

FUND REGULATORY OPTIONS – JERSEY PRIVATE FUND AND EXPERT FUND COMPARISON

		JERSEY PRIVATE FUND (JPF)	EXPERT FUND
1	FUND VEHICLE (LIMITED PARTNERSHIP/UNIT TRUST/COMPANY)		
(a)	Regulatory status	<ul style="list-style-type: none"> • A regulated Jersey designated services provider (DSP) must be appointed to ensure compliance with the Jersey Private Fund Guide (JPF Guide), anti-money laundering requirements, etc • Need not have full fund administration in Jersey • Lightly regulated under the Control of Borrowing (Jersey) Order 1958 (COBO) • Subject to the JPF Guide • Can apply to non-Jersey domiciled funds (i.e. where Jersey COBO consent is required for a service provider's regulatory position) <p><i>If AIFMD¹ applies:</i></p> <ul style="list-style-type: none"> • AIF Certificate required • The AIF will be subject to applicable sections of Jersey AIF Codes 	<ul style="list-style-type: none"> • Collective investment fund (CIF) subject to the Collective Investment Funds (Jersey) Law 1998 (CIF Law) • CIF certificate required • Certified Funds Codes apply • Jersey Expert Fund Guide applies • Generally a regulated Jersey administrator must be appointed (and if open-ended a regulated Jersey custodian/prime broker is also required) <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> • The AIF will be subject to applicable sections of the AIF Codes

¹ The term AIFMD includes to the extent applicable, any similar requirements in relation to the UK from 1 Jan 2021.

The above is at November 2021.

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(b)	Number of offers	<ul style="list-style-type: none"> Not exceeding 50 offers and no more than 50 investors The offer must be made to a "restricted circle of persons" and not constitute an "offer to the public" 	Unlimited number of offers to expert investors / unlimited number of investors
(c)	Offering document content requirements	<ul style="list-style-type: none"> Under the JPF Guide there is no requirement for an offer document, but if there is one then it must contain all material information that investors and their professional advisers would reasonably require and would reasonably expect to find and to have brought to their attention The offer document (if any) does not need to be filed with the Jersey Financial Services Commission (JFSC) <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> If the AIFM is <u>not</u> sub-threshold, then disclosure requirements apply under the applicable sections of the AIF Codes (if no offer document then this may be included in the subscription agreement) 	<ul style="list-style-type: none"> Must have offer document Content requirements are set out in: <ul style="list-style-type: none"> Jersey Expert Fund Guide Certified Funds Prospectus Order (known as the CFPO) Offer document is filed with the JFSC <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> AIF Codes content requirements
(d)	Minimum investment/investor requirements	<ul style="list-style-type: none"> £250,000 or currency equivalent, unless a "professional investor" as defined in the JPF Guide Must sign an investment warning 	<ul style="list-style-type: none"> US\$100,000 (or currency equivalent) unless an "expert investor" as defined in the Expert Fund Guide Must sign an investment warning

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(e)	Forms and fees	<ul style="list-style-type: none"> JPF application form together with application fee of £1,370 (plus annual fee of £1,090) <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> AIF certificate application form together with application fee of £1,620 	<ul style="list-style-type: none"> CIF/UCF application form Expert fund application form Investment manager/advisor confirmation For a corporate fund, personal questionnaires (PQs) required for each director Fee of £2,700 plus £2,750 in respect of each fund services provider in relation to the fund, plus an annual fee the amount of which will depend on the number of pools of assets, starting from £1,800 <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> AIF/EXEMPT notification form
(f)	JFSC's consideration of the promoter	The DSP is required to conduct due diligence on the fund and the promoter under the JPF Guide. The standard JFSC promoter policy does not apply	The investment manager/investment adviser is subject to the requirements of the Jersey Expert Fund Guide and the administrator conducts due diligence on the fund and the promoter. The standard JFSC promoter policy does not apply

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(g)	Final Application timescales (assuming any preliminary issues resolved)	<ul style="list-style-type: none"> • 2 working days <i>If AIFMD applies:</i> <ul style="list-style-type: none"> • 5 working days (subject to any prior AIFSB approval where relevant, see below for AIFM) 	<ul style="list-style-type: none"> • 3 working days (subject to any prior fund services business (FSB) approval where relevant, see below) • For corporate funds with PQs required, 10 working days, unless PQ's required for persons not previously approved by the JFSC, in which case 30 working days for approval of the PQs
(h)	Audit	<ul style="list-style-type: none"> • Need not be audited <i>If AIFMD applies:</i> <ul style="list-style-type: none"> • AIF's accounts need to be audited under AIF Codes 	Needs to be audited under Expert Fund Guide and, if AIFMD applies, under AIF Codes also
(i)	Listing	Listings <u>are not</u> permitted under the JPF Guide	Listings are permitted under the Expert Fund Guide, subject to the consent of the JFSC

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2	GENERAL PARTNER / TRUSTEE		
(a)	Regulatory status	<ul style="list-style-type: none"> Exempt for Trust Company Business, Investment Business under the "Professional Investor Regulated Scheme" exemptions (known as PIRS) Does not carry out FSB (as not providing services to a CIF) <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> Approved by the JFSC as a "sub-threshold AIFM" service provider; or If not sub-threshold, licenced for AIF Services Business only 	Regulated for FSB and exempt for AIF Services Business
(b)	Forms and fees	<ul style="list-style-type: none"> No separate form for JPF GP/trustee <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> Sub-threshold AIFM application form If not sub-threshold: <ul style="list-style-type: none"> AIFSB application form together with application fee of £1,620; and PQs required for each director and ultimate beneficial owner holding more than 10% shares/votes 	<ul style="list-style-type: none"> FSJ/FSB application form, together with business plan, structure chart, and business risk assessment Fee of £3,400, plus an annual fee the amount of which will depend on the number of pools of assets, starting from £5,660 PQs required for each director and ultimate beneficial owner holding more than 10% shares/votes <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> AIFSB/EXEMPT Notification Form

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(c)	Directors	<ul style="list-style-type: none"> No express requirements for Jersey resident directors, but the JFSC would usually expect one or more Jersey resident directors <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> If not sub-threshold, the AIFM would require at least two Jersey resident directors and three if client monies are handled 	<ul style="list-style-type: none"> At least two Jersey resident directors approved by the JFSC If fund assets are directed by the relevant board, then three directors are required (only two of which need to be Jersey resident)
(d)	Compliance staff	<ul style="list-style-type: none"> Money Laundering Reporting Officer (MLRO) and Money Laundering Compliance Officer (MLCO) required under the Money Laundering Order Under the JPF Guide, the DSP is required to ensure compliance with all necessary Jersey anti-money laundering/countering terrorist financing requirements 	MLRO, MLCO and Compliance Officer required under FSB Codes
(e)	Application Timescale	<p>No separate application for JPF general partner or trustee</p> <p><i>If AIFMD applies:</i></p> <ul style="list-style-type: none"> 5 working days if sub-threshold AIFM if not sub-threshold, 10 working days, but if PQs required for persons not previously approved by the JFSC, then 30 working days for approval of those PQs 	<ul style="list-style-type: none"> 10 working days for FSB application (managed entity) 10 working days for PQs, unless PQ's required for persons not previously approved by the JFSC, in which case 30 working days for approval of those PQs

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