

JERSEY PRIVATE FUND SET UP

Setting up a Jersey Private Fund (JPF) involves a number of steps and requires compliance with local regulations. We've been working with a client recently who wanted some help setting up a Phundex Pathway to manage the process so we thought we would share a general overview of the process:

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1. Determine the fund structure: The first step is to determine the structure of the fund, such as whether it will be open-ended or closed-ended, and what sectors or type of assets it will invest in.
2. Appoint a fund manager: The next step is to appoint a fund manager who will be responsible for managing the fund's investments. The General Partner of the Fund is ultimately responsible for managing the funds' investments. General Partners may also appoint an investment advisor to review potential investments and make recommendations to the General Partner for potential investments. The General Partner is ultimately responsible for the choice of investments for the fund.
3. Set up a legal structure: You'll need to establish a legal structure for the fund, such as a limited partnership, limited liability partnership, or a company. Jersey Private Funds are typically structured as a limited liability partnership, with a General Partner with unlimited liability for the fund, and limited partners. Investors will be limited partners in the fund, with liability restricted to the amount of their investment in the fund.
4. Choose a fund administrator: The fund administrator will handle the day-to-day administrative tasks, such as accounting and reporting. The fund administrator is also responsible for all compliance matters and is referred to as the Designated Service Provider. As such, the fund administrator is responsible for ensuring the fund adheres to all regulatory requirements, including anti-money-laundering and compliance functions. The fund administrator will generally set up the various vehicles required by the fund structure, including registering these with the regulator.
5. Prepare offering documents: The offering documents will provide information about the fund's investment strategy, fees, and terms and conditions. These are reviewed by legal advisors appointed by the fund and are used to provide investors with the information they require to make informed investment decisions.
6. Obtain regulatory approvals: The Jersey Financial Services Commission (JFSC) regulates the establishment and operation of JPFs. You'll need to obtain regulatory approval before launching the fund. The fund administrator, working in conjunction with legal advisors, will make the application to the JFSC and coordinate all relevant activities to obtain the appropriate regulatory approval.
7. Open a bank account: You'll need to open a bank account in Jersey for the fund to receive and make payments. The fund administrator will generally arrange for the set-up of any required bank accounts.



8. Launch the fund: Once all the necessary steps have been taken, you can launch the fund and begin accepting investors.

It's important to note that setting up a JPF can be complex and requires expertise in fund structuring, regulation, and administration. It's recommended that you seek professional advice from a lawyer or a specialist fund service provider to ensure compliance with local regulations and to navigate the process smoothly.

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