

Jersey introduces statutory migration regime for limited partnerships into Jersey

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Summary

Jersey has introduced a welcome and straightforward statutory regime to allow non-Jersey limited partnerships to continue (ie migrate) into Jersey.

The statutory continuance regime came into force in July 2020 under the Limited Partnerships (Continuance) (Jersey) Regulations 2020 (the “**Continuance Regulations**”).

Effect of continuation

On and from the date that the non-Jersey limited partnership receives its “certificate of continuance” from the Registrar of Limited Partnerships in Jersey (the “**Registrar**”), the Limited Partnerships (Jersey) Law 1994 (the “**Jersey LP Law**”) will apply to the limited partnership and it will not be treated as a limited partnership formed under another jurisdiction’s laws.

Importantly, the continuation of the limited partnership into Jersey does not:

- create a new limited partnership;
- affect any partnership interest; or
- affect any act done before the continuation or the rights, powers, authorities, functions or obligations of the limited partnership, any partner or any other person before its continuation.

Certificate of Continuance

The certificate of continuance is conclusive evidence that the limited partnership has continued as a limited partnership within Jersey from the date specified on the certificate.

Non-Jersey funds structured as limited partnerships

Any fund structured as a non-Jersey limited partnership will be able to apply to the Jersey Financial Services Commission (the “**JFSC**”) for the necessary regulatory consents in order to continue as a fund in Jersey. The regulatory consents will take effect simultaneously with the fund’s statutory continuance as a Jersey limited partnership. The JFSC has issued helpful guidance on this (see [here](#)) to smooth the regulatory process.

For private funds (maximum 50 investors), the process is expected to be especially fast with the continuing Fund limited partnership being able to take advantage of the very popular and light touch “Jersey Private Fund” regime (see [here](#)).

Non-Jersey general partner companies

A foreign general partner company may already continue into Jersey under the statutory continuance procedure set out in the Companies (Jersey) Law 1991 – see [here](#) for our briefing note on company migrations. Further, Jersey’s flexible regime means that alternative structural solutions can be available for GPs.

Other principal considerations

The Continuance Regulations do not expressly require limited partners to consent to a continuance into Jersey, but many limited partnership agreements will require such consent and consequential amendments to be made to those agreements (including to amend the limited partnership's governing law).

Which limited partnerships can continue into Jersey?

Under the Continuance Regulations, an "eligible foreign limited partnership" may continue as a limited partnership within Jersey if it is not prohibited from doing so by the laws of the jurisdiction in which it was formed.

An "eligible foreign limited partnership" is a limited partnership, without legal personality, formed under the law of a jurisdiction outside Jersey.

A non-Jersey limited partnership may not continue into Jersey if it is being wound up, a receiver has been appointed in relation to its assets, it is subject to liquidation or insolvency proceedings in another jurisdiction, or it has been deregistered for a purpose other than continuing into Jersey.

Application procedure

An application for continuance must be made to the JFSC by the eligible foreign limited partnership and be accompanied by:

- a certified copy of its certificate of formation.
- a declaration (signed by each general partner) that the limited partnership:
 - a. is solvent;
 - b. has applied to the Registrar for registration as a limited partnership under the Jersey LP Law (and a parallel consent under Jersey's Control of Borrowing (Jersey) Order 1958 to register the partnership interests in Jersey); and
 - c. is not to have legal personality on its continuation within Jersey.
- such other documents or information as the JFSC may require.
- an application fee (as published from time to time).

The application must also be accompanied by satisfactory evidence (and the JFSC may rely on a declaration to this effect signed by the general partner(s)) that:

- the application has been approved by the general partner(s); and
- if the laws of the jurisdiction in which the non-Jersey limited partnership was formed requires an authorisation to continue into Jersey, such authorisation has been obtained.

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