

Fact Sheet



Location of Jersey,
Channel Islands.

Published October 2009

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JERSEY FINANCE

VOICE OF THE INTERNATIONAL FINANCE CENTRE

Jersey - Private Trust Companies (PTCs)

Jersey has an extremely favourable regime for the establishment of PTCs. This fact sheet describes the main features of that regime and focuses on the many advantages clients can obtain by the establishment of a PTC.

- The PTC will typically be a limited liability company incorporated in Jersey.
 - The PTC will mainly act as a trustee on a private discretionary or purpose trust which in turn could be used for the holding of shares in a family business.
 - The shares of the PTC can be owned by the family or more usually by a purpose trust. Either way, the family can control the composition of the board of directors of the PTC (either through shareholder control or by having a family member or close professional adviser on the board). As a result of this control, the family can obtain a degree of certainty that the assets of the underlying trusts (which as said above could be a family business) would be managed in a manner which meets with their approval.
 - Through this board control, the family can ensure, firstly, that ownership of a business remains intact and is not fragmented, and secondly, can ensure (through the PTC which is the shareholder of the family business) that the business continues to be properly managed.
 - PTCs are also typically used to act as the trustee of family charitable or philanthropic trusts or where the assets to be held in trust are regarded as being of the sort which carry greater risk for a trustee than usual.
- The further advantages of a PTC are:-
- The corporate structure is readily understood by non-professionals;
 - Confidentiality can be preserved;
 - It enables the family to keep the professional administrator's charges in check.
 - Provided the management and control of the PTC is kept offshore, the trust structure will not incur any Jersey tax.
 - Whilst trust company business is a regulated activity in Jersey, the PTC will be exempt from registration provided:-
 - The PTC acts as trustee of a specific trust or trusts;
 - The PTC does not offer its services to the public; and
 - The administration of the PTC is carried out by a regulated service provider and that the name of the PTC is provided to the Jersey Financial Services Commission.

In conclusion, a PTC can be established in Jersey on a fast track basis within 24 hours and other than providing the name of the PTC to the JFSC, there are no other regulatory hurdles to surmount. For the reasons set out above, PTCs have become increasingly popular with high net worth individuals looking to establish a form of Family Office structure involving the administration of trusts of which the PTC will be trustee.

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