

Jersey: The Clear Choice
for Family Offices

Legal Certainty

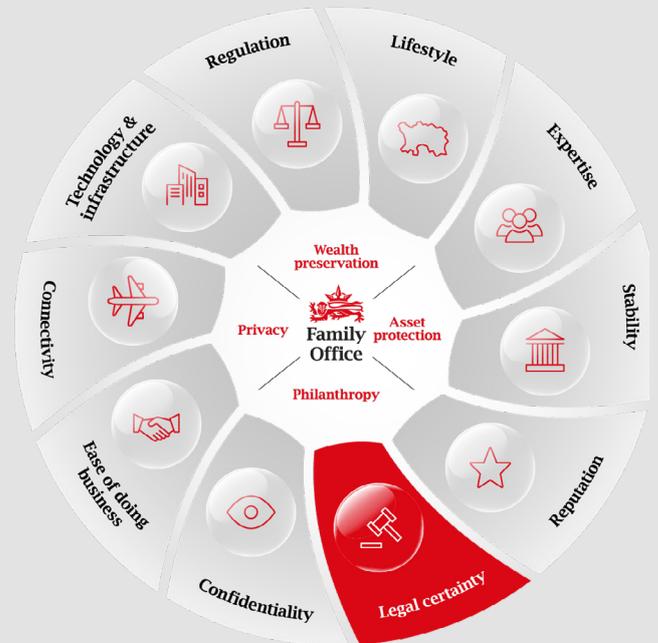


Jersey Finance

Delivering Insight • Driving Innovation

Jersey's legal framework provides vital support to our finance industry, making sure that we stay flexible and attractive for domestic and international markets.

Jersey offers choice. It has a robust, sophisticated and forward-thinking legal framework that enables it to lead the way in delivering private client services – from simple trusts and underlying company structures, to high-value and more complex arrangements involving trusts, companies, limited partnerships and foundations for international families.



Our legal certainty is built on the Island's history and professional experience. By continually enhancing legislation, strengthening regulation and raising awareness of its long-held status as a destination of choice, Jersey remains an attractive jurisdiction for global investors looking for tailored wealth management solutions.

The stability and quality of Jersey's trust law, a template adopted by many other jurisdictions worldwide, remains highly attractive to international private wealth clients, including those focussed on philanthropic and socially responsible wealth management.

While the pace of regulatory change is increasing globally, an ability to adapt is becoming more essential. Jersey prides itself on striking a balance between meeting the requirements of international regulation and retaining certainty in relation to its legal, tax and regulatory frameworks. This forward-thinking approach enables private wealth and other clients to plan as effectively as they can for the long term.



Legal expertise

Clients and trustees have access to expert support from a large pool of experienced legal professionals in Jersey who can advise on the Jersey structures that best suit their requirements.

The well-established legal market ensures that there are a variety of providers and advisers across all specialisms including structuring, litigation and tax - even where conflicts may arise. Many of the Jersey legal providers are ranked in international law firm directories.

Jersey-based lawyers work closely with their counterparts in all of the world's major centres, including New York, London, Tokyo, Hong Kong and Dubai, to provide bespoke solutions. Many of the world's top offshore 'Magic Circle' law firms operate from Jersey.

For a list of law firms operating in Jersey or to search for a specific organisation visit jerseyfinance.je/business-directory



Key facts about Jersey's legal framework

- Jersey has its own elected parliament and independent judicial system.
- +35 years of jurisprudence in respect of the Trusts (Jersey) Law 1984 (the TJL). The TJL provides a statutory basis for the existence of trusts and helps ensure certainty of treatment and proper regulation. The TJL was not a piecemeal reform of existing trusts law, as had occurred over time in England, but is a comprehensive and flexible statement of the Jersey law of trusts supplemented by case law, from time-to-time.
- Jersey's Charities Law, which is also open for the registration of charities in Jersey, is modern and sophisticated and caters for the needs of small local charities, as well as global philanthropic enterprises.
- Jersey's foundations law provides an alternative structuring option, particularly for those familiar with European private wealth structuring. The Jersey Foundations Law was introduced in 2009. Industry estimates suggest one third of Jersey Foundations are used for philanthropic purposes.
- Jersey has a long-standing and proud tradition of excellent legal practice. The Law Society of Jersey was founded in 1899 and was incorporated as a body corporate via the Law Society of Jersey Law 2005. The Law Society is the governing body of lawyers practising as advocates and solicitors of the Royal Court of Jersey and promotes high practice standards as well as regulating the practice of law in Jersey.
- A well-established and sophisticated regulator of financial services in the form of the Jersey Financial Services Commission (the JFSC). The JFSC regulates many of the services provided in a private wealth context including banking, trust company and investment business. The JFSC has powers of supervision and enforcement in relation to regulated categories of financial service business.
- Jersey also has a financial ombudsman, independent of government - the Channel Islands Financial Ombudsman (CIFO). Broadly, CIFO is able to look at complaints from individual consumers and microenterprises plus small Channel Islands charities (whether or not they are in the Channel Islands). CIFO investigates complaints against financial services providers involved in banking, lending, money services, insurance, pensions and investments (excluding the managers or functionaries of funds that are not recognised funds).



