

Jersey

Evolving Asset Management Regulation (EAMR) report

September 2024



This document supplements the 14th edition of KPMG’s annual flagship Evolving Asset Management Regulation report, which brings together a broad-ranging picture of regulatory priorities, developments and proposals impacting the asset management industry around the world.

This summary includes some of the most important policy and supervisory initiatives impacting on asset managers in Jersey in this year’s cycle of the EAMR report. You can read more on the key global asset management regulatory trends in the full report [here](#).



Asset management regulator:

Jersey Financial Services Commission (JFSC)

“The JFSC’s thematic examinations are conducted in response to a perceived, current or emerging regulatory risk.”



Policy and regulatory change initiatives of note

The most significant policy developments and initiatives relate to:

- **Consultation on Sustainable Finance** — The Government of Jersey released a consultation on developing a sustainable finance policy and regulatory framework for the Island’s financial services sector. This initiative seeks to position Jersey as a leading international financial center committed to sustainability.
- **Guidance on Technology Implementation** — The JFSC issued a new Regulatory Technology Implementation Guide in 2024, which serves as a comprehensive manual for business managers looking to adopt regulatory technology solutions within their firms.



Supervisory priorities

MONEYVAL’s outcome of its Fifth Round Mutual Evaluation (July 2024) — Jersey’s effectiveness in preventing financial crime is among the highest level found in jurisdictions evaluated around the world. Next priority actions center around a review of the JFSC’s supervisory activity and strengthening its approach. This strategic review will focus on the approach to the regulation of financial and professional services in Jersey, and simplifying the legal and regulatory framework.

Supervisory activity — The JFSC’s thematic examinations are conducted in response to a perceived, current or emerging regulatory risk. For the remainder of 2024, the focus will be on compliance monitoring and conflicts of interest across all sectors as well as custody and safekeeping specific to the asset management sector.



Product-related developments

Updates to the Jersey Private Fund (JPF) regime —

In July 2024, the JFSC updated its JPF Guide to improve the regime, namely in relation to 1. Carry and/or co-investment vehicles 2. Investor eligibility and 3. Governing bodies.

Updates on Virtual Asset Service Providers (VASPs) —

In 2024, the Government of Jersey released its National Risk Assessment focusing on VASPs, highlighting key vulnerabilities and risks associated with the sector, including AML and CTF threats. Simultaneously, the JFSC issued updated Travel Rule guidance to VASPs, emphasizing compliance with international standards such as the Financial Action Task Force recommendations.



Market access developments

AIFMD II — Jersey is a 'third country' from a European Union perspective. AIFMD allows for third country access to the EU investors through Member States' National Private Placement Regimes (NPPR). Jersey fund managers (non-EU AIFMs) will mainly be impacted by AIFMD II-related additional reporting obligations which will apply to Jersey funds (non-EU AIFs) marketed into the EU/EEA. There is no wider expected negative impact of changes to third country access on Jersey because 1. Jersey is recognized by the EU as a co-operative jurisdiction for tax purposes 2. Jersey has signed a qualifying agreement on the exchange of information in tax matters with EU Member States and 3. Jersey is not identified as a high-risk country according to the latest EU laws against money laundering.

Beneficial Ownership and Control Registry —

The Crown Dependencies have issued a joint public commitment to extend access to the information held on their registers of beneficial ownership for those with a 'legitimate interest' before the end of 2024, with appropriate safeguards to manage effectively any interference with privacy rights. A 'legitimate interest' means those financial services businesses who are required to conduct customer due diligence and/or organizations who can demonstrate legitimate interest in accessing relevant information in order to combat financial crime.

Related Thought Leadership



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Contact

Nick Stevens

Partner, Private Equity Group

Ben Honeywood

Partner, Audit

Paul Eastwood

Head of Tax, KPMG Crown Dependencies

Alexandra Reip

Director, Advisory

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