

Jersey for Collateralized Loan Obligations

Jersey is diversifying its proposition in the US market, with its capabilities in the structured finance space. Over the first half of 2022, Jersey Finance estimates that more than 110 securitization structures, including Collateralized Loan Obligations (CLOs) and Collateralized Debt Obligations (CDOs) were registered, including a number migrating from other jurisdictions.



What are CLOs and who uses them?

CLOs are effectively investment instruments that are backed by a pool of leveraged corporate loans split into tranches, with different risk appetite. These instruments offer investors regular debt payments and diversification in their portfolio.

Why Jersey?

- ✓ Tax neutral status
- ✓ Experienced professional services industry to advise and administer CLOs
- ✓ Tax certainty and strong adherence to international standards on anti-money laundering (AML)
- ✓ Speed to market

What has changed?

Early 2022, the European Union (EU) added Cayman to its AML blacklist and the EU securitization regulation prohibits the establishment of securitization special purpose vehicles in countries listed on the EU AML blacklist. While the EU securitization regulation does not explicitly reference investors, the widely-held assertion is that the requirement to ensure that special purpose vehicles (SPV) are not established in a 'high risk country' for AML purposes, is also the investor's obligation.

Jersey is a tried and tested jurisdiction for securitization structures and this, together with its strong credentials in compliance with international standards, offers the much-needed certainty to CLO issuers and their investors.

Next steps

For all securitization SPVs that want to ensure continued access to EU investors for their securitization transactions, Jersey offers the expertise to help. Whether it is a new deal or a pre-existing one, a move to Jersey is made easy by our expert professional service providers and advisers.

More than
110
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structures
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the first half of 2022



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Philip joined Jersey Finance to oversee business development in the Americas. Born in Jersey but based in New York, Philip has more than 20 years of professional experience in investment banking, investment management, consulting, auditing and accounting.

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 advice.

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