

Jersey Funds Supporting Investment into Africa

Using Jersey to navigate capital raising in Europe

In recent years, European institutional investors have accumulated record amounts of investable capital which they have been slow to deploy given tighter yields and strong competition in traditional markets. The search for yields has resulted in an increasing appetite for foreign direct investment, and currently presents a large opportunity for African-based managers looking to fund raise. It is for these reasons that international managers choose Jersey as a domicile.

Whether you are raising capital for direct investment or seeking liquidity through a permanent capital vehicle as an exit strategy for your current investors, it is important that your fund or corporate vehicle addresses the regulatory and legislative requirements of Europe. It must also meet the substance, governance and operational risk requirements of the investors themselves.

Jersey's African connections

With more than a thousand regulated collective investment funds and the largest number of FTSE 100 companies registered outside of the UK, Jersey is one of the world's leading international finance centres (IFCs), a jurisdiction of choice for the European market and an approved investment jurisdiction for many high-net worth and institutional investors.

Acting as a bridge between capital raising in Europe and investment in Africa, Jersey currently accounts for around £15.5 billion in deployed capital across Kenya, Uganda, South Africa and Egypt.



In partnership with:

Jersey Funds

Supporting Investment into Africa

What sets Jersey apart?



Raising investor capital

Jersey offers a safe and familiar business environment for European investors across institutional, high-net worth and pension funds, and meets the market access requirements under the AIFMD.



Speed to market

Jersey has a straight forward and flexible funds regime, allowing funds to be set up in as little as 48 hours.



Regulatory framework

Jersey has a strong regulatory framework built around governance, tax transparency and compliance, which is recognised by leading European countries.



Legal precedents

Jersey operates on a common law legal framework, which provides significant comfort for European investors.



Experience in alternatives

Jersey has a vast amount of experience in dealing with alternative assets such as: renewable funds, infrastructure funds, technology funds, property funds, venture capital funds and private equity funds.



Experienced professionals

Jersey has more than 13,000 local qualified industry professionals including, auditors, non-executive directors, lawyers and administrators.



Substance

Jersey is accustomed to providing the systems and infrastructure needed to evidence offshore operations.



Banking

Jersey benefits from an AA credit rating from S&P, and holds a memorandum of understanding with the Bank Supervision Department of the South African Reserve Bank and the Financial Services Board of the Republic of South Africa.

In addition, many of the world's largest banks including First Rand, Standard Bank and Nedbank have a presence on the Island.



Market access

Jersey is the largest offshore jurisdiction by market capitalisation for listing companies on the London Stock Exchange (LSE), and provides access to European and other foreign investment markets through offshore listings. In addition, Jersey shares are eligible to be traded on CREST, the central securities depository for markets in the United Kingdom and for Irish stocks.

In addition, Jersey can facilitate a listing on the London Stock Exchange (LSE), Euronext, Irish Stock Exchange (ISE), New York Stock Exchange (NYSE), or even the Channel Islands own specialist market, The International Stock Exchange (TISE).



Taxation

Jersey is tax neutral with 0% corporate tax, has no stamp duty on transfer of shares, and is included on the OECD White List.

Jersey also operates a tax information exchange agreement (TIEA) network with various jurisdictions, including South Africa, and has entered into double taxation agreement (DTA) negotiations with Botswana, Ghana, Lesotho, Malawi, Mauritius, Nigeria, Seychelles, Swaziland and Zambia, and already has a full DTA with Rwanda.

Finding the right structure for you

Unregulated Funds	An unregulated eligible investor fund may be open or closed-ended and only be offered to eligible investors, which includes professional or institutional investors or investors who make a minimum initial investment of US\$1,000,000 (or its currency equivalent)	A simple filing of a notice with the JFSC	
Jersey Private Funds	Provides a new streamlined fast-track regulatory authorisation process for the establishment of funds marketed to 50 or fewer professional or eligible investors	A JPF must appoint a designated service provider that is registered in Jersey	Popular with new managers – low cost and minimal regulatory requirements
Eligible Investor Funds	A fund which is suitable for eligible investors (essentially professional or experienced investors) and which can be authorised on a fast-track basis provided it fulfils the criteria of the Jersey eligible investor fund	The fund company, general partner or trustee (as appropriate) must be established in Jersey and have at least two Jersey resident directors	
Expert Funds	A fast-track authorisation process is also available for the establishment of funds which target expert investors and includes institutional and sophisticated investors or any person investing at least US\$100,000 (or its currency equivalent)	Expert funds are certified funds and must have at least two Jersey resident directors for the fund company, trustee (for unit trusts) or general partner (for limited partnerships)	
Listed Funds	Closed-ended corporate funds which are to be listed on a recognised stock exchange and can take advantage of a streamlined authorisation process	Listed funds are certified funds which must have at least two Jersey resident directors and a Jersey-based manager or administrator to monitor the fund	Useful for funds who wish to reach more than 50 investors
Unclassified Funds	Unclassified funds are funds that are offered to more than 50 investors or are listed and do not fall within the definition of a recognised fund or the simplified regulatory regimes for listed, expert or eligible investor funds. Unclassified funds are certified funds and are suitable structures for public offerings	Unclassified funds must have a Jersey-based manager and, for open-ended funds, a Jersey-based custodian	Allows investors to sell shares on the market, thereby establishing a permanent capital base for the fund
Recognised Funds	They are the most highly-regulated funds in Jersey		More suitable for retail investors

Amount of regulatory oversight

Investor liquidity

Whether you are looking to structure a corporate vehicle or an open or closed-ended fund, Jersey has a wide range of structuring options available.

Jersey Private Fund (JPF)

Jersey's forward-thinking approach has ensured that the Island remains at the forefront of the funds sector, and in 2017 it introduced the Jersey Private Fund (JPF). The JPF offers a streamlined, effective and proportionate product for privately offered alternative investment funds.

This fast-track regime has proven very popular and as at 24 September 2018, the JFSC had granted authorisation to 167 JPFs. This figure represents an increase of 280% since August 2017, with the 100th JPF having been registered in March 2018.

The JPF offers a clear solution for private equity deal structuring in Africa.



Contact

If you would like to find out more on structuring funds or corporate vehicles through Jersey, please contact:

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