



Guernsey Private Investment Funds

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Private investment funds (“PIFs”) were introduced by the GFSC in 2016 as a simple and quick-to-market Guernsey fund open to specific types of investors. The rules were updated in 2021 and again in May 2025.

The Private Investment Fund Rules and Guidance, 2025 (the “PIF Rules”) marked a dramatic shift in the regulation of PIFs, introducing new categories of eligible investors and removing some previous regulatory requirements.

The PIF Rules now provide a simple, light-touch regime ideally suited for open-ended or closed-ended funds targeting certain types of investors.

Key features of PIFs are:

- No limit on the number of investors in a PIF;
- No limit on the number of persons to whom PIFs may be offered (although PIFs must not be the subject of an offering to the general public);
- No requirement for a prospectus or disclosure document;
- No requirement for an audit;
- No requirement for a Guernsey manager.

Where the PIF does have a Guernsey manager, such manager can benefit from the availability of a “PIF-only” investment management licence, with light-touch regulation (no conduct of business rules apply, nor are there capital adequacy or audit requirements for such licensees).

PIFs have their regulatory registration issued in one business day by the GFSC. Applications for “PIF-only” investment

management licences can be made simultaneously with the application for the PIF’s registration and are also issued within one business day by the GFSC.

There are two different types of PIF available.

Qualifying Private Investment Funds (“QPIFs”)

As the name suggests, QPIFs are only open to “Qualifying Private Investors” (“QPIs”). A QPI is an investor who:

- is able to evaluate the risks and strategy of investing in the PIF;
- is able to bear the consequences of investment in the PIF; including the possibility of any loss arising from the investment; and
- falls within one of the following categories of investor:
 - (a) Professional Investors
 - (b) Experienced Investors
 - (c) Knowledgeable Employees
 - (d) High Net Worth Investors
 - (e) UK Professional Clients
 - (f) EU Professional Clients
 - (g) US Accredited Investors; or
 - (h) an investor which, after having made careful and appropriate enquiries is, as far as either the (Guernsey) manager or the designated administrator has reasonably been able to ascertain, able to (i) evaluate the risks and strategy of investing in the PIF and (ii) bear

the consequences of the investment in the PIF, including the possibility of a total loss arising from the investment, at the time of its investment.

Investors in QPIFs are required to give prescribed acknowledgements in writing when they subscribe, acknowledging the risks of investing in the QPIF.

Family Private Investment Funds ("Family PIF")

Family PIFs are only open to investors who share a family relationship or are an employee of the family. Family PIFs cannot be marketed outside the family group.

The following table summarises the different PIF options.

	Qualifying Private Investment Fund	Family Private Investment Fund
Category	Open- or closed-ended	Open- or closed-ended
Fast track registration	1 business day	1 business day
Locally licensed administrator required	Yes	Yes
Locally licensed manager required	Optional	Optional
Limit on investor numbers	No	No
Limit on number of offerees	No	No
	Marketing must be specifically targeted only to individual investors who have been identified as QPIs	No offers outside of the family group
Investor restrictions	"Qualifying Private Investors" only	Family members and employees of family
Prescribed prospectus contents	Prospectus optional	No
	Investors must give prescribed acknowledgements relating to the risks of investing in the QPIF	Prospectus optional
AIFMD – eligible for marketing through NPP (Article 42)	Yes	Yes
Must be audited	No	No

The approval process

PIFs are regulated by the GFSC. They receive their approval following a representation of suitability from the administrator (a Guernsey body holding a POI Law licence, which scrutinises the PIF and its promoter in lieu of the GFSC and takes on the ongoing responsibility for monitoring the PIF).

The PIF regime therefore shifts responsibility for compliance with the applicable legislation on to the Guernsey administrator.

The Guernsey administrator warrants to the GFSC in the relevant documentation that the promoter of the fund is suitable and (where applicable) that the fund documentation is appropriate and satisfies regulatory requirements. The GFSC will issue the approval in reliance upon those warranties.

Under the PIF Rules, the Guernsey administrator applies for a fund to be registered with the GFSC, providing certain warranties from the Guernsey administrator that it has performed sufficient due diligence to be satisfied that the promoter is fit and proper.

The application forms also contain additional representations from the Guernsey administrator that effective procedures are in place to ensure that only QPIs or family members (as applicable) are admitted.

Upon receipt of the application form, together with copies of the constitutive documentation, material agreements and the application fee, the GFSC will approve the fund (and any accompanying "PIF-only" investment management licence being applied) for within one working day.

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