

Unregulated Eligible Investor Funds

Overview

The unregulated funds regime, was introduced on 19 February 2008 and allows eligible funds to notify the Jersey Financial Services Commission (the “JFSC”) of their establishment, rather than going through a full authorisation process. The speed and simplicity of the system provides Jersey with a significant advantage in competing with other European and offshore jurisdictions and becoming a funds jurisdiction of choice, particularly for private equity, alternative/hedge funds and sophisticated investors.

There were originally two forms of unregulated fund; an Unregulated Eligible Investor Fund and an Unregulated Exchange Traded Fund. The JFSC has ceased to accept further notifications of new Unregulated Exchange Traded Funds from April 2017 and accordingly they are not mentioned further in this note.

Unregulated Eligible Investor Funds

An Unregulated Eligible Investor Fund is available to investors injecting a minimum of USD \$1 million each into the fund, or a sophisticated investor. The investors will be required to acknowledge, in writing, their acceptance of the risks involved in a prescribed form. In addition, the fund must take steps to ensure that its investors meet the legal requirements to invest in the fund.

The fund may be open-ended or closed-ended and may take the form of a company, cell company, unit trust or partnership.

There is no requirement for an Unregulated Eligible Investor Fund to have a Jersey-based administrator or custodian, nor for it to have any Jersey resident directors. There is also no need for Jersey-based auditors to be appointed to the fund.

The fund may only list on a stock exchange that permits restrictions upon transfers of interests within the fund. This is in order to ensure that only eligible investors are allowed to invest in the fund.

If the fund is:

- **A Jersey Company**
It must have its registered office in Jersey.
- **A Jersey Limited Partnership**
It must have a registered office in Jersey and the general partner must be a Jersey company.
- **A Jersey Unit Trust**

About Hatstone

Hatstone is a leading boutique multi-jurisdictional law firm with offices in Jersey, London, Panama and South Africa.

Our philosophy revolves around a Partner-led client service.

We believe that the right people will attract the best work and we have put in place a first class team to assist you. The team has been carefully chosen to ensure that there is experience and strength-in-depth.

- **Partner-led:** Our Partners each have a wealth of experience in banking and finance, the establishment and maintenance of investment funds, corporate and commercial, acquisitions and mergers, private equity and venture capital, structured finance, financial services and regulatory law, trusts and foundations. We believe that our clients benefit from having their affairs overseen by senior staff with the necessary experience.
- **Client Focus:** We are dedicated to providing a client focused services. Knowing our clients and understanding what drives their businesses is fundamental to us. We enjoy a very strong rapport with our clients whom have access to our lawyers 24/7 through the latest technology. Our principal aim is to help clients achieve their objectives by offering them pragmatic advice and solutions.
- **Transparency:** We are happy to work on a fixed fee basis (in most circumstances) and are transparent about our fees.

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NOTE ON THIS RELEASE

The information contained in this client information release is intended as a general guide only. The contents are not intended as a substitute for formal legal advice and should be interpreted accordingly. Formal legal advice in all relevant areas should be sought before relying on any of the information contained in this release.