



Jersey: building on a trusted reputation

By Ian Crosby

Jersey continues to be recognised as the world's leading jurisdiction for trusts, based on a trust law which has provided the bedrock upon which its enviable reputation has been built. At the same time as preserving the stability and consistency of its trust laws, Jersey has also over the last 12 months very successfully met the challenges that the OECD and the EU have presented to the IFC community and has been consistently judged by those bodies to be a leading and compliant jurisdiction. It is on this basis that Jersey continues to build on its position as a leading International Finance Centre and the jurisdiction of choice for the provision of fiduciary and family office services.

A key element to ensuring the Island continues building upon its position as a well-regulated, cooperative and dynamic International Finance Centre, has been the coordinated efforts of the Government of Jersey, the Jersey Financial Services Commission (JFSC) and Jersey's finance industry, in embracing the intensification of international regulatory scrutiny and addressing the demands for greater tax transparency; the registration of beneficial ownership; and greater cross border cooperation.

The outcome of this coordinated effort between state, regulator and industry, has been to reinforce Jersey's global position as evidenced by increasing client activity and new instructions; transfers of activity from other finance centres; an improved profitability within the industry; and a significant growth in the number of staff employed by fiduciary and private client businesses in Jersey. All of these are key hallmarks of a successful and thriving fiduciary industry.



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Jersey is aware that to maintain its leading position as the trust jurisdiction of choice amongst global clients and their advisors, requires that it carefully safeguard its reputation across all facets of the fiduciary industry. This includes ensuring a very high standard of administration with effective governance and strong asset security; that its fiduciary workforce remains responsive, skilled and innovative, that the relationship between government, regulator and business continues to be symbiotic; that the jurisdiction ensures its legislation remains modern and comprehensive and that its courts are efficient, accessible, consistent and sensible. Each one of these aspects has a vital role in the continuing success of the Jersey fiduciary industry and is recognised by regulator and government alike.

Amongst global advisers, Jersey's reputation as a trusted and safe fiduciary jurisdiction is pivotal in their confident introduction of new clients who in turn justifiably require that their matters and their assets are safeguarded within an industry that is subject to comprehensive trust regulation and codes of practice, backed up by periodic scrutiny and assessment by the highly regarded Jersey regulator. It is only in this way that clients can be content that Jersey retains its position as the preferred jurisdiction for administering fiduciary structures.



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In contrast to many competitor jurisdictions that may only have, at best, domestic trust law but without supervisory regulation, Jersey's practitioners operate under rigorous codes of governance, requiring that they operate in a transparent and fair manner to their clients, whilst ensuring that Jersey fiduciaries manage their businesses in a financially prudent and expert manner. For clients and advisors alike, these aspects of integrity and security are fundamental. For many Jersey fiduciaries it remains a source of some amazement that a client would choose to place their matters and their assets in jeopardy by holding them in less regulated and less secure jurisdictions.

Thus one of the key defining features of Jersey is the continued high level of expertise found within its fiduciary industry. Backed by obligatory qualifications and continuing professional development, this expertise has ensured the Island has readily been able to deal with the increasing complexities of administering structures for clients. Indeed the breadth of skills required of trustees particularly includes a high level of financial acumen with a clear understanding of sometimes complex legal issues – relating not only to trust and corporate entities but also to the types of transactions a structure may be engaged in – together with an ability to mediate between opposing interested parties, beneficiaries and settlers. It also requires a current understanding of wealth management so as to secure the preservation and enhancement of assets under fiduciary administration, plus an ability to understand and react to the increasingly complex taxation laws within multiple jurisdictions.

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Attributes such as these found within Jersey's fiduciary personnel, assisted by the depth of skill offered by Jersey law firms, accountancy practices and wealth management operations, sets the Island apart from many of its competitor jurisdictions. This, no doubt, has been a significant factor which over the course of this past 12 months has led to more international fiduciary businesses choosing to headquarter their global operations in Jersey.

As previously mentioned, Jersey's reputation – not only to clients and client advisers but also to global regulators and multinational regulatory organisations – has, to a significant degree, been assisted by the high regulatory standards that continue to prevail in Jersey. Sensible regulation by the JFSC to a globally accepted standard is to Jersey's advantage, satisfying our clients and interested international bodies and is a business enabler, rather than inhibitor.

In particular the States of Jersey has been proactive with regards to the industry's requirement that the trust laws which facilitate our fiduciary industry should be world class and has worked with the Island's fiduciary and legal communities on keeping that law up to date, agreeing and implementing necessary amendments.

Accordingly, through the maintenance and development of its highly successful Trusts Law – together with the other key attributes that constitute its internationally renowned fiduciary industry – Jersey is astutely maintaining its position as the trusted fiduciary jurisdiction of choice.



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