Evolving Asset Management Regulation 2026 report



Executive Summary: Crown Dependencies – Jersey and Guernsey

Against a global backdrop of regulatory recalibration, Jersey and Guernsey continue to evolve their asset management frameworks with a focus on competitiveness, innovation and proportionate regulation. The 2026 Evolving Asset Management Regulation report highlights developments across both jurisdictions spanning fund regimes, artificial intelligence, tokenisation, investor protection, financial crime and sustainable finance.

The report also highlights the potential attractiveness of Jersey and Guernsey for asset managers seeking access to EU professional investors through National Private Placement Regimes, while operating outside the EU under potentially more proportionate requirements. Read more about the implications of EU AIFMD II for firms in the Channel Islands.

Growth, competitiveness and private funds

Jersey has streamlined regulatory requirements to make it easier for fund managers to raise capital, following enhancements to the Jersey Private Fund regime and similar private-fund reforms in Guernsey. The report also notes that Jersey and Guernsey may become more attractive to some asset managers given continued access to EU professional investors through National Private Placement Regimes.

Digital innovation and AI

The islands support innovation and encourage the adoption of AI tools and new technological developments, supported by appropriate safeguards.

The Guernsey Financial Services Commission has indicated that it does not plan to introduce AI-specific rules, as set out in its Policy Statement on the Use of Artificial Intelligence, instead expecting firms to treat AI adoption like other technical or strategic projects.

The Jersey Financial Services Commission has published guidance on use of AI to support firms designing and implementing AI solutions in Jersey's financial services sector.

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Tokenisation and digital finance

Tokenisation remains an important opportunity for Jersey. The report references Jersey's Time to Win report, which identifies tokenisation as a key pillar for unlocking growth and recommends a focus on the administration and governance of tokenised private assets.

Protecting investors and managing conflicts

Conflicts of interest are receiving renewed regulatory attention. The Guernsey Financial Services Commission's Thematic Review of Conflicts of Interest found that conflicts were generally being managed well, while the Jersey Financial Services Commission Examination feedback identified areas for improvement, including the identification and management of conflicts of interest and ensuring adequate systems and controls are in place to manage conflicts.

Financial crime and resilience

Both jurisdictions continue to strengthen their approaches to financial crime. Jersey has updated its AML/CFT/CPF Handbook to consolidate recent changes and improve consistency, while Guernsey's regulator is seeking to support greater use of technology in combating financial crime.

Sustainability

Sustainable finance approaches continue to evolve. Guernsey registered its first Natural Capital Fund and reinforced its expectations around greenwashing, while Jersey introduced new Sustainable finance guidance, including sustainability risk management, which will apply to firms from Q1 2027. The report also notes that Guernsey currently has no plans to introduce mandatory corporate sustainability reporting, although companies may report voluntarily.

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