



Jersey Financial
Services Commission

Guidance Note

FSB Licensing of LLPs

Issued: 22 August 2014

Notes:

The Limited Liability Partnerships (Jersey) Law 1997 was replaced by the Limited Liability Partnerships (Jersey) Law 2017. This policy will need to be updated.

In connection with the Fund Services Business (**FSB**) licensing of applicants (or applicant structures) that involve a limited liability partnership (**LLP**), the Jersey Financial Services Commission (the **JFSC**) has published the following three documents, each of which details how the ‘Licensing Policy in respect of those activities that require registration under the Financial Services (Jersey) Law 1998’ would be applied in the relevant scenario:

A) FSB licensing of: LLPsⁱ.

Applicable in connection with Jersey-law and foreign-law governed LLPs.

B) FSB licensing of: LPs that have an LLP as their GP.

At this time, such LPs will only be FSB-licensed if their LLP GP is Jersey-law governed.

C) FSB licensing of: SLPs / ILPs that have an LLP as their GP.

At this time, such SLPs / ILPs will only be FSB-licensed if their LLP GP is Jersey-law governed.

This is “Document A” – Overview

This document addresses the FSB licensing of LLPs, both:

- › those established pursuant to the Limited Liability Partnerships (Jersey) Law 1997 (i.e. Jersey-law LLPs); and
- › foreign-law governed LLPs;

(each herein, an **LLP Applicant** and, in the event that its application to be licensed for one or more FSB classes has been successful, the **Registered Person**). Unless the context below otherwise makes clear, references herein to ‘LLPs’ (or ‘LLP Applicants’) which are not qualified by reference to a particular jurisdiction should be construed as applying equally to Jersey-law LLPs and foreign-law governed LLPs.

1 Applications in this scenario

- 1.1 FSB licensing of LLP Applicants (in accordance herewith), will at this time, be available for the ‘management / advisory’ classes of ‘manager’, ‘general partner’, ‘investment manager’ and ‘investment adviser’.
- 1.2 Licensing of LLP Applicants to conduct Fund Services Business of the relevant class(es) will not be restricted to LLP Applicants established for the purpose of acting for a Qualifying Fund (such term as defined in the Code of Practice for Fund Services Business (**FSB Code**)). However, applications from LLP Applicants established for the purpose of acting for other categories of fund should be expected to be more closely scrutinised, as a consequence of which: (i) additional licensing requirements may be specified (the same being considered on a case-by-case basis); and / or (ii) it may take longer for the JFSC to process a successful application.

- 1.3 The LLP itself will be licensed (and should be identified as the applicant on the FSB Application Form (Form FSJ/FSB)).
- 1.4 Where a partner in the LLP Applicant is a company, irrespective of where it is domiciled, the directors of that company must be natural persons.

Corporate shareholders in a corporate partner of the LLP Applicant will be subject to consideration and approval in the usual manner. Accordingly, Principal Person procedures will apply to a corporate shareholder in a corporate partner of the LLP Applicant in the event that it falls within the definition of 'Principal Person' contained in the FS(J)Lⁱⁱ.

- 1.5 A partner in an LLP Applicant who participates in the management of that LLP (each of the same, a **Managing Partner**) may be either a natural person (wherever domiciled) or a company incorporated in Jersey which has at least two Jersey-resident directors. (An appropriate condition in this regard shall be added to an LLP Applicant's FSB licence).
- 1.6 Span of control will be the core of the regulatory approach to LLP Applicants and the JFSC must be able to identify an adequate regulatory span of control. The standard "four-eyes / six-eyes" FSB approach to regulatory span of control is to apply. The regulatory span of control is to be exclusively comprised of natural persons (each of whom is a Managing Partner or a director of one or more Managing Partners in the LLP Applicant, or both), at least two of whom are Jersey-resident. Such persons will all be Principal Persons.
- 1.7 The FSB Application Form should be signed by two Jersey-resident persons forming part of the regulatory span of control of the LLP Applicant.
- 1.8 The JFSC will expect the Business Plan accompanying the LLP Applicant's FSB Application to contain a detailed description of how the LLP will be operated and managed, with particular emphasis on: (i) how the persons within the Jersey regulatory span of control will be in a position to effectively exercise the oversight that such role requires; and (ii) what aspects, if any, of the governance arrangements will not take place in Jersey.

