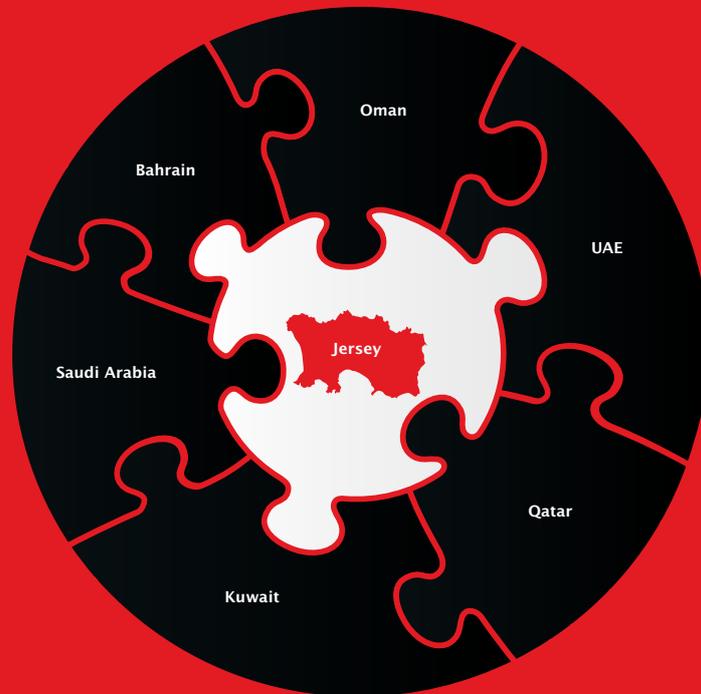




Jersey Finance

Delivering Insight • Driving Innovation

Links with the GCC



Why Jersey is at the very forefront of banking, wealth management and corporate services

Jersey's experience and expertise in Shariah-compliant structures and transactions

The appeal of Jersey for succession planning, wealth preservation and philanthropy

Why Jersey is now a leading jurisdiction for investment funds business

Welcome to Links with the GCC

Jersey has been a leading international finance centre for more than 50 years.

At the forefront of global banking, wealth management and corporate services, it has developed an offering that balances product innovation alongside high standards of regulation, world class legislation and in depth expertise from a range of experienced practitioners.

The following articles explore the ingredients that have given Jersey this competitive edge and examine the benefits to intermediaries and their clients of working in partnership with practitioners in Jersey.

Geoff Cook
Chief Executive, Jersey Finance



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Links with the GCC is published by Jersey Finance.

The publication highlights how businesses in Jersey and the GCC can work together in support of the strategic objectives of clients both in, and with links to, the region. It complements other publications in our 'Links with' series on China, Africa and India.

If you are interested in contributing to our 'Links with' series, please contact:

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Jersey's Attraction



Jersey, one of the world's leading International Finance Centres, retains the robust yet innovative commercial environment that investors across the Gulf are seeking.

Built on enduring political and economic stability and a tax neutral platform, Jersey has a long established track record in the GCC for providing financial services. Such a relationship has been developed thanks to the strength of Jersey's offering. This includes a skilled workforce experienced in managing Shariah compliant products and services, appropriate regulation and legislature, a reputation for probity, an excellent financial market infrastructure and a closely aligned network of professional firms.

Jersey's stable economy stems from its unique constitutional position and allegiance to the English Crown. This dates back through charters to 1204 and enables Jersey to maintain control of domestic affairs. The jurisdiction has an elected Parliament, its own judiciary and legal system, and power to administer its own fiscal regime.

Partnerships

Jersey is the largest of the British Crown Dependencies. It has a strong partnership with practitioners in the City of London and is ideally positioned as a gateway to Western markets. The International Finance Centre has a long standing relationship with many intermediaries and ultra-high net worth individuals and families in the GCC. It has invested directly in the region having opened a representative office in the Gulf in 2011 and it has formed an advisory group 'on the ground', comprising senior finance and legal professionals, to help it to develop even closer ties. Jersey government ministers and regulatory representatives make regular visits as part of a firm commitment to the region.

Commercially attuned to the needs of the global investment community, Jersey is an ideal environment in which to protect assets or manage global investments, a feature recognised by many investors and institutions in the GCC.

Shariah

Jersey's wide range of investment structures, including trusts, foundations, companies and limited partnerships, are designed to support the investment ambitions of investors, high net worth individuals and families in the region. Alongside Jersey's appeal to the wealth management industry, its range of special purpose vehicles (SPVs), when combined with the expertise of legal and finance practitioners, has made Jersey the jurisdiction of choice for institutional investors and the corporate market generally.

The diversity of Jersey's service offering has meant that practitioners have been able to respond to emerging new trends, such as the growing market demand for real estate investment in UK property and the increasing focus amongst investors for products with philanthropic objectives.

Jersey based SPVs have been used with a variety of Shariah compliant transactions. The financial regulator, the Jersey Financial Services Commission (JFSC), is familiar with Islamic products, whilst Jersey laws are broad enough to permit the issue of all types of Islamic investment. Leading banking institutions from around the world have operations in Jersey, including several Gulf based banking organisations who provide banking, wealth management or fund services to their clients globally. Funds and

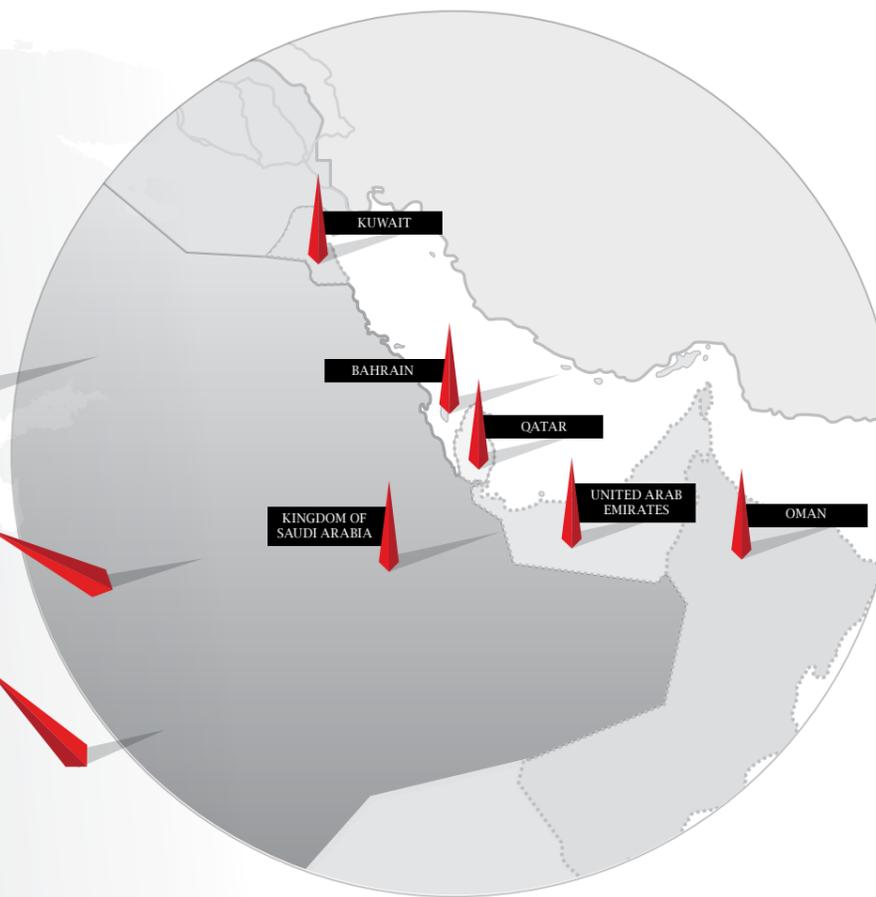
wealth management companies, leading professional service firms and some of the largest offshore law firms add to the commercial landscape available to investors and their advisers. A growing number of these firms have practitioners with expertise in handling Shariah instruments, products and services.

Regulation

Robust regulation and a commitment to transparency have become increasingly important globally. Jurisdictions seeking to remain as leading providers of financial services have needed to respond to the requirement for increasing international compliance with new global standards.

The Jersey authorities have achieved this, striking a sensible balance between transparency and confidentiality. In addition to endorsements from the OECD and IMF for the high standards of its regulation, Jersey has been praised by the World Bank as a model of good practice in capturing the details of beneficial ownership of corporate and trust entities.

The authorities in Jersey have also built strong relationships with regulatory bodies in the Gulf region and, most recently, the JFSC signed a Memorandum of Understanding with the Emirates Securities and Commodities Authority (ESCA), to further assist in the development of regulatory links and to strengthen Jersey's ability to undertake business in the region.



“Jersey is an ideal environment in which to protect assets or manage global investments, a feature recognised by many investors and institutions in the GCC”

Foreign Direct Investment

As demand for cross border services increases, investors in the GCC are looking to Jersey to provide a springboard to further their strategies into new sectors and markets.

A report which analysed Jersey's role in Foreign Direct Investment (FDI) found that the outbound stock of FDI distributed from Jersey in 2012 was US\$75.8 billion, to a diverse range of countries, including many emerging markets¹. The report also discovered that around 20% of Jersey's total outbound 'Greenfield' FDI between 2003 and 2014, valued at around US\$2.5 billion, was targeted in the Gulf region. Increasingly, Jersey is being chosen as a safe, secure and well regulated jurisdiction for facilitating FDI. The quality of the services it offers, as well as the suitability of its vehicles and the stable tax and regulatory environment it provides, means that it remains perfectly placed to attract, pool and direct FDI flows between source and destination jurisdictions.

