General Information

To establish itself as the international offshore financial centre of choice for its prospective clients, Jersey has been working to implement new legislation relating to legal entities located on the Island. In particular, Jersey will be introducing revised legislation in relation to its law on limited liability partnerships (an "**LLP**"). Historically, LLP's have been the structure of choice for multi-jurisdictional professional service groups such as law and accounting firms. However, they have also been used for joint-ventures and other investment vehicles.

LLPs were originally established under the requirements set out in the Limited Liability Partnership (Jersey) Law 1997 (the "**Law**"). Since then, the States of Jersey have passed amendments, such as the Limited Liability Partnerships (Amendment of Law) (Jersey) Regulations 2013 (the "**Regulations**"), in order to make the Law more flexible. However, the structure has never fulfilled its potential, whilst the vehicles worked for professional service groups, it fell short as an investment vehicle. In 2018, Jersey will adopt a new LLP Law (the "**New Law**") that will streamline the requirements for structuring and operating a Jersey LLP, while providing an alternative structure to a UK Limited Liability Partnership, which is cutting-edge and focused on investment structures

Key Characteristics of a Jersey LLP under the Law and the Regulations:

Under the Law, a Jersey LLP is a legal entity that:

- is a partnership with a separate legal personality;
- can own property, sue and be sued in its name;
- each of its partners is obliged to contribute to the business of the LLP as agents of the partnership but not of each other;
- it is required to have one person who is responsible for its administrative functions (currently a 'Designated Partner'); and
- it must be registered and maintain its registration in Jersey.

Prior to the Regulations, LLPs were required to maintain a £5 Million bond in Jersey for the life of the structure as a means of protecting the interest of potential creditors. However, the Regulations replaced the £5 Million bond with the requirement that an LLP had to produce an annual solvency statement.

The New Law

A brief summary of the amendments under the New Law are as follows:

- the requirement that each partner contribute 'effort and skill' to the LLP, under the previous Law, has now been broadened to also include capital as a form of contributing effort and skill facilitating its use as an investment vehicle;
- the requirement to issue annual solvency statements under the previous law has been removed, instead a partner cannot make a withdrawal from the partnership assets unless a solvency statement has been made in the preceding twelve months; and
- the role of 'designated partner' is to be replaced by an LLP secretary who will be either a partner in

the LLP or an individual who is registered under part 2 of the Financial Services (Jersey) Law 1998 to carry on trust company business.

Why use Voisin?

Our focussed, proactive and friendly team provides efficient, seamless and prompt advice and boasts a portfolio of clients which includes some of the world's leading players. Our close relationship with, amongst others, local regulatory authorities, service providers and advisers worldwide enables us to work as part of any team. We are passionate about our work and strive for excellence in everything we do. For further information or specific advice on the use of Jersey partnerships, please contact Jeffrey Giovannoni or Kate Anderson of Voisin Law.

This note is intended to provide a brief rather than a comprehensive guide to the subject under consideration. It does not purport to give legal or financial advice that may be acted or relied upon. Specific professional advice should always be taken in respect of any individual matter.