

Jersey COBO reform: first phase of simplification now in force

Briefing Summary: The Control of Borrowing (Jersey) Amendment Order 2026 significantly relaxes COBO requirements, reducing the need for JFSC consent across many structures. It simplifies unit trust and non-Jersey vehicle transactions, broadens permitted offer circulation, and supports faster, more competitive structuring ahead of COBO's planned repeal in 2027.

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The Control of Borrowing (Jersey) Amendment Order 2026 took effect on 13 April 2026 as part of Jersey's Financial Services Competitiveness Programme. It marks the first legislative step towards the full repeal of the COBO regime, expected in 2027, and significantly reduces the circumstances in which JFSC consent is required.

Key changes

Unit trusts

A COBO consent is no longer required to establish or operate a unit trust unless it is an investment fund. In practice, this removes COBO from the vast majority of JPUTs and other non-fund single asset vehicles.

Non-Jersey entities

Non-Jersey companies, partnerships and other vehicles no longer require a COBO consent to be registered in Jersey, raise money in Jersey or maintain Jersey bank accounts, unless they are an investment fund.

Circulation of offers

A COBO consent is no longer required by non-Jersey vehicles to circulate offers (or prospectuses) in Jersey, unless the offer is made to retail investors. It is worth noting that any investor who satisfies any of the professional investor, eligible investor or expert investor definitions under the Jersey Private Fund Guide and Jersey Expert Fund Guide would not constitute a retail investor (e.g. this would include any individual who has a net worth greater than US\$1m (or currency equivalent) excluding their principal place of residence).

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Existing consents

Any COBO consent previously granted for activities that no longer require approval (due to these changes) is treated as no longer having effect, without affecting actions already taken in reliance on it.

PIRS and SPRS

The requirement to obtain a relevant consent (i.e. a COBO consent) to constitute a professional investor regulated scheme or special purpose regulated scheme falls away, so it is now easier to take advantage of the PIRS/SPRS exemptions.

CIF securitization exemption

The requirement to obtain a relevant consent (i.e. a COBO consent) to take advantage of the exemption from constituting a collective investment fund applicable to investment schemes whose only or principal purpose is the securitization or repackaging of securities assets falls away.

Practical impact

Quicker establishment and execution of most transactions involving unit trusts, particularly for real estate and group structuring scenarios where timing is critical.

Reduced regulatory friction for clients using Jersey administrators or Jersey bank accounts for non-Jersey vehicles.

Greater scope for the circulation of offers by non-Jersey vehicles to non-retail investors in Jersey.

What has not changed (at this stage)

A COBO consent is still required for:

- most Jersey domiciled body corporates, partnerships and LLCs;
- any investment fund (including a JPF) registered in Jersey, raising money in Jersey or operating a Jersey bank account; and
- the circulation of offers to retail investors in Jersey.

Other than the relevant consent, all requirements under the PIRS, SPRS and CIF securitisation exemptions, such as the provision of the applicable investment warning in each case, remain in place.

Looking ahead

This is the first stage in a wider programme of reform. Further changes are anticipated as Jersey progresses towards the complete repeal of COBO and continued streamlining of its regulatory environment. While the direction of travel is clear, careful analysis is still required particularly where structures involve investment funds and/or marketing to retail investors in Jersey.

If you would like to discuss how these changes may affect existing structures, planned transactions or future structuring options, please speak to your usual Carey Olsen contact.

FAQs

Does COBO consent still apply to unit trusts (such as JPUTs)?

In most cases, no. COBO consent is no longer required to establish or operate a unit trust unless it is an investment fund. This removes COBO requirements for the majority of JPUTs and other non-fund, single-asset unit trust structures.

Can non Jersey entities now operate more freely in Jersey?

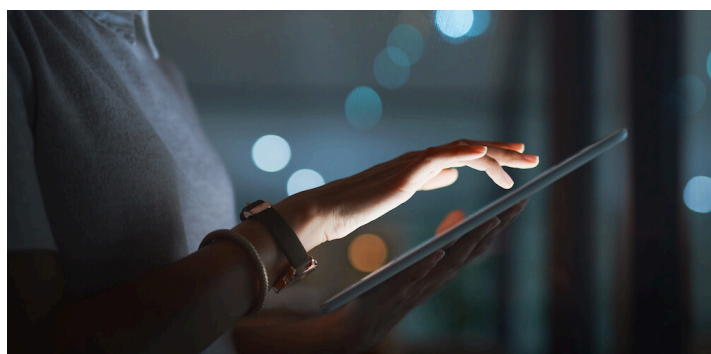
Yes. Non-Jersey companies, partnerships and other vehicles generally no longer need COBO consent to be registered in Jersey, raise money in Jersey, or hold Jersey bank accounts, provided they are not investment funds.

Are there situations where COBO consent is still required?

Yes. COBO consent remains necessary for most Jersey-domiciled entities, all investment funds (including JPFs), and where offers are made to retail investors in Jersey.

Carey Olsen Jersey LLP is registered as a limited liability partnership in Jersey with registered number 80.

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