Jersey continues to cherish its strong and ever closer commercial relationship with authorities and businesses across the GCC region. In the following pages, you will gain a more detailed insight into the range of financial services that Jersey based practitioners are providing, the sectors of the industry which have seen the most growth and why Jersey is such an effective partner in meeting the ambitions and objectives of Gulf investors. ■

1. 'Jersey's Contribution to Foreign Direct Investment (FDI)', Jersey Finance (2015)

Jersey and the GCC LINKS away from the WORLD of FINANCE



Jersey oysters

Jersey Oysters

The crystal clear waters that surround Jersey produce an abundance of shellfish, including crab, lobster, scallops and oysters, as well as plaice, seabass and mackerel. The Jersey Oyster Company has been operating for over 40 years and is the largest oyster producer in the British Isles. It began exporting to Dubai in 2015, working with prominent importers and distributors, supplying a range of top hotels, restaurants and supermarkets in the UAE. With extreme tidal ranges (12m) and some of the cleanest seawater in Europe, Jersey has the ideal conditions for the cultivation of high quality oysters with a really fresh flavour.



Training for Al Ain's zoo keepers

Wildlife conservation

Durrell Wildlife Conservation Trust was founded by conservationist and author, the late Gerald Durrell, in Jersey in 1963. It recently completed an 18-month capacity development programme for Al Ain Zoo in the UAE. Durrell provided training for Al Ain's zoo keepers covering various aspects of animal welfare including veterinary health, enclosure design, nutrition and record keeping. Durrell also has strong links with the The Mohamed bin Zayed Species Conservation Fund and has received several grants for its international conservation initiatives.



“The strong relationship between Jersey and countries in the Gulf is not simply a result of financial business activity. Other Jersey sectors have made their mark in the region”



Aurum's jewellers in action

Craftsmanship

Aurum of Jersey, a family run business, designs and creates bespoke, high end jewellery and objet d'art. The jewellery house has designed and crafted silver trophies for the Dubai Classic and the Nad Al Shiba Classic horse races. One showed a wind-blown silver boat sailing over caskets and sacks, with stylised silver waves to depict the trades between Jersey and the Gulf region.

Jersey Pottery was founded in 1946. Today, the third generation family owners supply ceramics and giftware to over 700 retailers in 30 countries. Jersey Pottery has designed and manufactured in excess of 10,000 pieces of pottery, worth around US\$142,000, for the Emirates Palace Hotel in Abu Dhabi.



Arab Ambassadors' Council visit to Jersey

International relations

Jersey's Ministers make regular visits to the Gulf and are proud to have strong links with their counterparts in the region. In November 2015, Senator Sir Philip Bailhache led a delegation to the UAE. Various meetings were held, including with senior members of the ruling families in both Abu Dhabi and Dubai; His Excellency Obaid Al Tayer, Minister of State for Financial Affairs; British Ambassador to the UAE, Philip Parham; and Consul General to Dubai and the Northern Emirates, Paul Fox. In May 2014, Jersey welcomed a delegation from the Arab Ambassadors' Council for a two day visit. Led by the Ambassador of the State of Kuwait, the delegates met with Jersey's Chief Minister, Senator Ian Gorst, and other Ministers, as well as with representatives from the finance industry. Jersey's relationship with countries in the Gulf has also been strengthened by a number of regulatory developments in recent years.



Freshly picked Jersey Royals

Jersey Royal Potatoes

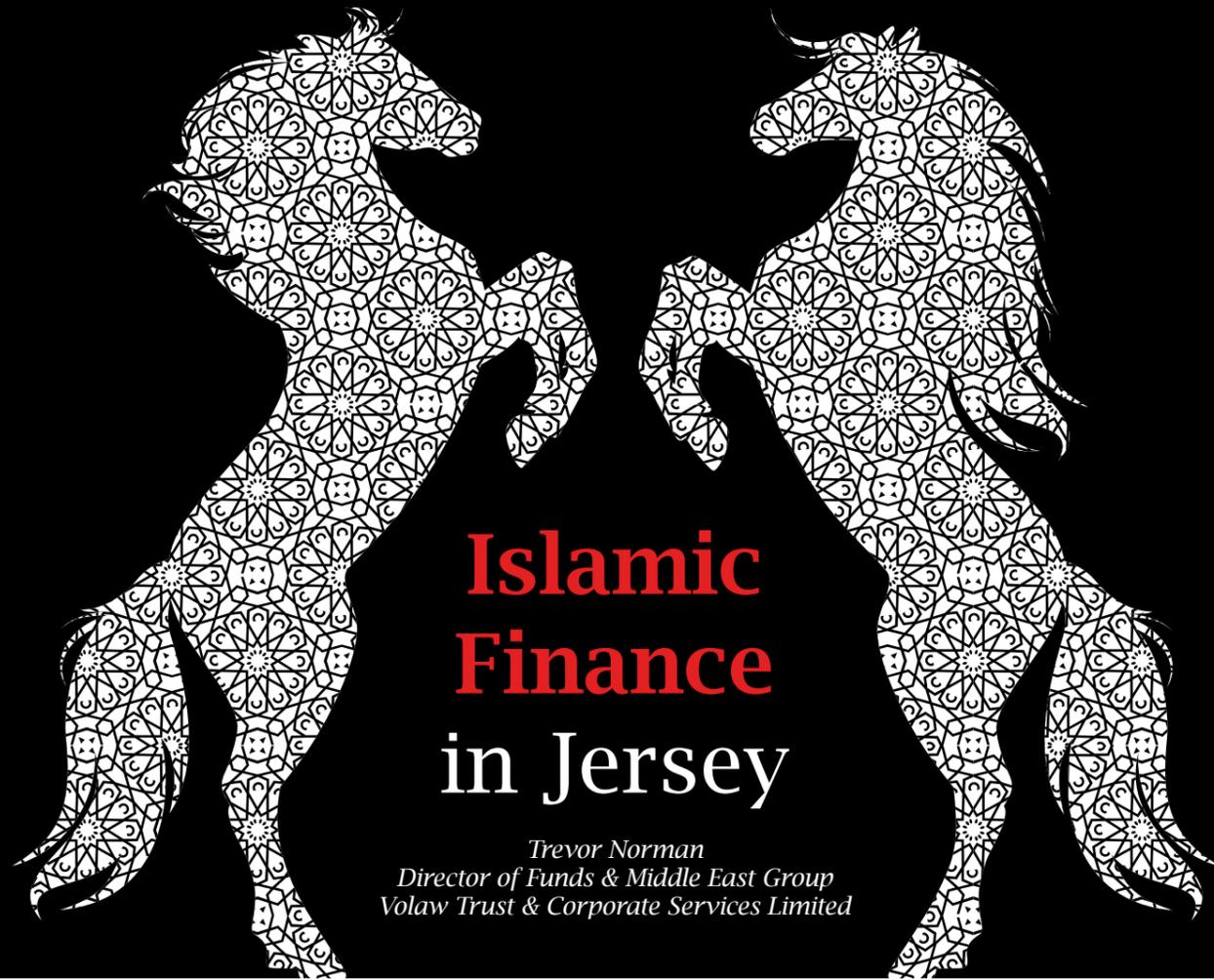
Jersey Royal New Potatoes have been grown in the Island for over 130 years and are famous for being the UK's favourite new potato. They are renowned for their unique taste, flavour and delicate skins, thanks to Jersey's rich fertile earth, gentle climate and the way they are grown. Potato supplier Albert Bartlett works with nine independent local family farms, many of them fifth generation. In 2015, it air-freighted almost 6,000 packs of Jersey Royals to Abu Dhabi within hours of harvest, via a partner at Heathrow airport. Albert Bartlett's representative in Abu Dhabi works closely with Al Dahra Agriculture UAE and, in particular, Spinney's supermarkets.



Batelco's headquarters in Manama, Bahrain

Telecommunications

Telecommunications company Sure, which provides services in Jersey, Guernsey and the Isle of Man, was acquired by Bahrain-based Batelco Group in April 2013. Sure's products and services range from voice, mobile and broadband to networks, global connectivity and managed services solutions. The Batelco Group is a major communications company providing a full range of communications services across 16 jurisdictions including the Middle East and North Africa. Listed on the Bahrain Bourse and with a history dating back 150 years, Batelco Group has over 8 million customers and a market capitalisation of 582 Bahraini Dinar. ■



Islamic Finance in Jersey

Trevor Norman
 Director of Funds & Middle East Group
 Volaw Trust & Corporate Services Limited

Financial institutions in Jersey have been providing services to Muslim clients, particularly those resident in the GCC, for many years.

Shariah

The two primary areas of Shariah-compliant service in Jersey are those offered to:

Institutions

By way of establishment and administration of collective investment funds, and other vehicles for raising finance or the investment of capital.

Individuals

Through private wealth management services such as the establishment and administration of trusts, foundations and private companies.

Context

Unlike some other western countries, Jersey has not had to make any changes to its laws to permit Islamic financial transactions or investment, thereby ensuring that conventional and Islamic financial products are governed, regulated and administered on the same basis. Many of the changes to the laws of other countries derive from having to determine the taxation treatment of financial contracts under Shariah, where interest is forbidden and where the profits arising from the Shariah-compliant contract do not readily fit within the countries' tax laws. Jersey's position as a tax-neutral jurisdiction means that no such amendments are necessary, but also our other corporate laws and regulations are such that in over fifteen years of structuring Shariah-compliant vehicles, I have yet to encounter a problem with a structure or contract that could not be accommodated within Jersey's laws.

Flexibility is particularly relevant in the context of Shariah-compliant financial products, because there are a number of different schools of Islam, each having their own interpretations of what is and is not compliant, such that a financial product that is certified as being Shariah-compliant in Malaysia may not be deemed to be compliant by Scholars from the Kingdom of Saudi Arabia. These differences are not only confined to financial products, there are also variations between the schools over the rules of inheritance and forced-heirship. Many practitioners from Jersey are well versed in the basic concepts of what is and is not Shariah-compliant from a financial perspective, however, they will often have to work with a Shariah Scholar to ensure that more complex structures and arrangements, for both individuals and institutions alike, comply with Shariah law, such that, where relevant, the Scholar can approve a fatwa (ruling) for the financial service being provided.

Corporate vehicles and funds

It is over 20 years since the first Shariah-compliant fund was established in Jersey and this has been followed by multiple other funds and corporate vehicles. Historically, the primary asset class for such vehicles has been commercial real estate, with examples spread across the full spectrum of real estate investment from development to commercial letting, with student accommodation a popular sub-sector in recent years.

