

A Jersey Foundation in overview

A Jersey Foundation is an incorporated entity which has a separate legal personality and is therefore able to hold assets, contract with third parties and can sue and be sued in its own name. It acts through its council, which administers the foundation's assets and carries out its objects.

Common uses are

Private wealth management

Succession planning

Charitable purposes

How it works



Founder; who instructs the qualified person to incorporate the foundation.



Qualified person; who is authorised to carry out trust company business under the Financial Services (Jersey) Law 1998.



The business address of the foundation will be the business address of the qualified person (upon incorporation of the foundation, the qualified person becomes the qualified member).



Charter; a public document outlining the name and objects of the foundation.

Regulations; a private document providing for the establishment of the council.



Guardian; who has a monitoring role in ensuring the council carries out its functions.



Key points to note

- A Jersey Foundation is capable of exercising all functions of an incorporated body, except acquiring, holding or disposing of immovable property in Jersey and engaging in commercial trading that is not incidental to the attainment of its objects
- A qualified person, regulated under the Financial Services (Jersey) Law 1998, may apply to migrate a recognised entity (see overleaf for list of recognised entities) to Jersey to become a Jersey Foundation
- A Jersey company may convert to a Jersey Foundation through filing an application with the Jersey Financial Services Commission (JFSC)

Jersey Foundations

Features of a Jersey Foundation

A foundation is incorporated at the request of the founder. The founder may be (but does not have to be) a beneficiary of the foundation and/or a council member.

The application for incorporation of the foundation may only be made by a qualified person registered under the Financial Services (Jersey) Law 1998 to carry out trust company business. Upon incorporation, the qualified person becomes the qualified member of the foundation's council. The business address of the qualified member in Jersey will be the business address of the foundation.

A Jersey Foundation is governed by its charter and regulations. The charter is a public document, filed with the Registrar of Companies. The charter specifies, amongst other things, the name and objects of the foundation.

The regulations are a private document, and only those persons specified under the regulations of a foundation may inspect them. The regulations provide for the establishment of the foundation's council and set out how the foundation's assets are to be administered and its aims are to be achieved.

A Jersey Foundation is also required to have a guardian, who has a monitoring role in ensuring the council carries out its functions.

It should be noted that the Jersey Foundation is not an exact copy or equivalent of a foundation established in any other jurisdiction.

Incorporation

Once an application for incorporation of a Jersey Foundation has been approved, the Registrar of Companies must enter on the corporate register:

- the name of the foundation
- the name and business address of the qualified member of the foundation

Registration of the above information is proof of the incorporation of a Jersey Foundation.

The Registrar of Companies may refuse to incorporate a foundation if its objectives are unlawful or its name is undesirable, misleading or does not end with the word "foundation" (or foreign language equivalent).

Migration of foundations

Under the Foundations (Continuance) (Jersey) Regulations 2009, a recognised entity may migrate to Jersey to become a Jersey Foundation. The following entities are currently designated as recognised entities:

- Anguilla Foundations
- Liechtenstein Anstalts
- Panama Private Investment Foundations
- Bahamas Foundations
- Liechtenstein Stiftungs
- St Kitts Foundations
- Guernsey Foundations
- Malta Private Foundations
- Nevis Multiform Foundations
- Isle of Man Foundations

An application to migrate to Jersey is made to the JFSC. The application must be made by a qualified person regulated under the Financial Services (Jersey) Law 1998.

Notice of intention to migrate ('the Notice') must be published and copies sent to all creditors known to the qualified person as well as the Registrar of Companies, before an application is made. The Notice must state whether the migrating entity would be solvent on its incorporation as a Jersey Foundation. Those affected by the proposed application must be afforded the opportunity to apply to the Royal Court of Jersey within 28 days of publication of the Notice, in order to restrain the proposed incorporation. The Royal Court may only prohibit the incorporation from proceeding if it is satisfied that the interests of the person applying would be unfairly prejudiced by the proposed migration.

An application must be accompanied with a number of supporting documents, including a copy of the charter, which the migrating entity will have upon its incorporation as a foundation. A certificate from a qualified person must also be filed, confirming that:

- a named qualified person would become the qualified member of the council of the migrating entity, following its incorporation as a Jersey Foundation
- regulations for the Jersey Foundation have been approved by the migrating entity and the qualified member
- a specified address in Jersey is the business address in the Island of the qualified member
- a guardian has been selected for the Jersey Foundation
- the laws of the jurisdiction in which the migrating entity is established/incorporated ('the Foreign Laws') do not prevent the migrating entity from making the application
- any authorisation required by the Foreign Laws has been obtained
- following incorporation as a Jersey Foundation, the migrating entity will, in due course, cease to be an entity established/incorporated under the Foreign Laws
- the interests of the creditors of the migrating entity will not be unfairly prejudiced by its incorporation as a Jersey Foundation

Applications may be declined on the same grounds as an application to incorporate a foundation in Jersey.

Upon registration of the migrating entity, the Registrar of Companies will inform the qualified member and the relevant official/body in the jurisdiction in which the migrating entity is established/incorporated.

Conversion from a company to a Jersey Foundation

Under the Foundations (Continuance) (Jersey) Regulations 2009, a Jersey company may convert to a Jersey Foundation. In order to do so, the applicant must complete and file an application form at the JFSC. Notice must also be given to creditors and the Registrar of Companies.

Contact us

For more information on Jersey Foundations, please contact a member of the Jersey Finance team on:

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