

4.1 Jersey Private Wealth – Final Comments and The Future

As part of the research study, we asked leading professionals in Jersey for their opinion on the future trends in Jersey's private wealth sector.

Joe Moynihan

Based on all of the independent reports, private wealth is set to increase. We're going to see more wealthy people. One of the big trends will be the impact of 'Next Gen' and their view of family wealth, its purpose and the drive for better quality jurisdictions. Better quality structuring, more professional advice, better consolidation and particularly intergenerational wealth transfer. The amount of wealth that will transfer, globally, from one generation to the next in the next 10 to 15 years will have a huge impact on the private wealth sector; the numbers are mind boggling.

I also believe digital technology and customer expectations are going to continue to drive financial services providers to innovate, to provide a better service, to be more efficient, and actually increase their knowledge base, because they're dealing with clients who are much more sophisticated and more knowledgeable, and these clients will expect their advisors and their providers to be exactly the same.

We're going to continue to see a push on regulation and the quality of regulation enforced by the international regulators and also some of this will be politically driven in terms of standards. What was acceptable ten years ago is no longer acceptable today, and we just have to cope with that. But in many ways, that is no change for Jersey providers; we've been coping with that for 20 years.

So, it's just another shift along the paradigm. They're the key trends for us; we talk about regulation, about consolidation, we talk about digitization and the impact of that, changing expectations; we talk about the whole requirement to be able to facilitate sustainability, ESG and increasingly, to use wealth to do good.

Martin Maloney

There's a great deal of pressure on those working in the wealth industry to understand what the future brings, particularly in these times of great uncertainty.

What is coming down the tracks, is the trend towards digitization. I think there is also likely to be a trend towards consolidation among international financial centres. I suspect that in the world sector in particular, you will see increasing sensitivity to political risk and that sensitivity is quite likely to lead them to be more mobile, and to be looking quite vigorously for the low political risk

jurisdictions, if they can find them. If that were to combine with a lack of faith in the intermediaries in the sector, then that would clearly not be a good thing.

So, for us, we need to make sure that the regulatory framework in Jersey continues to inspire confidence. People have a level of assurance that we maintain high standards, and we try to keep that here in Jersey. If we can achieve a good outcome in that regard here in Jersey, I think it'd be an important contribution on our part, because we have tried not only to keep our own standards up but also to contribute to other jurisdictions keeping their standards up as well.

So, to give you an example, in our jurisdiction the trust business is regulated, and in many of the international financial centres and jurisdictions, it is not. Jersey was the first jurisdiction to push for a global standard in relation to the measurement of the trust company business. We were the first ones to be assessed under that standard; we got ourselves independently assessed. That determination to be an agent of higher standards in international finance is something where I think we can help the private wealth sector, as it becomes increasingly sensitive to political risk, which is what I anticipate.

Jason Laity

I've always maintained the view that the financial services industry in Jersey is resilient. Before the pandemic, I talked about Jersey really needing a burning platform to innovate around fintech and we duly got one. There has been innovation in terms of easier ways of working, where you're not physically in the same space. Whether or not it's electronic signatures or video conferencing, for example.

We have always demonstrated resilience and have done so in the face of a completely unpredictable challenge; I'm sure everyone had global pandemic somewhere on their risk register, but now I'm pretty sure that risk register entry has moved up in terms of likelihood, with lessons learnt, so we all know what to do if it happens again. People like Jersey Finance were still in the market talking about people coming here in the medium or long-term, probably more so because of the way we've dealt with COVID-19.

I think the industry and industries have done what they could and probably more; the government stepped in, meaning there's probably a number of businesses which have remained around because of their intervention. Obviously, it needs to be paid for in the course of time. We've had a really dramatic test of Jersey PLC's business

continuity plan; for the moment, we seem to be able to say, well, actually the plan worked or is working.

However, we do need to learn from where it went wrong. We need to improve constantly; we need to be prepared for any further variants; we need to be prepared to face the challenges in the same way as we have done already. For me, it's about resilience. We've demonstrated resilience for the type of client we're trying to attract, and that's important.

Geoff Cook

You get tactical opportunities from time to time. I think there's going to be a lot of activity in restructuring as businesses go through some kind of transformation.

You'll get businesses that didn't survive the crisis; those that did, reorganised and reshaped to recapitalise, and have become viable again. You get growth in new areas, as a consequence of changing patterns of behaviour in society. So as long as businesses are agile and resilient, they'll capture those.

The instability in the world will make Jersey's offer look more attractive without having to do anything; we don't have that instability. We're already global; firms are reasonably well capitalised, it's a well-regulated place. We can deliver expertise to help people do things at a cost that's probably a lot more attractive.

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