Another more recent development has been in the use of Cell Company structures for quasi private equity investment into companies participating in projects and trading activities in Shariah-compliant business sectors. A common problem with target companies is that they themselves may not be structured in a Shariah-compliant manner, e.g. their share classes may include preference shares, which are not permissible under the Shariah, or their debt to equity financing ratios may exceed the recognised Shariah limit of 33%. In such cases, the Promoter of the Cell Company may present his offering without the usual Shariah approval by Scholars in the form of a fatwa. The Offering Circular contains a clear statement that the underlying investment policy regarding the activities of the target companies is

that their activities are Shariah-compliant, however the structure of the investment is conventional and may not be fully Shariah-compliant. Such products may be accepted by individual sophisticated investors, but will generally not be acceptable to Islamic financial institutions, so this can restrict the market for the structure.

The Jersey Financial Services Commission (JFSC), as the regulator of financial services in Jersey, does not impose any additional or different regulatory criteria on a vehicle established to issue securities be they either 'conventional' or Shariah-compliant; nor does it impose any requirements over the establishment of the Shariah Supervisory Board that will issue the fatwa and monitor the Shariah compliance of the vehicle and its investments. The JFSC has established close links with regulators throughout the GCC, and have Memorandums of Understanding with many of these, the one with Bahrain having been signed in 2002.

It follows that Islamic funds and Sukuk issuance vehicles established in Jersey will have to conform to Jersey's laws and will be subject to the same standards of corporate governance as 'conventional' funds and securitisation vehicles. Whilst this implies a similarity between Shariah-compliant vehicles and conventional funds and securitisation structures, there is much more to establishing a Shariah-compliant transaction than a simple rewording of conventional transaction documentation.

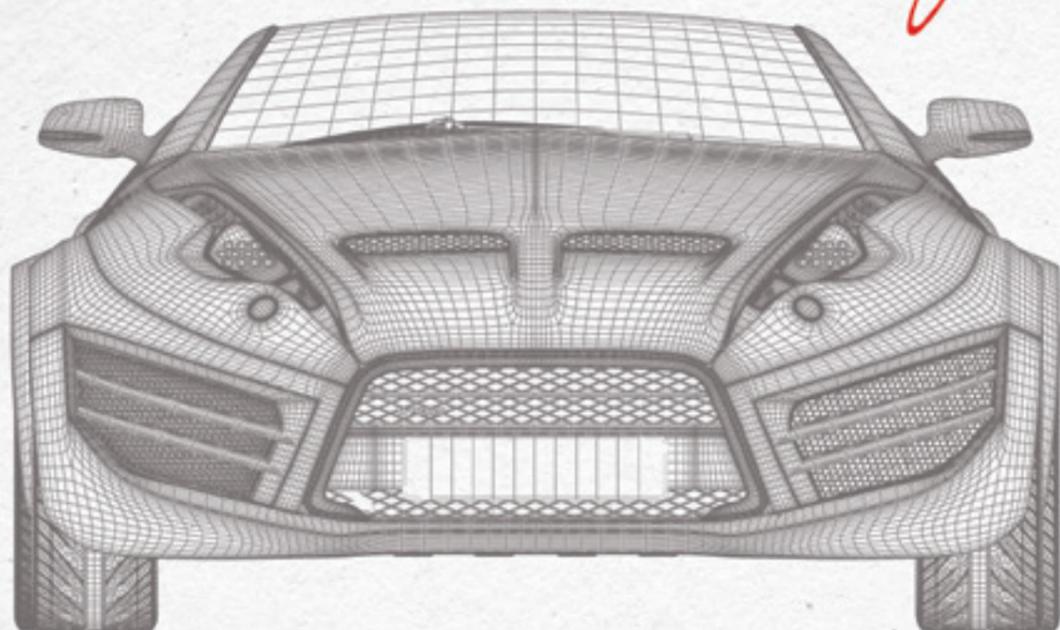
Private wealth management vehicles

Jersey's position as an international financial centre was originally founded on the provision of private wealth management services, such as the establishment of trusts, private companies, and more recently foundations. Many such structures have been established for GCC residents, but historically many families have decided against using a trust structure as they have had concerns over the loss of control over their assets when gifted to the Trustees. In recent years, the common solution to this has been the establishment of a Private Trust Company (PTC) to act as trustee of the family trust (or trusts), where the Directors of the PTC will include members of the family and/or their close advisors, together with professional trustees. The PTC will often be advised by a family council or similar body.

There are many reasons why an individual may wish to establish such an entity ranging from the simple creation of a company to own, for example, a holiday residence in London, to the more complex structures required by a family office or the ownership of a family business to ensure that this is not broken up on the death of the patriarch and founder.

The advantages of Muslims using Jersey for either private wealth structures or the issuance of securities are very similar to those for any other group, but Jersey's long-standing connections to the Middle East bring an additional benefit of experience and expertise in establishing these structures in a Shariah-compliant context. ■

Bespoke Structuring



"A private trust company is a useful vehicle to consider in the planning and establishment of trust structures for high net worth families"

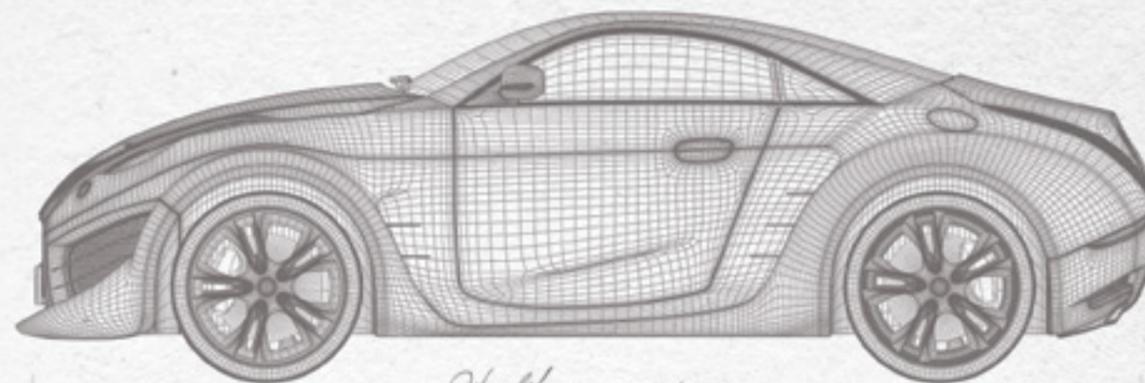
James Campbell, Partner, Bedell Cristin and Ian Slack, Director, Bedell Trust

Jersey is seeing an increasing demand from GCC families, and from those who advise them, for more bespoke private wealth structuring designed to preserve and safeguard family wealth for the benefit of future generations.

There is often also a demand for Shariah compliance in whole or in part and a desire for more control and participation to be vested in the family and in second and third generation beneficiaries. This has led to an increase in the use of reserved powers in trusts, notably with regard to investment, and, for very wealthy families, the creation of private trust companies.

The drive to structure and restructure family assets is being driven by a number of factors, not least concerns with regard to political instability and nation state sovereignty following the advent of the Arab Spring, the rise of ISIS and the continuing turmoil in Syria, Libya and Iraq. In short, this has prompted clients from the region and surrounding regions to think very carefully about where and how they want to structure their assets.

Of course the continued growth of London both as a home for GCC families or as a safe refuge, or simply as a location for investment, should not be underestimated noting Jersey's close links to London and its professional advisers.



Wealth preservation

Jersey trusts, foundations and private trust companies

A Jersey trust or foundation can be Shariah law compliant. The Jersey Laws which govern these structures are the Trusts (Jersey) Law 1984 and the Foundations (Jersey) Law 2009. Both Laws are sufficiently flexible to enable the creation of trusts and foundations which are fully or partially compliant with Shariah law, notably with regard to the Islamic rules of inheritance and restrictions on investment, which will invariably be the two primary issues to address in the drafting.

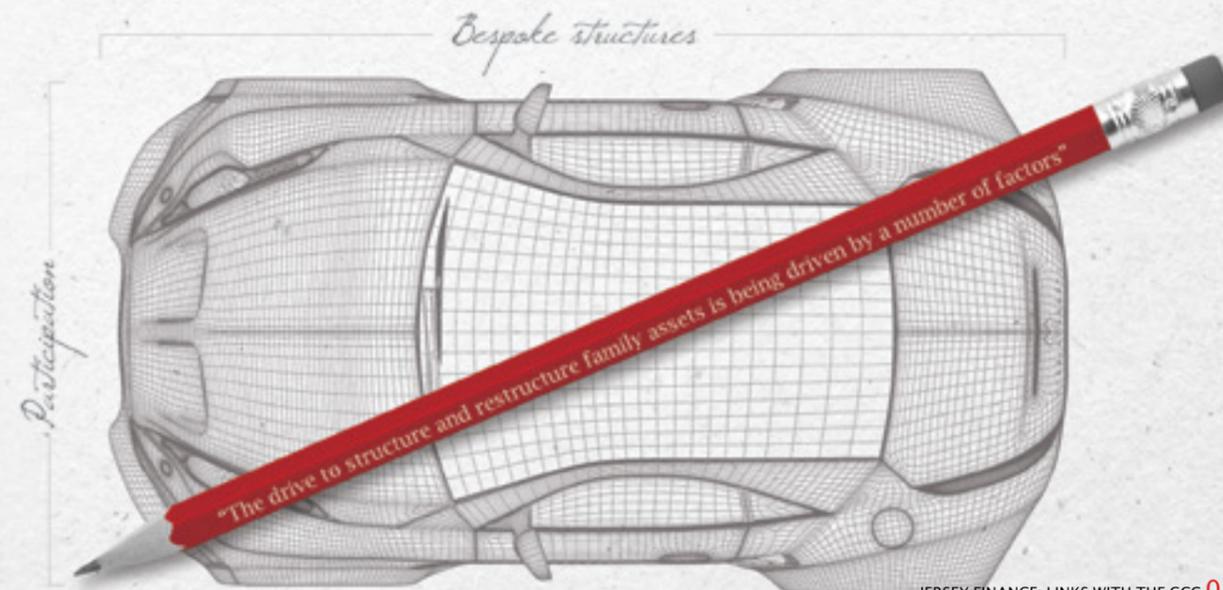
In recent times there has been a marked increase in the demand for private trust companies from GCC families. A private trust company (PTC) is a useful vehicle to consider in the planning and establishment of trust structures for high net worth families. Rather than transferring assets to a service provider's professional trustee company, certain families may prefer to establish their own corporate trustee (a PTC) to be the trustee of the trusts that they plan to create. Insofar as regulation is concerned, a PTC is able to operate in Jersey pursuant to an exemption from the registration requirements which apply in relation to financial services business pursuant to the terms of the Financial Services (Jersey) Law 1998.

