



CAREY OLSEN

Guernsey investment funds – Spring 2025 update

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MONEYVAL

On 10 February 2025, the MONEYVAL committee (“**MONEYVAL**”) (a permanent body of the Council of Europe set up to assess compliance with international standards for counter money laundering and the financing of terrorism (“**AML**” and “**CFT**”, respectively)) released its Evaluation Report for Guernsey (“**MONEYVAL Report**” – see [here](#)).

The MONEYVAL Report revealed that Guernsey was one of the few jurisdictions to pass all 40 recommendations around technical compliance, demonstrating that Guernsey does not tolerate financial crime and, as a result of its excellent performance, Guernsey has been placed into what is described as “regular follow-up”, which is essentially the core objective of all jurisdictions being evaluated.

The MONEYVAL Report also confirms that Guernsey has comprehensive measures in place to prevent the misuse of legal persons and arrangements for AML and CFT, with information on beneficial ownership being readily available and the jurisdiction demonstrating a strong degree of international cooperation.

Guernsey is ranked second in the MONEYVAL peer group for the quality of its supervision, ahead of its peers. Guernsey also joins the UK and US as one of only three jurisdictions to have achieved a “high level of effectiveness” rating against the Financial Action Task Force Immediate Outcomes in respect of preventive measures and sanctions to counter terrorist financing and proliferation financing.

Carey Olsen was one of the Guernsey law firms interviewed and evaluated by MONEYVAL.

Amendment to explanatory note regarding the surrender of the authorisation or registration of a collective investment scheme

On 2 December 2024, the Guernsey Financial Services Commission (the “**Commission**”) issued a revised [Explanatory Note](#) regarding the surrender of the authorisation or registration of a collective investment scheme to provide for a more flexible approach to the Commission’s consideration of the granting of consent to the surrender of a scheme’s authorisation or registration.

Typically, the Commission will consent to a request to surrender the authorisation or registration of all types of collective investment schemes when it has received evidence that the liquidation or winding down of the scheme is fully complete and there are no outstanding regulatory concerns. However, the revised Explanatory Note includes circumstances other than the “default” position whereby the Commission will be prepared to consider a request for consent to the surrender of the scheme’s authorisation or registration, for instance where the Commission has received evidence that a scheme is in an advanced state of managed wind down. As such, it may now be possible for schemes that are not dissolved or have gone into liquidation to apply to surrender their authorisation or registration.

The Commission’s (non-refundable) annual fee for 2025 will apply for schemes that remain authorised or registered as at 1 January 2025.

If you need additional advice regarding the surrender of the authorisation or registration of a collective investment scheme in Guernsey, please get in touch with your usual Carey Olsen contact.

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Consultation Paper on the Prospectus Rules

On 6 January 2025, the Commission issued a [Consultation Paper on the Prospectus Rules](#) seeking views on a proposed revised set of the Prospectus Rules and Guidance, 2025 (the “Revised Rules”), pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the “POI Law”).

Whilst the Revised Rules would replace the existing Prospectus Rules and Guidance, 2021, they would not fundamentally change the regulatory framework, or the Commission’s approach in relation to prospectuses and other offering documents, as they aim only to improve upon the existing rules by enhancing clarity, simplicity and accessibility, and standardising certain requirements to accord with international standards on investor protection.

The Revised Rules relate to the issuance of prospectuses in respect of category 2 controlled investments, and registered collective investment schemes under the POI Law which are subject to the Registered Collective Investment Scheme Rules, 2021 (“RCIS Rules”).

Key features of the Revised Rules include:

- broader exemptions from the application of the rules for better alignment with peer jurisdictions;
- the introduction of new, and clarification of existing, disclosures required in a prospectus;
- the amalgamation of schedule 2 of the rules (which sets out the text of the mandatory disclosure regarding the risk that the prices and income from investments can go down as well as up) with schedule 1 of the rules (which sets out other mandatory statements to be included in a prospectus);
- the amendment of certain wording in schedule 1 to better align with the RCIS Rules;
- the clarification of steps required before a prospectus may be circulated; and
- the extension of specific prospectus disclosures which need to be immediately notified to investors and the Commission, if amended.

Responses to the consultation paper were sought by 3 March 2025.

UK Takeover Code – scope narrowed

Changes to the UK Takeover Code (the “Code”) came into effect from 3 February 2025 and narrow the scope of the companies to which the Code applies.

The Code now applies to companies which have their registered office in the UK, the Channel Islands or the Isle of Man and whose securities are, or were at any time during the two years (as opposed to 10 years, as was previously the case) prior to the “relevant date”, admitted to trading on a UK regulated market (eg the main market of the London Stock Exchange), a UK multilateral trading facility (such as AIM) or a stock exchange in the Channel Islands or the Isle of Man.

The “relevant date” for these purposes is the date on which an announcement is made of a proposed or possible offer for the company or the date on which some other event occurs in relation to the company which has significance under the Code.

Amendment to Guernsey sanctions legislation regarding director disqualification

In order to better align aspects of Guernsey’s sanctions framework with relevant UK legislation relating to director disqualification for sanctioned individuals, the Guernsey Policy and Resources Committee’s Sanctions (Director Disqualification) (Amendment) Ordinance, 2024 (see [here](#)), amends the Sanctions (Bailiwick of Guernsey) Law, 2018 and the Sanctions (Implementation of UK Regimes) (Bailiwick of Guernsey) (Brexit) Regulations, 2020.

From 17 December 2024 it is now an offence for a person who is subject to director disqualification sanctions under a UK sanctions measure to be a director of a Guernsey or Alderney company or to, directly or indirectly, participate or be concerned in the promotion, formation or management of a Guernsey or Alderney company.

Exceptions apply where the relevant UK sanction measures explicitly allow it, or a licence has been issued thereunder, and it is a defence to prove a person was unaware, or could not be reasonably expected to have known that, they were subject to sanctions.

Legal 500 Private Equity guide

Carey Olsen is delighted to have prepared the Guernsey chapter of Legal 500’s Private Equity Guide (see [here](#)). With the aim of the guide being to provide readers with a pragmatic overview of private equity law across a variety of jurisdictions, the Guernsey chapter provides information about the current issues affecting private equity practice in Guernsey, and addresses topics such as mergers and acquisitions, management incentive schemes and debt financing, as well as insight and opinions and any upcoming legal changes planned.

Please get in touch with your usual Carey Olsen contact if you need advice regarding any such private equity topic in Guernsey.

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PLEASE NOTE

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