



JERSEY FINANCE

VOICE OF THE INTERNATIONAL FINANCE CENTRE

Jersey: **for Banking**

Jersey's finance industry delivers innovative banking services in a stable jurisdiction



www.jerseyfinance.je

Jersey for Banking

Jersey – A leading international financial centre

Jersey is a leading international finance centre with a broadly based financial services industry. For fifty years, we have been attracting deposits and investments from institutions and private clients across the world.

While the finance industry has evolved to keep pace with the demands of the marketplace, it has been built upon key strengths of political and economic stability, and a mature and respected legal and regulatory system. Jersey is a self-governing British Crown Dependency with complete autonomy in relation to its domestic affairs, including taxation. We benefit from military protection, legislative guidance and the international leverage of the United Kingdom.

Jersey is home to 42 banking organisations from the UK, Europe, North America, South Africa, Asia and the Middle East. Many are listed in the top 20 by assets globally. They work alongside trust and company administrators, investment managers, stockbrokers, advisers, a range of fund managers and administrators, the 'Big Four' and other leading international accountancy firms, together with some of the biggest names in the offshore legal world.

Our banks attract clients from more than 200 countries and a sizeable share of Jersey's total deposits are held in foreign currencies, a reflection of the international appeal of Jersey as a banking centre.

KEY STATISTICS (JUNE 2013)¹

· Bank Deposits	£150.8 billion
· Funds Under Administration	£201.3 billion
· Funds Under Investment Management	£22.5 billion

Banking and the Funds Sector

Jersey's banking sector has been able to provide services to support the fast growing alternative investment funds industry, in particular the real estate, private equity and hedge fund market. In respect of real estate funds, loan facilities are often tailored to individual circumstances and structured to give time for the investor to acquire the assets that will make up the portfolio. Similarly local bank providers help private equity scheme promoters maintain a competitive edge through timely availability of funds or bridging facilities.

Personal Banking – Including expatriates and professionals working overseas

Offshore banking is an important consideration in assisting with wealth creation and preservation. The range of banking services provided from Jersey is extensive and includes:

- Round the clock, multi-currency banking
- Lending services
- Offshore mortgages
- A range of savings schemes
- Online banking services
- Tailored investment solutions
- International funds transfer and payment facilities

Jersey is tax neutral and does not tax individuals who are not resident in the jurisdiction. Consequently non residents can hold cash deposits or investments without incurring any liability to Jersey income tax. Similarly structures such as companies, cell companies, trusts, funds, partnerships, limited partnerships and foundations beneficially owned by non residents will not be liable to Jersey income tax.

¹ Source: Jersey Financial Services Commission



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Private Banking

Jersey's diverse range of financial and professional services makes it a leading jurisdiction for wealthy private investors wishing to preserve and protect assets and to accrue further wealth – providing excellent individual relationship management.

As a long standing provider of specially tailored banking and investment solutions, Jersey has considerable experience in handling the unique needs of wealthy individuals, their families and their dependents.

Corporate and Institutional Banking

Jersey has become a leading finance centre in the provision of corporate banking services for multi-national organisations, financial institutions, companies and firms with cross border interests and activities. For many corporate treasurers, institutional bankers and treasury specialists, fund promoters, brokers and other corporate financiers, Jersey represents an extension of the City of London.

Compared to other major centres, the pace of regulatory and legislative change in a jurisdiction such as Jersey is far quicker. In addition, Jersey's long established trust structures, and some of the more recent innovations such as Expert Funds and their many and varied asset classes, protected cell companies and incorporated cell companies are applied as investment solutions to meet a diverse range of objectives.

Jersey has become a successful corporate financial services provider and a frequent partner to deals engineered and originated in London, New York and Tokyo. International banking group subsidiaries and offices in Jersey are, in many cases, sizeable operations and, in any given structure, may provide the fund administrator or investment managers, brokers or custodians, in addition to providing the liquidity services and structured lending facilities.