Control and family participation are now key drivers for many clients in terms of their structuring requirements. Experienced family members and/or trusted advisers with

knowledge of the family and/or family business, or other assets being transferred into trust, can become board members of the PTC alongside professional service provider personnel. A PTC can allow for the next generation to become familiar and experienced with the PTC's activities, assets and values before key decisions need to be made (for example through membership of an investment committee or simple attendance at board meetings, perhaps before joining the board of the PTC itself).

However, this level of family control and participation only works with checks and balances incorporated into the detail of the constitutional documents. Therefore, the drafting of the constitutional documents, which regulate the operation of each level of the PTC, is fundamental. The provisions dealing with the constitution of the board of the PTC and specifically the mix of family directors and service provider directors always require very careful consideration on a case by case basis. More specifically, the provisions dealing with the appointment and removal of trustees and directors, quorums, the chairman, casting votes, dispute resolution and any reserved matters, need to be drafted carefully.

The ability to establish structuring which provides for both preservation of wealth from one generation to the next and Sharia law compliance in whole or in part, whilst also providing for a high degree of control and participation in the family, means that Jersey remains a very attractive proposition for wealthy families looking to structure their family assets. The demand for more bespoke structuring and specifically PTCs in Jersey is certainly expected to continue. ■



Tailored services for family offices

Lucia Perchard,
Associate Director, ZEDRA

Family offices generally provide some form of wealth management function, however, as the needs of a family are likely to change over time, some of the more specialised functions can be costly to maintain in-house. GCC family offices are increasingly choosing Jersey providers to deliver some of these services, benefitting from the best talent available in the market, for a cost that is manageable.

Some of the services that may not be readily available to a family office internally could include: strategic philanthropy; property management across multiple jurisdictions; risk management; education services for future generations; investment management; and good governance practices. Jersey has provided such services for decades, many of which are now being customised to meet family offices' specific needs.



Property portfolios

Irrespective of any potential loss of tax benefits, the holding of UK rental and commercial real estate in larger quantities in offshore companies continues to afford asset protection. It further enables the use of locally-based firms to administer those companies and meet the increasing demands placed upon them. It is difficult to remain aware of all relevant legislative changes in multiple jurisdictions, so families may inadvertently find themselves acting outside of the legal system, creating financial, civil and, in extreme cases, potential criminal liabilities, without understanding the ramifications of actions taken or not taken. Examples in this area include safety certification and alarm installations, adherence to the Rent Deposit Scheme, Annual Tax on Enveloped Dwellings (ATED) submissions and Non Resident Landlord Tax returns.

However, it is when there are difficulties, perhaps when terminating tenancies, that the services offered by Jersey providers become invaluable. The law of England and Wales creates rights in favour of any residential occupier. By law it is a criminal offence for any person to unlawfully evict a residential occupier from residential premises at any time, other than by due legal process. Families can be guided through the complex process required to regain possession of properties where rent is unpaid, the property is sub-let without permission or there is another significant breach of an agreement warranting the tenancy to come to an end. These matters are generally contentious, time consuming and can be costly. Having that burden removed is a relief for the family offices supported.

Succession planning, family education and good governance

An area in which Jersey providers are increasingly involved is supporting the financial education and knowledge needs of the families, especially the next generations. This entails working with families to ensure that they understand the structures in place, the individual roles within them (especially if the family has a private trust company and has some involvement in the management of the trustee) and the planning undertaken with a view to ensuring that the next generations are ready for their future responsibilities. The aim is to ensure that any gaps in their knowledge of the management of the family wealth and their affairs are filled now and not when the need arises. This also helps to avoid disputes or misunderstandings and guarantees that the common objectives are understood early.

Jersey providers offer practical guidance for the families and their offices, in some cases working within the family office itself to provide one-to-one training and coaching on the accounting, bookkeeping and the regulatory and governance requirements of the structures that they run. The ever increasing importance of strong governance has also given rise to advice on regulatory requirements, the

changing landscape within the industry, the need for robust and refreshed advice, and the importance of due diligence and transparency. Back to basics training is also sometimes provided on the various forms and types of investments that are suitable (and indeed unsuitable), risk parameters, performance measurement and when alarm bells should ring.

It is clear that the future generations want to be involved and that increasingly they are interested in learning and growing their family's wealth; be that conventional assets, real estate or philanthropic investment generating returns to benefit the wider global community. The future generations are dynamic, moving from location to location with ever changing requirements and there is a desire to understand and support their family's wider objectives. Jersey is able to provide tailored guidance and support to the family and their advisors, to ensure that their wealth is optimised for both the client's future and for those generations to come. ■

“GCC family offices are increasingly choosing Jersey providers to deliver some services, benefitting from the best talent available in the market, for a cost that is manageable”

Looking Ahead

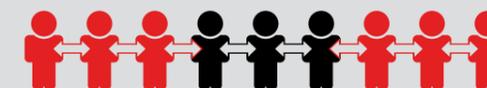


The number of family offices in Asia and the Middle East will more than **double** to about 400 over the next eight years



Michael Prael, Executive Director, INSEAD (2015)

We see family offices becoming more vertically integrated as well as **shopping** for a wider range of advice



UBS/PwC Billionaires (2015)

Philanthropy

Julian Hayden, Director, Hawksford

Philanthropy is a key element of cultural and religious life in the countries of the GCC. Jersey already has strong links with the GCC through individual clients and institutions, families, businesses and family offices.

With excellent professional infrastructure and skills, and expert governance, Jersey is an ideal jurisdiction for the formation and administration of philanthropic structures for clients in the GCC and elsewhere. It has the technical means and experience for excellence in this sector and special opportunities enhanced by recent statutory developments.

The climate for philanthropy

Though philanthropic donation is not confined to the rich, it is becoming an increasingly important issue for wealthy individuals and families. Many see the creation and maintenance of philanthropic structures as part of a wider process of engaging the next generation in the responsibilities of wealth management. Often they want structures that will endure for the future and possibly are self-financing. Good governance and management is required for these mechanisms within which funds can be built up for good causes and from which well-organised distribution channels can be provided.

Corporate giving is becoming increasingly significant in the GCC region. It is interesting to note that 68% of the total value of philanthropic donations in 2014 was given by corporations and corporate foundations (amounting to US\$605 million)¹. Businesses and business owners are incorporating the altruistic focus of Islam into their corporate agenda.

We are seeing growing interest in social entrepreneurship and in venture philanthropy including by younger individuals who wish to apply their business skills and the fruits of their success to helping others. Young entrepreneurs often want to make a social impact and this is clearly a growth area. Philanthropic activity is increasing within the funds sector in which sustainable investments seem to be developing as an asset class. Philanthropists are looking to the financial services sector in Jersey for greater engagement in the provision of relevant services.

Why Jersey?

Jersey already has an established role when it comes to providing trusts, foundations, expertise and management, through which much philanthropic activity is structured. Jersey is ideally placed to develop this role, aided perhaps by high levels of familiarity with clients from the Middle East and their preferred structures.

Jersey's skills and services are now reinforced by the passing, in 2014, of a Charities Law as part of a coherent programme for developing Jersey as a philanthropic centre of excellence. Trusts and foundations have an option to register as charities but they are not obliged to do so, the choice depending on the specifics of the individual case. Exemption from Jersey Income Tax may be available and, irrespective of registration or not, there is no Jersey Income Tax for structures having no beneficiaries in Jersey and with no income from land or buildings in the Island.

Jersey has breadth and depth of expertise in the provision of fiduciary services. It is also economically and politically stable, has a first class judicial system and a highly regarded regulatory regime, so that funds can be invested and managed safely, under expert governance.

As well as its professional infrastructure and skills, Jersey has an immediate opportunity to assist in philanthropy and to develop as a leading jurisdiction, through the wealth already held and administered here. Vehicles can be structured for these purposes more flexibly than is usually possible elsewhere. Further, these structures can often be managed in parallel with those for personal or commercial purposes so, for many people with existing links to Jersey, convenience and accessibility are additional attractions.

Suitable structures

Jersey is a preeminent jurisdiction in the use of trusts and also offers foundations – two key structures used for philanthropy. Both can be highly flexible and tailor-made to meet the needs of the client concerned. Jersey's trust legislation allows for both charitable and non-charitable purpose trusts and for trusts that can be set up for purposes that are partly personal and partly philanthropic. Non-charitable purpose trusts are often used for good causes. The flexibility of trusts allows for a range of structures that can be adapted to suit specific philanthropic objectives such that a charitable trust is an attractive option, but it is not the only solution.

Jersey foundations are increasingly used by philanthropists as an alternative to trusts. Again they can be charitable or non-charitable or they can be primarily philanthropic but also capable of providing personal benefits. About one third of the foundations set up in Jersey since their launch in 2009 are used for philanthropic purposes. Their attractions include the clarity of registration whilst they offer a choice between confidentiality and publicity. They are capable of infinite duration. Further, the system of having a council of members and a guardian to ensure the council pursues the foundation's objectives, provides both flexibility and safeguards are provided, along with the ability for the economic founder to have a continuing role.

