

## 2.1 Jersey Private Clients and Family Offices

For the purposes of this report, there are two groups of private clients:

- 1) Private clients, who are users of Jersey private wealth services but do not live in Jersey; and
- 2) Private clients, who are users of private wealth services and also choose to live in Jersey.

The first group comprises global Ultra High Net Worth (UHNW) families, who might or might not have established a family office located in Jersey or elsewhere. The second group consists of local Jersey residents, who are UHNW families and may have a locally established family office.

Jersey's wealthy individuals and families are made up of the old Jersey families (landowners and business owners), local accountants and lawyers, who have sold a trust company, local owners of businesses, who have sold to a private equity firm or listed a company, and high value residents, relocated under the 2(1)(e) regulation (previously 1(1)(k)), supervised by the Jersey government.

The demographics of those wealthy families relocating to Jersey are very different from a decade ago. They are now more entrepreneurial, younger, with families and are still creating their wealth. Many are setting up and growing a business, establishing family offices and involved in philanthropic activity.

### Private clients

The term 'private clients' is a generic term used in this report for high net worth (HNW) individuals, ultra high net worth (UHNW) individuals, high value residents (HVRs) and successful entrepreneurs. The term 'private client' refers to both individuals and families.

### Definition of high net worth (HNW)

The high net worth wealth group comprises those individuals with wealth of US\$5 million or more, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.

### Definition of ultra high net worth (UHNW)

The ultra high net worth wealth group comprises those

individuals with wealth of US\$50 million or more, including equities, bonds, cash and deposits, fixed-income products, real estate (excluding primary residence), alternative assets and business interests.

### Definition of a high value resident (HVR)

The term 'high value resident' in the context of this report is the term used by the Government of Jersey.

### Background to 2(1)(e) Regulation

Since the 1970s, housing regulations in Jersey have allowed the government to grant consent to an individual to purchase certain properties in Jersey where it is satisfied that consent can be justified on social and economic grounds.

The determining factor as to whether the Jersey government is satisfied that consent can be justified on economic grounds has always been the amount of income tax that an applicant undertakes to pay. In 1970 economic applicants had to undertake to arrange their finances to pay Jersey income tax of at least £3,000 per annum. After a peak of £200,000 in the mid-1990s, the minimum now stands at £145,000. The number of successful applications had fallen from between 60 and 70 in some years in the early 1970s to five in 2005. Between 1990 and 2010 only 86 people were granted permission. This rose to 22 approvals in 2021.

The States of Jersey exercises certain controls over the purchase and occupation of residential property on the island, principally under the Control of Housing and Work (Jersey) Law 2012 (the Law) and the Control of Housing and Work (Residential and Employment Status) (Jersey) Regulations 2013 (the Regulations), which both came into force on 1 July 2013. The Law and the Regulations do not greatly affect the rules governing residency for high net worth individuals. Individuals granted consent under the Regulations are commonly referred to as 'high net worth individuals' or 'high value residents' and will need to obtain a registration card under the Law prior to their property purchase.

Since 2005, the Jersey government has received a total of 266 applications from individuals to relocate their residency to Jersey, of which 252 have been approved; 226 have arrived, leaving 55 approved but not yet resident.

### Family offices

In every jurisdiction, the term 'family office' means different things to different people in the private wealth industry. The research study discovered two distinctive models:

1. Single-family offices – where a single wealthy family employs its own in-house team of experts to serve its own family requirements – as a result the set-up costs are high
2. Multi-family offices – where a number of wealthy families have teamed together in order to gain efficiencies - the multi-family office serves the needs of the different families

The research study revealed that there are an estimated 80-100 single family offices based in Jersey.

### Globalisation of private clients and family offices

The study discovered that private clients and families are globally mobile. UHNW families travel the world with homes in many different countries, with sons, daughters and family branches in different jurisdictions. The complex arrangement of assets and wealth structures makes Jersey an ideal location base to manage their wealth management strategy. With the help of foundations and private trust companies, global wealthy families have more flexibility and control over their assets.

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Working with Greenbank Investments, our specialists in ethical, sustainable and impact investment, we can give you the freedom and flexibility to enjoy today, safe in the knowledge that your ethical and investment goals for tomorrow are taken care of.

For further information, please contact [Jonathan Giles](mailto:jonathan.giles@rathbones.com) locally on [01534 740 550](tel:01534740550) or email [jonathan.giles@rathbones.com](mailto:jonathan.giles@rathbones.com)

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