of virtual assets must register as a Virtual Asset Service Provider ("**VASP**") with the JFSC.

Unlike some other jurisdictions, registering as a VASP in Jersey does not impose on the VASP a conduct regulatory regime (eg regulatory capital). The JFSC approval process is however rigorous, and we advise that it takes approximately 4 months to obtain a VASP registration.

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A business may set up a new VASP in Jersey (housed typically within a Jersey company) without the need for any actual "boots on the ground" on the island. Instead, the Jersey VASP can be hosted by a local Jersey regulated administrator which provides all the necessary regulatory and compliance support.

Where a Jersey VASP is facilitating the trading of tokens which are deemed to be "securities", this will likely cause the VASP entity to also obtain an "investment business" licence from the JFSC under the Financial Services (Jersey) Law 1998, Jersey's principal financial services law (akin to FSMA 2000). Obtaining an IB licence will put the VASP inside Jersey's regulatory perimeter (with regulatory capital and a physical presence) and will also cause it to be subject to corporate income tax at a rate of 10% (not the usual zero percent).

Tokenisation

Jersey has seen a growing interest in tokenisation (i.e. the use of distributed ledger technology to represent ownership of real-world assets, such as shares, property, and funds) and we have launched a number of successful tokenisation projects out of Jersey. The JFSC has supported tokenised structures that comply with existing financial services laws and has published the Tokenisation of real world assets (RWAs) - Jersey Financial Services Commission to provide further guidance on the treatment of tokenised real world assets in Jersey. Issuers are required to demonstrate appropriate record-keeping, security, and compliance with relevant financial services legislation.

Digital assets funds

Jersey has also positioned itself as a favourable jurisdiction for establishing funds with exposure to digital assets. Fund promoters can structure regulated or unregulated digital assets funds within Jersey's existing fund regime depending on their risk profile and investor base. The JFSC assesses digital assets fund applications on a case-by-case basis with a focus on management experience, custody solutions, investor classification, investor protection and valuation methodologies. The island's track record as a funds centre offers strong infrastructure and service providers with expertise in digital assets.

Token Issuances

In addition, Jersey issuers of tokens are subject to robust requirements as set out in the JFSC's IC/TO guidance notes Application process for issuers of initial coin offerings (the "**Guidance**"). The Guidance requires that any token issuances involving a Jersey entity must be carefully assessed to determine whether the token constitutes a security or falls within the scope of regulated activity. The JFSC expects robust disclosures, clear risk warnings, and appropriate investor protections, and will generally only approve issuances where the activity is not considered a collective investment scheme and adequate governance is in place. Issuers are also required to appoint a Jersey-based trust and company service provider to ensure regulatory compliance.

Jersey as a domicile for Singapore fund managers

A notable advantage for Jersey-based digital assets ventures and funds is the double taxation treaty with Singapore. This treaty facilitates tax transparency and certainty, helping to avoid double taxation on income and capital gains. It also strengthens Jersey's ties with Asia, a key market for digital finance and is attractive to fund managers seeking cross-border efficiency (Jersey an attractive option for Asia's digital assets fund managers - Singapore).