Jersey has several key strategic advantages as a jurisdiction and it has the means and purpose to become recognised as a leading global centre for philanthropic wealth planning. ■

1. Million Dollar Donors Report 2015, Middle East (GCC), Coutts

Some Recent Pledges

The GCC has become one of the most important philanthropic regions of the world. Most philanthropy is private, frequently informal and anonymous. Increasingly, however, philanthropists are choosing to speak publicly about their endeavours in an effort to inspire others to follow.

In 2015, Sheikh Mohammed Bin Rashid Al Maktoum launched Mohammed Bin Rashid Al Maktoum Global Initiatives. With an annual budget of DH1 billion, the foundation combines several organisations under one umbrella, focusing on four key areas: combating poverty; disseminating knowledge; empowering communities and driving innovation. This follows a US\$10 billion endowment to the Mohammed Bin Rashid Al Maktoum foundation in 2007 and the launch of other significant charitable initiatives, including Dubai Cares.

Also in 2015, Abdullah al-Ghurair committed US\$1.1 billion to a new education-focused charity. The donation, which amounts to about a third of the family's wealth, is being made over a 10-year period to an eponymous foundation to help underprivileged young people from across the Arab world.

Saudi Arabia's Prince al-Waleed bin Talal pledged his entire US\$32 billion fortune to charitable projects in 2015. His foundation, Alwaleed Philanthropies, focuses on empowering women and youths, providing disaster relief, eradicating disease and bridging cultures. The foundation has already given away about US\$3.5 billion in the past 35 years.

Sources: Gulf News (January 2016) and Philanthropy.com (July 2015)



Education



Fighting Poverty



Health



Innovation

Jersey

Bringing trust to Qatar

Joanne Luce, Managing Director, Aqua Group

Whilst Jersey's relationship with the GCC is nothing new and many financial establishments such as ours have long standing ties to its leading families, a specific focus on Qatar is being highlighted by the growing need for clients there to find stable and established partners for investment and trade.

Jersey, with its strong financial sector, is increasingly appealing to Qatari individuals, as well as to corporate structures, financial institutions and families.

Qatar is one of the world's fastest-growing economies and one of the most diversified in the GCC. Whilst historically its wealth has come from the export of oil, liquefied natural gas and petro-chemicals, in recent years Qatar has enhanced its international profile by hosting many international sports events and numerous conferences around climate-change and safety.

This has helped to put it on the map and has raised international awareness of its contribution towards confronting contemporary global concerns. In addition, Qatar is striving to improve its infrastructure and to develop its education and health sectors, both for its own citizens, as well as for the many expats who work in the state.

Qatar has also put great efforts into developing its financial sector, with the establishment of the Qatar Financial Centre (QFC) in 2005. Wide consultation with other jurisdictions contributed to this and Jersey has hosted several delegations.

The QFC Authority is responsible for leading the expansion of Qatar's financial services sector and for developing relationships with the regional and global financial community.

With a significant international banking sector, Jersey boasts many advantages for Qatar. Its well-developed Islamic Finance platform has been in place for many years and works seamlessly with other banking practices. This provides an advantage and puts Jersey companies in a position to assist many Qatari clients.

Qatar has a very low rate of tax, therefore fiscal issues are a key consideration for Qatari clients considering investments outside the GCC. Jersey offers a tax neutral environment, allowing for fiscal efficiency in terms of cross border investments.

Family offices

Jersey is a leading jurisdiction for trust funds and many providers have taken the simple trust fund concept and grown it into a more comprehensive structure to accommodate a full range of services to support family offices and Ultra High Net Worth (UHNW) families.

Whilst Qatar's UHNW family offices may have a different style to those in Jersey, they handle a variety of business and development interests and are looking to diversify and grow their business outside of the GCC. This is where Jersey's regulated structure is of great assistance to many Qatari clients. Jersey firms have a proven track record of flexibility, stability and expertise that Qatari family businesses are looking for in order to expand their business into the UK and Europe.

Also, until quite recently, local expertise and a legal framework to support family offices did not exist in Qatar. This has allowed Jersey companies such as ours, with long standing relationships with their GCC clients, to set up shop and provide these platforms. Aqua Group has in fact become the first Jersey-owned entity to achieve a Trust License in the QFC.

Like other Jersey firms with clients in the GCC, Aqua has a strong focus on working with clients who are entrepreneurially involved in their 'family' businesses. We often hold Real Estates as an asset class. We also set up and administer bespoke fund platforms. Many of our clients have a long history of working with our team members to design and administer structures that promote some commercial or confidentiality advantage.

Working with family style businesses requires shared values, the ability to be reactive and to add value, and to bring along expertise that will mitigate risk. Through this, the longevity and security of the family's objectives and their businesses will be achieved. Jersey is ideally placed to make its presence felt. ■

“ Jersey is a leading jurisdiction for trust funds and many providers have taken the simple trust fund concept and grown it into a more comprehensive structure to accommodate a full range of services to support family offices and UHNW families ”



A Perfect Solution

Frederick Deacon, Director, Whitmill Trust

Whilst Jersey has developed a long and fruitful history of working with professional advisers and families from the GCC in relation to private wealth management, it has not always been the jurisdiction of choice for establishing collective investment schemes. This is now changing.

Jersey has a respected funds sector that offers a broad range of fund regimes from regulated options through to the more sophisticated and institutional end of the market. The jurisdiction has 1,311 funds established with a total net asset value of US\$311.8 billion. In more recent years, it has evolved into a specialist centre for alternative asset classes, including hedge, real estate and private equity funds, which account for around 70% of its overall funds business¹.



Jersey for Funds

Jersey is increasingly becoming the first choice for asset managers and investors from the GCC, offering key advantages and benefits over less well-established jurisdictions for locating fund business

An Abu Dhabi-based Asset Manager was asked why he had never considered Jersey as a place to establish his funds. He answered;

“We are, of course, aware of Jersey from a private client perspective but we have never had cause to look at it because all our investors have, up until now, been drawn from the MENA region and all our investments have also had a regional focus. However, we are now looking to raise funds outside of the region and are also looking to expand our investments to other non-MENA jurisdictions. Should we now be considering Jersey and, if so, why?”

My simple reply to the first part of the question was yes. As to why, this required a more detailed response

Innovative Products & Services

Jersey is arguably the premier offshore jurisdiction for the establishment of investment funds. This is because it is highly regarded for the quality of its regulatory regime and the protection it offers to fund investors, as well as for the quality of its legal and administrative service providers. As a jurisdiction it offers a range of innovative products and structures to suit all types of investor or promoter, with the form which the fund takes and the level of regulatory oversight applicable being dictated by, amongst other things, how widely the fund is held, whether any formal offering document is used, the number of offers made and the nature and status of the potential investors.

AIFMD Compliance

With the advent of the Alternative Investment Fund Manager Directive (AIFMD), Jersey’s recognition by ESMA (The European Securities Market Authority) and, as a consequence, its ability as a compliant third country to offer a platform to Asset Managers seeking to raise funds from investors based in the European Union, places it ahead of some of its competitors, such as Cayman. Jersey is the first non-EU jurisdiction to offer fund managers a fully functional dual opt-in regime for AIFMD, enabling them to market their regulated products in Europe, or to opt out when marketing to the rest of the world.

Access to Capital Markets

When setting up a fund, investors and asset manager alike will have an eye to their eventual exit strategy and their ability to access Capital Markets. Jersey has a strong relationship with all the major international banks, who see Jersey as a well-regulated jurisdiction with solid professionally administered structures, which have been thoroughly reviewed from a due diligence perspective.

Trends

We are seeing early signs of private equity and asset management houses based in the GCC establishing Jersey-based vehicles to direct non-GCC monies into the region for the development of commercial real-estate, such as shopping centres, hotels and the funding of hospital projects.

Jersey is also attractive for GCC investors and asset managers seeking to diversify out of the MENA region. Over the years, we have seen a range of investors from families and international corporations to Sovereign Wealth Funds investing in UK and European real-estate through Jersey. These structures vary from full blown expert investor funds aimed at sophisticated and institutional investors to the smaller private ‘Club’ deals aimed at pooling the funds of a small number of connected investors.

The assets acquired by structures managed in Jersey are wide ranging and include residential developments, prime office development, investment properties, student accommodation and retail premises. Jersey also has a broad range of exposure to private equity and venture capital. Locally based funds own assets as diverse as financial services businesses, private hospitals, pharmaceutical companies, oil and gas based businesses, IT companies, mobile phone companies and sports businesses. Increasingly, Jersey is also being chosen for the placement of structures established for the funding of major infrastructure projects. ■

¹ Jersey Finance Quarterly Report for the period ending 30 September 2015 (converted from GBP to USD in January 2016)

Investing with Confidence

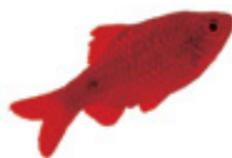
*Peter Gatehouse, Director, International Finance, and
Jon Barratt, Head of Real Estate, Elian*

The value of special purpose vehicles for protecting personal, corporate and sovereign wealth is becoming more widely recognised across the Gulf region. Jersey-based special purpose vehicles enable GCC investors to invest with confidence.



Oil prices may fluctuate but the GCC region will continue to diversify its interests outside of the member countries and its traditional oil based wealth. Jersey's finance industry has an excellent reputation for establishing Jersey companies and trusts as special purpose vehicles (SPVs) for financial and corporate structuring. The jurisdiction's corporate structuring and administration capabilities are unrivalled internationally, it boasts a first class workforce that serves clients around the world and it offers access to some of the most stable and buoyant markets, particularly London.

As a leading international financial centre, Jersey has built a strong and prosperous relationship with the GCC. A significant amount of the large administration and fiduciary companies based in Jersey have a presence in the region, underscoring how important the understanding of local knowledge and culture is when working with clients there.



Islamic Development Bank

Elian has incorporated a Jersey company issuing trust certificates in connection with a US\$25 billion sukuk trust certificate programme.

GCC Sovereign Wealth Funds

Elian administers multiple Jersey SPVs for GCC Sovereign Wealth Funds investing in a range of private equity and real estate investments in the UK.