Providing legal certainty through Jersey structures

Trusts

Common advantages of settling assets into a Jersey trust include:

- flexibility;
- privacy and compliant confidentiality;
- asset protection;
- foreign law protection; and
- a straightforward transparent tax regime.

With modern families being international, and often living beyond one 'home' jurisdiction, Jersey's innovative trusts and foundations structures (in addition to other types of entity available in Jersey such as companies, unit trusts and limited partnerships) provide security and privacy for families living in less stable jurisdictions.

Jersey's trust law provides foreign law protection, so when considering questions relating to the trust or transfers of property to it, the court must apply Jersey law only; no consideration should be given to any rule of foreign law. Any foreign claim based on a lack of recognition of the trust machinery will be ignored by the court.

Foundations

As well as featuring certain positive attributes of a trust vehicle, Jersey Foundations have some of the benefits of a company structure, including separate legal status. These features enhance the appeal to private clients and their advisers, especially those with a background in civil law jurisdictions.

Jersey Courts

The Jersey courts can also have jurisdiction over 'foreign trusts' and related issues would be determined in accordance with the relevant foreign law. The law governing foundations was drafted to prevent foreign law being used to circumvent Jersey law determination on matters relating to Jersey Foundations.

Read more on [Jersey trusts and trustees](#)

Read more on [Jersey Foundations](#)





Jersey's constitutional position

Transparency and international cooperation

The Island has, for example, signed a number of Double Taxation Agreements (DTAs) and Tax Information Exchange Agreements (TIEAs) to promote transparency and information exchange, to provide tax certainty to residents and investors, and to support reciprocal investment.

The Government of Jersey is committed to upholding international standards in the area of financial crime. Jersey follows recommendations on anti-money laundering (AML) and countering the financing of terrorism (CFT) set by the Financial Action Task Force (FATF).

Jersey is assessed by MONEYVAL, a body of the Council of Europe, which is tasked with assessing a number of European jurisdictions on their compliance with the FATF recommendations. In January 2015, Jersey had a fourth-round assessment of its compliance with the 2003 FATF recommendations and received the highest score among all states assessed - scoring 'compliant' or 'largely compliant' in 48 of the 49 assessment areas.

Jersey's policy of constructive international engagement regarding compliance with global standards in these areas and in relation to tax transparency also aims to provide the finance industry and the family offices that depend on it with long term certainty as a leading international finance centre.

Read more about [Jersey's Constitution](#).

Read more about [Jersey's international engagement on tax transparency](#)

Jersey is a self-governing parliamentary democracy under the ultimate sovereignty of The Crown. It has its own independent legal, administrative and fiscal systems and is not part of the UK, Great Britain or EU. The ability for Jersey to determine its own laws, raise taxation, and hold elections is based on long-standing constitutional precedent.

The UK does not provide subsidies or pay contributions to Jersey, however, Jersey makes annual voluntary contributions to the UK towards the costs of defence and international representation.

Although Jersey's constitutional position means it is independent it has a long tradition of political, legal and regulatory stability, as well as close working relationships with neighbouring jurisdictions and internationally.

Through agreements signed between the UK and Crown Dependencies in 2007/8 - which govern the process of extending international agreements by consent, as well as the approach to the representation of Jersey's international interests - Jersey has forged a unique identity as an international finance centre.

While not a sovereign state, Jersey has worked with global partners to extend its treaty network in areas where it is granted an 'entrustment' to do so by the UK Government, on behalf of The Crown.



Useful resources

[Jersey's Constitution factsheet](#)

[Structuring Wealth with High Quality Trusts video](#)

[The Law Society of Jersey](#)

[Jersey Finance business directory](#)

[Jersey Foundations factsheet](#)

[Jersey's Transparency Timeline](#)

[Jersey Trusts and Trustees factsheet](#)

[Jersey's history](#)

(Government of Jersey website)

[Jersey's Attorney General and Solicitor General](#)

(Government of Jersey website)

[Jersey Trusts Law](#)

(Jersey Legal Information Board website)

[Jersey Foundations Law](#)

(Jersey Legal Information Board website)

Disclaimer: This factsheet is only intended to provide a general overview of the subject matter. It does not constitute, and should not be treated as, legal, tax, regulatory or any other form of advice.

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