Jersey investment funds – Autumn 2025 update

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Jersey Private Fund updates

On 23 July 2025 the Collective Investments Funds (Jersey Private Funds) Order 2025 was passed, removing the 50 offer/investor limit for Jersey Private Funds (JPFs) authorised on or after 6 August 2025. JPFs no longer have a limit on the number of offers/investors, but may only offer to a "restricted group of investors", meaning:

- the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror's appointed agent; and
- only persons in that category may accept the offer.

The other key changes to the JPF regime introduced on 6 August 2025 are:

- a streamlined **24-hour authorisation** timeframe for JPF regulatory consents;
- **units/shares/interests** in a JPF may now be listed with the consent of the JFSC; and
- the **definition of a professional** investor has been widened to include:

a. 'professional clients' as defined by the UK FCA's Conduct of Business Sourcebook; and

b. 'US accredited investors' as defined by the U.S. Securities and Exchange Commission in rule 501 of Regulation D – Rules Governing the Limited Offer of Sale of Securities Without Registration Under the Securities Act of 1933.

For more information on the changes to the JPF guide (and associated legislation), please visit our briefing notes on the subject (Jersey's most successful fund product gets even better and A guide to Jersey private investment funds).

Changes to the Professional Investor Regulated Scheme

With effect from 6 August 2025, and as part of the key changes to the JPF regime as outlined above, the Financial Services (Investment Business (Restricted Investment Business – Exemption)) (Jersey) Order 2001 (the "**PIRS Order**") has been updated to expand the definition of professional investor for the purposes of the PIRS Order so as to also include any other person who is a professional investor within the meaning given in paragraph 1 of Annex A of the Jersey Private Fund Guide published by the JFSC (the **JPF Guide**), as revised and effective from 6 August 2025.

This new expanded definition of professional investor for the purposes of the PIRS Order ensures that there is continuity between the definitions of "professional investor" in both the JPF Guide and the PIRS Order and also across other key jurisdictions (given the changes to the professional investor definition described in the JPF changes above).

Proposed reforms to the Sound Business Practice Policy ("**SBPP**")

The SBPP is a policy, jointly developed by the Government of Jersey and the Jersey Financial Services Commission ("**JFSC**"), which highlights sensitive activities that may require additional information or scrutiny before the JFSC consents to their use. As part of the Government's recent review, the "Repeal of the Control of Borrowing Framework", several proposed amendments have been put forward with the intention of simplifying the scope of the application of SBPP, reducing the risk of potential business frictions and other associated delays.

These proposed amendments include:

- the removal of Table 1 (Registered, Authorised and/or Supervised Activities), though the Registry will still request information on regulated financial services activities; and
- a revision of Table 2 (Activities that pose a potential risk to the reputation of the Island and are not within the scope of Table 1) to align with international standards and introduction of a new category covering Financial Action Task Force blacklisted or suspended countries, including Russia.

The JFSC conducted a public feedback round regarding the proposed amendments to the SBPP which closed on 6 August 2025. The results of the feedback are expected to be announced soon.

Proposed repeal of the Control of Borrowing framework

In April 2025, the Government of Jersey (the "**Government**") announced its Financial Services Competitiveness Programme – a strategic initiative aimed at strengthening Jersey's position as a globally attractive and forward-looking International Finance Centre. As part of this initiative, the Department for the Economy, working closely with the JFSC, consulted with over 200 individuals and collated 250 ideas to achieve the goals set out in the financial services competitiveness programme. One such suggestion detailed a fundamental reform of Jersey's Control of Borrowing framework ("**COB Framework**").

The COB Framework was originally implemented to safeguard the economic stability of Jersey and ensure that the JFSC had the power and oversight to effectively regulate capital-raising activities. A consultation paper (published on 11 July 2025 and closing on 30 September 2025) seeks feedback on proposals to replace the COB Framework with a modern and proportionate gatekeeping framework. Most notably, it is proposed that the ongoing conditions on registrants under COBO will be retired and replaced by Jersey's new regulatory laws which shall impose such conditions and be transparently enforceable if breached.

In achieving its reformation of the COB Framework, the Government has proposed to:

- repeal the COB Framework;
- make consequential amendments to laws which cross-refer to the COB Framework;
- make targeted additions to the product laws that currently require consent under COBO to preserve the JFSC's ability to refuse applications for registration on reasonable grounds;
- make regulations to establish a new class of financial services business under the Financial Services (Jersey) Law 1998 (FSL) which would provide for proportionate oversight of certain fund products that have historically relied on the COB Framework to demonstrate their status as having been given consent by the JFSC; and
- ensure that ongoing oversight of certain digital products is achieved proportionately via the JFSC's existing powers under the FSL.

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