GCC Investment Banks

Elian acts for a number of GCC based investment banks. The investment structures are fully Shariah compliant and administered from Jersey, with a number of clients choosing to invest in UK Private Rented Sector (PRS) schemes.

“Jersey is known as a leading provider of Islamic financial services and provides credibility and assurance to any SPV structure, with its flexible legal system, measured regulatory regime and tax neutral environment”

An SPV can be the perfect investment option for GCC based clients. Typically, the western markets that they wish to access are more highly regulated than in the Middle East, so a SPV, managed and administrated to the highest standards, can ensure the client meets the necessary governance standards.

Control and input

Culturally, clients from the region like to be closely involved in their financial affairs and will often opt to sit on the board of the Jersey company. A Jersey-based SPV investing into the UK market allows for this by utilising a split board approach, enabling both the client and Jersey-based professionals to be directors of the company. This also solves the problem of UK banks typically requiring local signatories and it allows the client to maintain a strong sense of control, involvement and decision-making in the structure. This collaborative approach helps clients to navigate the western world's sophisticated regulations and rules, while affording them a level of control and input into their investments.

In terms of real estate, the UK remains the most desirable investment location for GCC clients. London still dominates European property transactions. By value, London activity during 2015 has been as much as the next six biggest European cities combined. Traditionally, Middle Eastern investors are fairly risk averse. Prime real estate can offer a tangible, secure and Shariah compliant investment asset, and it makes sense to invest into a well-governed jurisdiction through the right corporate vehicle. Keeping investments in sterling can also provide a good currency hedge.

Natural partner for UK investment

As well as stability, London offers GCC investors access to a wealth of specialist advisers. By proximity, Jersey is a natural partner for creating structures to invest into or acquire UK real estate, both for clients in the GCC and other overseas investors. In addition to its close geography with London, Jersey operates just three hours behind the GCC, which means there is a large window to liaise with clients throughout the working day. Jersey is known as a leading provider of Islamic financial services and provides credibility and assurance to any SPV structure, with its flexible legal system, measured regulatory regime and tax neutral environment. If a structure is run in Jersey, it is generally recognised as being extremely well operated. GCC clients appreciate the premium service that the Jersey finance industry delivers.

In recent years, companies like Elian have been sharing their corporate knowledge and in-house training to help GCC clients and organisations to boost their knowledge of due diligence and best practice requirements. Helping to educate clients in the GCC about the 'western' approach to due diligence and corporate governance, assists in driving up regulatory standards across the globe. In a corporate world that is driven by increasing regulations and directives, this collaborative partnership helps GCC based clients to comply with international corporate governance standards.

Jersey administers many SPVs that are helping clients in the GCC to invest into the UK and further growth in this area is anticipated. ■

Investing in UK real estate

Owen Lynch, Director, LGL Trustees



There has been a long history of investors from the GCC using Jersey structures to acquire real estate assets in the United Kingdom. Despite recent changes to UK tax legislation, this looks set to continue thanks to a range of compelling factors.

To date, real estate investments by Gulf investors have been predominately made in residential properties, offices and retail, and have been concentrated in London. Such investments are typically seen as long term, providing a store of wealth as well as presenting opportunities for good capital growth.

In recent years, there has been a change in the nature of the investments being made and we are also seeing investments in cities such as Manchester, Leeds and Bristol. An imbalance between supply and demand for UK real estate has presented opportunities for investors with the risk appetite to invest in development projects and we have seen more developments designed for rental, with the investor intending to retain ownership over the long term. Although there has been diversification, the focus on London remains strong. Based on agency estimates, Middle East investors now represent the second largest demographic purchasing residential property in prime Central London after the British, up 11% from a year ago¹.

According to the World Wealth Report 2015, Middle East investors are now allocating just over a quarter of their investments to real estate, not including their primary residences². Whilst they are continuing to place considerable importance on security and asset protection, it is clear that real estate investment business in the region is increasingly driven by demand for quality service, knowledge and strong legislation.

Investors are choosing Jersey for compelling reasons:

- Jersey is a stable, well-established and appropriately regulated jurisdiction
- Service providers are highly skilled and experienced in managing real estate investment structures
- Jersey has a robust and long established legal system that protects the rights of investors
- Service providers are fully apprised of recent changes in tax legislation and can advise and assist accordingly, in terms of both existing and new investments
- Jersey structures provide flexibility for long term wealth management and succession planning
- Jersey's proximity to the UK is an advantage when dealing with physical, immovable assets
- Finance professionals in Jersey have excellent and long established links with UK practitioners

Changes in UK tax legislation

Recent changes to UK tax legislation are complicated but Jersey service providers are well versed in all aspects of these and able to assist with new investments and review and advise on existing arrangements. Changes in UK tax legislation in relation to residential property mean that gains earned after 5 April 2015 on residential assets are taxable and such assets will be within the scope of UK inheritance tax from 2017. This is a complex area, requiring expert advice, which Jersey can offer.

The introduction of Diverted Profits Tax at 25%, with effect from 1 April 2015, and pending changes arising from the OECD's Base Erosion and Profit Shifting project mean that

there is a need to review certain existing Trading Model structures (residential developments expected to be sold when built) and to consider carefully how to ensure that new trading investments are compliant and economically viable. With regards to already established real estate investments:

- Advice should be obtained on the likely attribution of profit between the Jersey asset owning entity and any related entities in the UK that are providing services in relation to the development
- Existing remuneration arrangements between the Jersey asset owning entity and any UK related entities should be assessed and evaluated
- The operation of the Jersey entity should be reviewed to ensure its management and control is robust and demonstrable
- Consideration should be given to strengthening the position by establishing a team in Jersey with development skills

Many Jersey service providers have a high degree of experience in managing real estate Trading Model structures and can work with investors and advisors in deciding how to proceed. The Jersey Authorities have already shown willingness to allow investors to establish small teams in Jersey to support the development and recognise that this may require the re-location of key personnel to Jersey.

Despite the changing model, the outlook for UK property investment still looks very positive and there are certainly long terms gains to be made. Jersey is perfectly positioned to assist with managing GCC property investment, thanks to excellent links with UK practitioners and a wealth of experience and expertise in this area. ■

1. Gulf News, September 2015

2. World Wealth Report 2015 from Capgemini and RBC Wealth Management

Commercial Property in Numbers

 **\$100 billion**
Predicted investment in 2016

 **10.1%**
Expected returns

 **Positive outlook**
through to 2020

 **\$121 billion**
of UK real estate assets
serviced in Jersey

AYKON Nine Elms,
Vauxhall



LGL Trustees is acting for GCC real estate company DAMAC in the development of this 50-storey residential tower



IPO for Gulf Marine Services

Graeme Paton, Head of Funds & Corporate Services, Minerva Trust & Corporate Services Limited

Jersey provides a wealth of services to the corporate sector and is a leading financial centre for listing vehicles. Its credentials in the GCC have been confirmed by a recent UK listing by Gulf Marine Services plc (GMS) which utilised Jersey intermediate holding vehicles.

GMS is an operator of self-propelled Self Elevated Support Vessels in the Gulf region and in the Southern North Sea in Europe, with clients in the offshore oil and gas industry and wind turbine installation sector. The Initial Public Offering (IPO) of GMS on the London Stock Exchange was successfully completed in March 2014. Jersey administration, advisory and legal services were provided by Minerva, an independent provider of trust, corporate and fund administration services, and Walkers, an international financial centre law firm. The offer price of 135 pence per share valued the equity of GMS at £471.8 million. The IPO proceeds (primary and secondary), representing approximately 37.85% of total shares, were £178.6 million.

GMS is one of the largest private companies from the UAE to look outside the Middle East for a stock market listing. Choosing London, GMS will have access to a wider group of investors, as well as less stringent ownership rules than in their home market. Minerva was appointed to incorporate and administer the intermediate holding vehicles within the structure. Walkers were appointed as legal counsel

to provide advisory services on the Jersey aspects of the structuring. In addition, the external debt financing for the group was amended at the same time so as to increase the facilities to US\$410 million, with a separate team at Walkers led by partner Nigel Weston advising the syndicate of lenders as to Jersey Law.

Both Jersey firms worked closely with a coordinated approach as part of the global advisory teams working for GMS and other interested parties. Bank of America-Merrill Lynch and Barclays were global coordinators and bookrunners, with JP Morgan Cazenove also acting as a bookrunner. Rothschild was the financial adviser to the company.



“GMS is one of the largest private companies from the UAE to look outside the Middle East for a stock market listing”

Jersey for corporate and funds work

Nearly 15% of bank deposits in Jersey come from the Middle East. It is estimated that around 23% of the world’s population are Muslims and there are 50 countries with a Muslim majority¹. In 2015, Islamic banking and finance was projected to reach US\$2.5 trillion of assets². Jersey firms such as Minerva have extensive experience in administering complex bespoke corporate, fund and private client structures for customers in the Gulf region.

In addition to Jersey’s close proximity to London, the jurisdiction offers political and economic stability, world class financial services regulation, international recognition from various awards, a gateway to markets, a legal system that works very well with Shariah compliant structures, appropriately experienced professional administrators and a time difference of only three hours from Dubai. Minerva has had a presence in Dubai since 2009, working closely on a range of services including Jersey Law Islamic trusts and private trust companies.

As is the case with all of the funds and corporate services provided by Jersey’s finance industry, it is important that Jersey continues to innovate and adapt its services in order to exceed client expectations and remain ahead of competitor jurisdictions. Versatility in the ways in which

Very Private Funds can be structured and operated in Jersey has made them a popular choice for small groups of co-investors. One such example is a Jersey limited partnership structured in the form of a Mudarabah between the provider of capital (limited partner or Rab ul-Maal) and the manager (general partner or Mudarib). As Islamic investment restrictions prohibit certain (sinful or Haram) areas of business including alcohol, weapons and gambling, appropriate parameters can be included in the limited partnership agreement. In addition, any leverage arrangements will avoid the charging of interest or riba.