Corporate and institutional banking products available from Jersey banks

Special Purpose Vehicles	<p>Jersey is home to many sophisticated, multi-billion pound structured finance vehicles. Aircraft leasing and shipping finance are two areas where banks specialise. Securitisation and re-packaging transactions have become routine.</p> <p>SPVs have been used regularly by banks and other authorised institutions to raise Tier 1 Capital in the form of innovative capital market instruments. Leading UK and European banks have regularly used Jersey structures to help with capital funding requirements.</p>
Listings	<p>Through the Channel Islands Stock Exchange (CISX) and other exchanges, banks will assist with listing requirements. Many banks are listing members of the CISX. The CISX Market Authority provides a 48 hour turnaround for comments on initial application documents and depending on the quality of the documentation, will generally provide a vehicle listing within two weeks. Unlike most exchanges, the Market Authority meets every day to approve admission to the official list. More than half the securities listed are domiciled outside of the Channel Islands.</p>
Cash Management for Intermediaries	<p>Corporate banking services extend also to specialist online cash management services for intermediaries and finance professionals and a range of specialist lending services, including leveraged investment schemes. Trust companies, in an increasingly competitive market, rely on specialist teams at many of the banks to advise them on suitable investment solutions, which meet the risk appetite of their clients. Products have been designed to service this market directly.</p>
Treasury Services	<p>Experienced Treasury teams, closely aligned with Treasury colleagues in the City of London, New York and Hong Kong, provide support to the private client and institutional markets. Teams of dealers provide up-to-the-minute rates for call accounts and fixed contracts, foreign exchange services, exchange rate protection and interest rate hedging as part of a range of Treasury services.</p>
Global Custody	<p>Specialist bank providers deliver global custody services including trade capture, settlement and safe keeping, dividend and income collection, valuation and investment reporting. Further specialist services include tailored compliance monitoring programmes, proxy voting services for investors and guidance on complicated tax reclamation issues.</p>



European Union Residents

The Member States of the European Union have agreed through the European Savings Tax Directive to automatically exchange information with each other about individual customers who earn savings income in one EU Member State but reside in another. Two EU Member States have opted to apply a withholding tax during a transitional period instead of the automatic exchange. Although the legal scope of the Directive cannot extend outside the EU, its implementation also affects the Crown Dependencies, (Jersey, Guernsey and Isle of Man), UK Overseas Territories (including the BVI and Cayman), Dependent Territories of the Netherlands and named third countries (including Switzerland and Monaco). Jersey elected to implement the withholding tax option which was carried out smoothly in 2006. It affects only personal savers who are EU residents.

Jersey Financial Services Commission (JFSC)

The JFSC is a statutory body corporate, governed by a Board of Commissioners. It is responsible for the regulation, supervision and development of the financial services industry. A member of the International Organisation of Securities Commissions (IOSCO), the JFSC maintains its independence as a regulator but works closely with those in the industry, with Jersey Finance and the Government.

In 2009, Jersey received renewed independent endorsement for the quality of its regulation and legislation, the transparency of its regulatory processes and the robustness of its banking system from the International Monetary Fund (IMF), who conducted a comprehensive review. The JFSC works with the banking industry represented by the Jersey Bankers Association, and along with other trade associations, consults frequently to ensure that the regulatory framework is both robust and pragmatic. For further information regarding the Jersey Financial Services Commission and the regulation of banks in Jersey, please visit www.jerseyfsc.org.

Jersey Bankers Association

Members of the Jersey Bankers Association ("JBA") are diverse and include the British clearing banks, investment banks, private banks and a range of international banking groups. Managed banks and the trust divisions of banking organisations are also included in the membership. Through the work of its main Committee and various Sub Committees, the JBA acts as a consultative body and discussion/lobby group on a wide range of topics including regulatory matters, legal, marketing, taxation, recruitment, risk & compliance and occasionally on product matters. The JBA seeks in particular 'To uphold the position of Jersey as an International Finance Centre'.

The JBA works closely with Jersey Finance, the JFSC and various Government Departments. It also has useful links with other professional bodies and Trade Associations. Alongside the Chartered Institute of Bankers the JBA seeks to ensure training courses and recognised qualifications are in place to underpin the infrastructure of the banking industry and to support its growth. Strong links, through an Associate Membership, are also maintained with the British Bankers Association in London. More details can be found at www.jerseybankersassociation.com

Jersey Finance

Jersey Finance promotes and leads the development of Jersey as an international finance centre. It also coordinates the consultation process for proposed legislation and regulation affecting the finance industry, to produce and maintain a product offering that reinforces Jersey's position as an international finance centre of excellence.

The organisation's primary objective is to communicate the many factors that make Jersey a leading international finance centre, including the experience and expertise of its practitioners; its political, economic and fiscal stability; and its high level of regulation and security.

Jersey engages regularly with key markets around the world. Jersey Finance has representative offices in London, Hong Kong, Abu Dhabi and India. Jersey Finance has strong partnerships with international industry associations and organises visits and events in markets such as India, Greater China and Eastern Europe.

Jersey

E: jersey@jerseyfinance.je
t: +44 (0)1534 836000

London

E: london@jerseyfinance.je
T: +44 (0)207 877 2317

Hong Kong

E: china@jerseyfinance.je
T: +852 (0)2159 9652

Abu Dhabi

E: abudhabi@jerseyfinance.je
T: +971 (0)2 406 9722

Mumbai

E: india@jerseyfinance.je
T: +91 (0)22 6742 3211

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