As structures inevitably become more complex in a world of uncertainty and change, it is the bespoke nature of Jersey’s corporate and funds work that is most important in order to continue adding value. Winston Churchill once said: “To improve is to change, to be perfect is to change often.” In Jersey, we will always be innovative, working closely with the most resourceful advisers to ensure that our clients continue to prosper, successfully targeting new markets while ensuring compliance within a global framework of regulation and transparency. ■

¹ 'Mapping the Global Muslim Population', Pew Research Center's Forum on Religion & Public Life (October 2009)
² 'Islamic Banking and Finance has progressive outlook in 2015', AlHuda Centre of Islamic Banking and Economics (December 2014)

Jersey's Impressive Credentials



107
COMPANIES LISTED WORLDWIDE



\$307 BILLION
VALUE OF JERSEY-BASED LISTED COMPANIES



95
COMPANIES TRADING ON LSE MARKETS



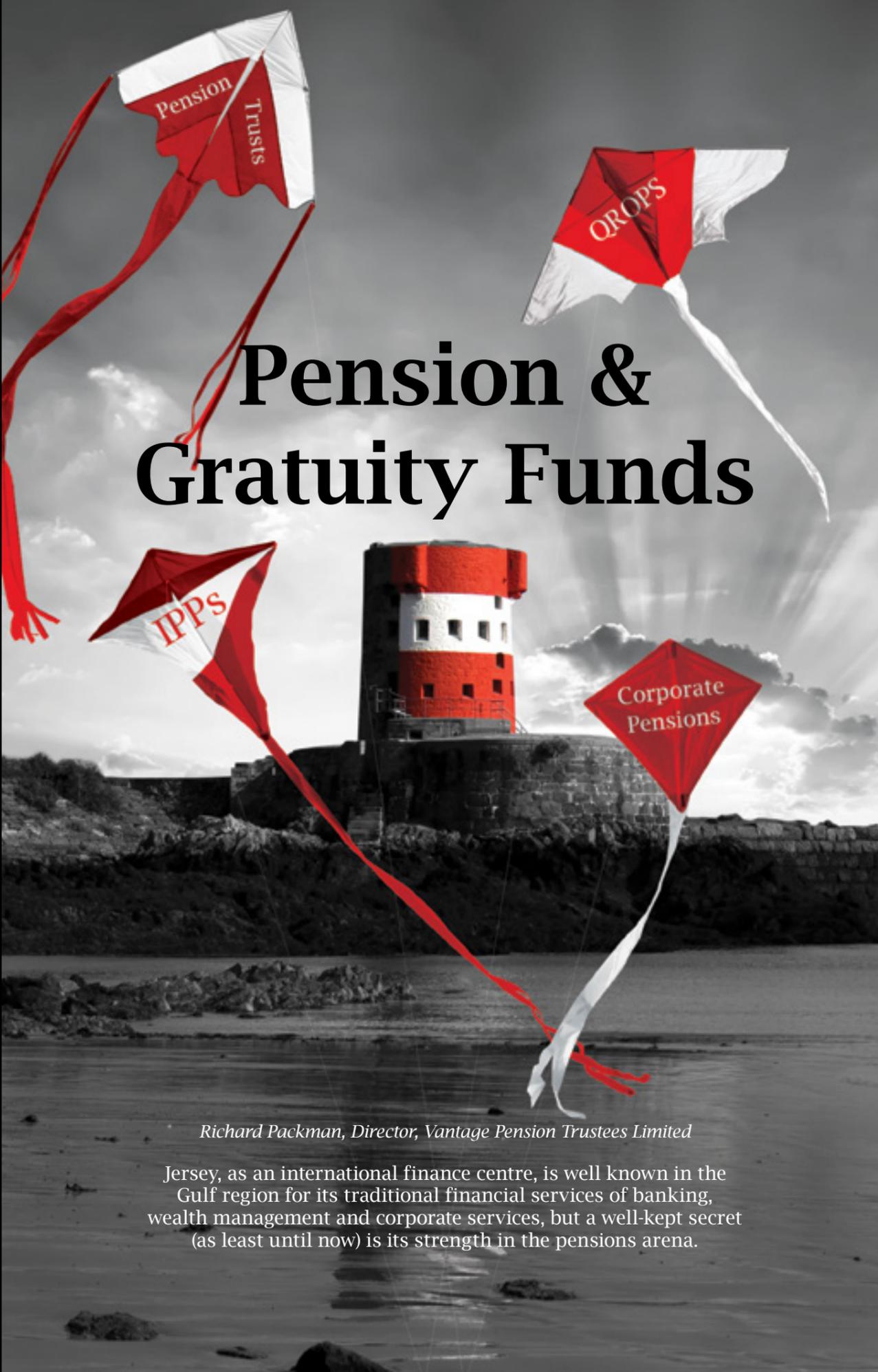
NO.1
IN NON-UK COMPANIES IN THE FTSE 100



41
COMPANIES LISTED ON LSE MAIN MARKET



NO.1
OFFSHORE JURISDICTION FOR AIM LISTINGS



Pension & Gratuity Funds

Richard Packman, Director, Vantage Pension Trustees Limited

Jersey, as an international finance centre, is well known in the Gulf region for its traditional financial services of banking, wealth management and corporate services, but a well-kept secret (as least until now) is its strength in the pensions arena.

“The UAE government is debating legislation regarding the introduction of mandatory pension provisions for both local and expat employees”

For many years, Jersey has provided pension trustee and administration services to a wide range of international private and corporate clients, and, with legislative amendments made in 2015, the jurisdiction is well placed to expand this sector further. With an increasing focus in the GCC on retirement planning and ongoing discussion on alternatives to End of Service Gratuities (ESG), Jersey is well positioned to provide pension solutions in the region.

Jersey's pension law is detailed in the Income Tax (Jersey) Law 1961. It has been utilised over several decades to enable individuals and employers to make provision for their own or their employees' retirement in a tax efficient manner. This piece of legislation has, for many years, permitted non-Jersey residents to take advantage of the jurisdiction's secure and well-regulated environment for pension funds. This was further enhanced in January 2015 with additional amendments to the Law to further expand Jersey's expat pension opportunities.

Jersey Pension Trusts

In the modern era, the majority have turned away from insurance based company pensions, due to their high charges, limited fund choice and poor performance. The enlightened route today is to structure a pension plan within a trust.

Jersey is a leading jurisdiction globally for trusts, with a pedigree in the field of administering trusts going back to the 1960's. It offers a robust, modern and sophisticated legal framework, which has enabled it to lead the way in delivering private client and corporate services. A Jersey pension trust, looked after by expert, qualified and experienced professional trustees, provides a secure vehicle in which to save funds for the beneficiary's later years.

Corporate Pensions

In today's competitive marketplace, employee benefits have emerged as essential tools used by companies to attract, incentivise and retain key staff. More and more employers with personnel in the GCC are investigating corporate pension schemes to be provided either alongside their ESG obligations or to replace them.

Pension contributions are not considered to be part of salary for the purposes of calculating the ESG and employers can award additional benefits to senior employees without significantly increasing their liability for the gratuity.

With the exponential growth that the Gulf region has experienced in recent years and the plans to develop the economy further, more non-local expatriates are staying for longer periods in the area. With people living longer,

their expectations of a comfortable retirement require careful planning. The capping of a maximum ESG payment of 2 year's basic salary will provide insufficient funds and so alternative measures are required.

The ESG payment is not, of course, guaranteed and can be reduced or withdrawn under various circumstances, and what if the employer goes into liquidation? A separate corporate pension fund in a trust will be ring-fenced from the company's creditors and will survive to serve its intention.

The UAE government is debating legislation regarding the introduction of mandatory pension provisions for both local and expat employees, which may become a costly and cumbersome administrative burden on the employer. Employers wishing to design their own pension schemes may benefit from having those schemes in place before legislation is introduced.

Qualifying Recognised Overseas Pension Scheme

A Qualifying Recognised Overseas Pension Scheme (QROPS) is a scheme that has been recognised by HMRC as meeting their criteria to receive transfers from pension schemes in the UK. It allows anyone who is living outside the UK to transfer their UK approved pension into an approved offshore pension scheme without deduction of tax. For those individuals that qualify for such a pension, a QROPS plan provides greater flexibility, improved tax efficiency, and a wider choice of investment for retirement planning.

Other jurisdictions have been providing QROPS to UK expats for many years and Jersey amended its tax legislation in January 2015 to permit them to be arranged here. With Jersey's reputation around the world as a leading finance centre, a great deal of interest is developing in this important market.

International Pension Plans

Jersey pension law permits an extremely flexible retirement planning solution for the internationally mobile. Designed for expatriate or international executives and employees, professionals, entertainers, sports persons and other global 'nomads', the International Pension Plan (IPP) offers tax efficient pension planning, as well as a wide range of investment opportunities.

An IPP can be arranged in any major currency (for example, GBP, USD or AED) with 'open-architecture' investment options. With no lifetime allowance restrictions, tax free fund growth, and no limit on the age at which benefits can be provided, a Jersey IPP is an attractive pension trust solution in which to save. ■



GCC Banks in Jersey

Jersey is an internationally recognised, highly reputable jurisdiction with a long established banking sector. It has been attracting deposits and investments from institutions and private clients across the world for over 50 years.

Jersey is home to banking organisations from the Gulf region, the UK, Europe, North America, South Africa and Asia. These include nearly half of the top 25 banks in the world by Tier 1 Capital.

Jersey's security and strength is underlined by compliance with the Basel standards of capital adequacy: average core capital across the sector is some 50% higher than the required international standard. Its banking model is stable and diversified, and Jersey's credit rating with Standard & Poor's of AA is one of the highest issued by the organisation.



33

Banking licences in Jersey



\$189bn

Total value of bank deposits



Average core capital ratio: almost 50% higher than the required international standard



4,660

Employees in banking

Jersey Finance Quarterly Report for the period ending 30 September 2015 (converted from GBP to USD in January 2016) and Labour Market Survey (June 2015)



Emirates NBD, one of the largest banks in the region by assets and a leading banking group in the UAE, has been represented in Jersey since the 1980's. The trust company Emirates NBD Trust Company (Jersey) Limited was established in 2001.

The Jersey business provides fiduciary services to the Bank's HNWI client base. It has strong links with Emirates NBD London Branch, which has traditionally focused on providing offshore structuring for clients investing in London property. Increasingly, the new business coming into Jersey is originating from the Bank's regional hubs in the UAE, Saudi Arabia and Qatar, where Jersey's positioning has made it the jurisdiction of choice where commercial motivations require a tax neutral solution. Alistair Rothwell, a local director on the trust company noted; "It is a fantastic opportunity for Jersey to increase its links with the GCC and it is clear that the Jersey trust company has much to offer and benefits from leveraging synergies from one of the Middle East's leading banks."

The Jersey office is also involved in the fund administration for the Bank, being licensed to undertake all such work through its local partner, Fairway Fund Services Limited.



Another leading bank in the United Arab Emirates, Abu Dhabi Commercial Bank PJSC (ADCB) launched its first branch in Jersey in 2011. The branch provides offshore savings solutions to its diverse base of over 650,000 individual customers.

Reflective of the UAE economy in general, more than 75% of ADCB customers are expatriates working in the UAE and they are often prepared to look globally when searching for the optimal savings solutions. With ADCB Offshore Banking through our Jersey Branch, customers enjoy the best of both worlds – banking with a large 'local' bank of their choice, coupled with the additional safety and security provided by Jersey.

Gopal Iyer, Executive Vice President, Head of Business Banking Group at ADCB, explains; "The launch of our Jersey Branch is a testament to ADCB's continued commitment to the UAE banking sector and is expected to facilitate further positive growth in the industry. With ADCB Offshore Banking our customers will get local access to international wealth solutions from a secure and highly regulated jurisdiction. The launch of ADCB Offshore Banking through our Jersey Branch is another stride towards helping our customers to achieve their financial ambitions." ■

About Jersey Finance

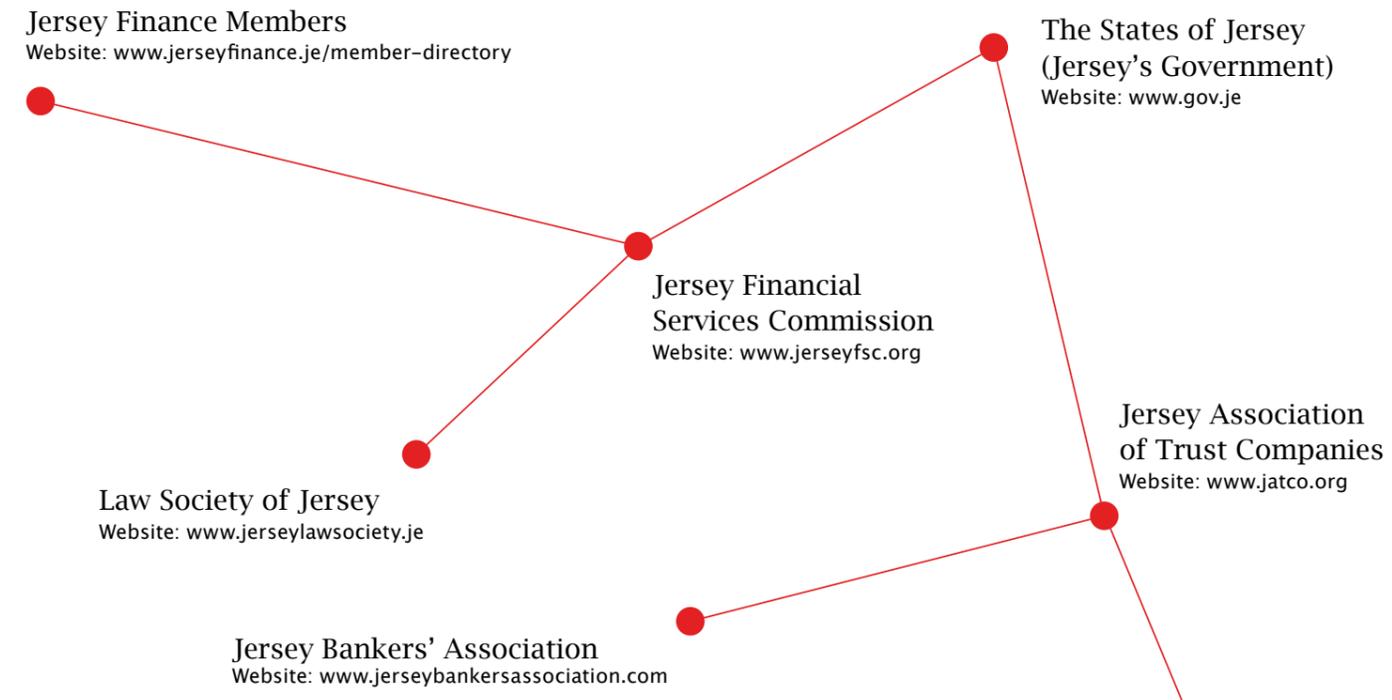
This publication is brought to you by Jersey Finance, an organisation established in 2001 to promote and lead the development of Jersey as an International Finance Centre (IFC).

The organisation's primary objective is to communicate the many factors that make Jersey a leading IFC, including the experience and expertise of its practitioners, its political, economic and fiscal stability, and its high level of regulation and security. Jersey Finance has an office in Dubai. It also has representation in London and offices in Mumbai, New Delhi, Hong Kong and a CBBC Launchpad in Shanghai.

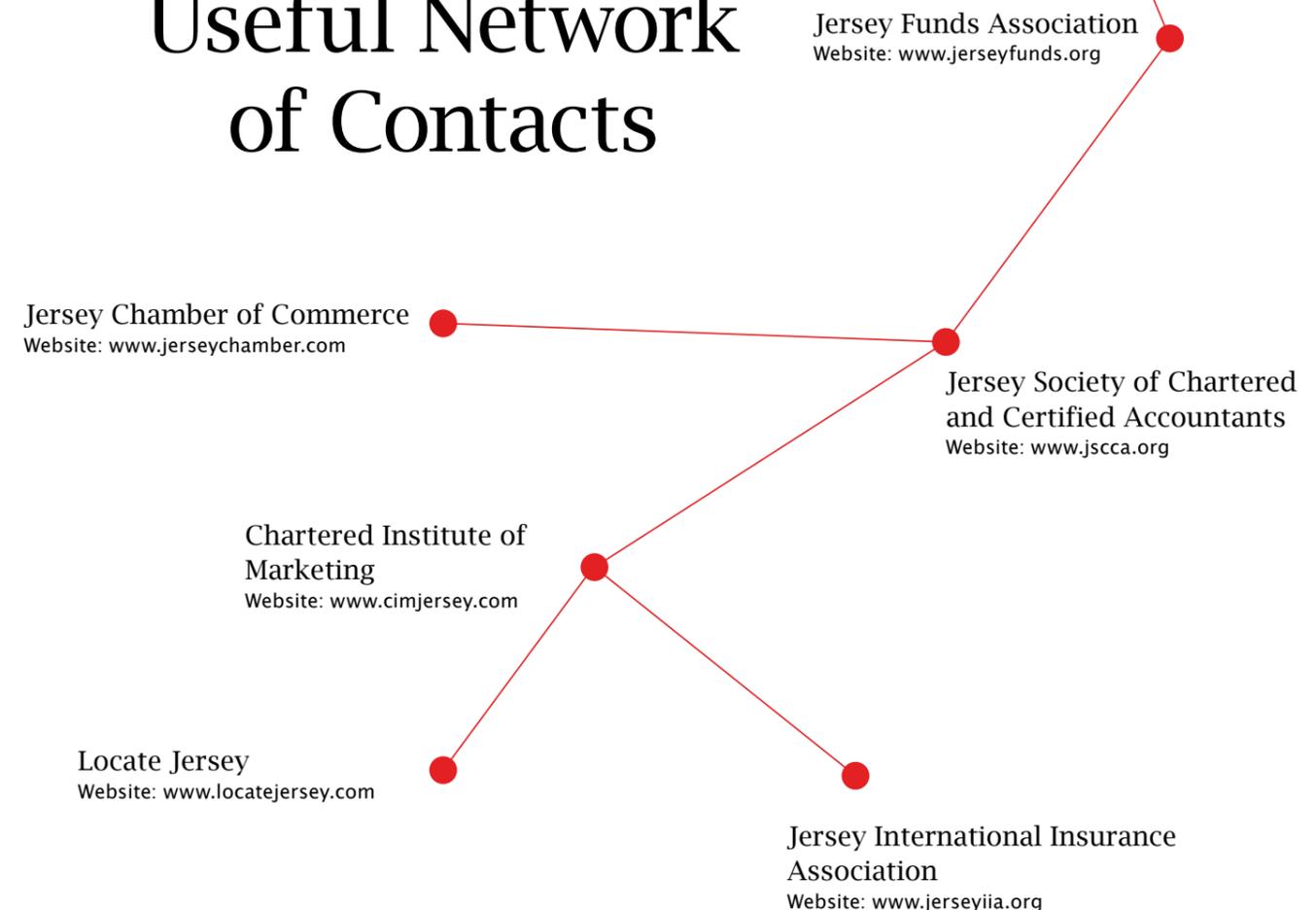


Richard Nunn, *Business Development Director - GCC and India*

Richard Nunn joined Jersey Finance in 2014 as Business Development Director for the UK, before relocating to the Middle East in 2016 to cover the GCC region. Richard was born and educated in London and subsequently went on to study at the University of Leicester where he graduated with an honours degree in Economics & Social History. Prior to Jersey Finance, Richard spent eight years with Barclays International and led the UK Resident Non Domicile business within Barclays International Banking based in Canary Wharf, London. Previous to this, he spent six years based in their Jersey office as an Investment Manager, before going on to lead the business development and client relationship teams. Richard is a holder of the Investment Management Certificate (IMC) and through the Society of Trust and Estate Practitioners (STEP) obtained the Diploma of International Trust Management with distinction, entitling the TEP designation.



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Jersey Finance

Delivering Insight • Driving Innovation

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