In the case of a foreign-law governed LLP Applicant, the JFSC would additionally expect the Business Plan to include a confirmation from the LLP Applicant that, having undertaken an appropriate review of the legal and regulatory position in all relevant jurisdictions, the LLP Applicant is comfortable that: (i) there is no lawful impediment to the LLP Applicant's compliance with its obligations under Jersey law and regulation that arise as a consequence of its status as an entity registered for the conduct of Fund Services Business; and (ii) there are no material matters for concern (or potential concern) in such regard that have not been brought to the attention of the JFSC, within the Business Plan or separately, prior to determination of the FSB application. A foreign-law governed LLP Applicant should also provide details of the steps taken to ensure that it will be in a position to provide the JFSC with such documentation as the JFSC may request from time to time relating to the LLP's activities which (for whatever reason) is not, or is likely not to be, kept in Jersey.

Successful applicants should bear in mind their obligation, on an on-going basis, to notify the JFSC of any material changes to the information provided to the JFSC as part of the licensing process.

- 1.9 LLP Applicants that are Jersey-law governed shall have at least one 'Designated Partner' that is either domiciled in Jersey (if a natural person) or incorporated in Jersey (if a company). For the

avoidance of doubt, such party (or parties) need not be the only Designated Partner(s) of the Jersey-law LLP.

- 1.10 For LLP Applicants which are foreign-law governed, a register of the LLP's partners should be maintained at the registered office address of one of its Managing Partners located in Jersey. In the event that a foreign-law governed LLP has more than one Managing Partner in Jersey, the LLP shall notify the JFSC at which Managing Partner's address the register is maintained. For the avoidance of doubt, maintenance of a duplicate register shall be sufficient in the event that the 'primary' register of members is maintained in a foreign jurisdiction (whether the same is by choice or legal / regulatory compulsion).
- 1.11 In line with the existing approach in the FSB Code: (i) if it is a managed entity (and has appointed to it a party registered to conduct FSB in the class of ZK (manager of a managed entity (**MoME**)) and has been established for the purpose of acting for a Qualifying Fund, the LLP Applicant (once a Registered Person) would be subject only to the Core Principles of the FSB Code unless it elects to follow the FSB Code in full (any such election to be made in writing to the JFSC); and (ii) the MoME may provide the Registered Person's Compliance Officer, MLRO and MLCO resource if desired.

Please note that the requirement is for the MoME to be appointed directly to the LLP Applicant. Any appointment of a MoME to one or more Managing Partners in the LLP Applicant would not constitute or equate to a MoME having been appointed to the Registered Person.

- 1.12 The JFSC expects that the offering documentation of the fund(s) for which the Registered Person acts (wherever such fund(s) may be domiciled) would include:
- 1.12.1 disclosure of the Registered Person's:
- 1.12.1.1 status as a limited liability partnership, the relevant law under which it is established (being, in the case of a Jersey-law LLP, the Limited Liability Partnerships (Jersey) Law 1997), the date of its establishment as such and its registered office address; and
- 1.12.1.2 regulatory status as an entity registered to conduct fund services business pursuant to the FS(J)L;
- 1.12.2 statements to the following effect, in a prominent position within the offering document close to where the disclosure referred to in paragraph 1.12.1 above is given:
- 1.12.2.1 "The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the [fund – use appropriate defined term] or for the correctness of any statements made or expressed in this [offering document– use appropriate defined term]."; and
- 1.12.2.2 "The Jersey Financial Services Commission is protected by the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under that law."; and
- 1.12.3 disclosure of the identity and jurisdiction of residence / incorporation (and also, in the case of any company, its date of incorporation and registered or principal office address) of:
- 1.12.3.1 each of the Registered Person's partners; and
- 1.12.3.2 the directors of each corporate partner in the Registered Person.

(The relevant licence condition will provide that an officer of the JFSC may grant a dispensation in respect of aspects of the foregoing disclosure requirement at c)(ii) if the circumstances are considered to warrant it, such as, for example, where there are a very large number of directors who might all be members of a locally licensed Trust Company Business, in which case a disclosure of the latter fact might suffice).

All such disclosures should be made in addition to other details which the fund (or the Registered Person) is required to disclose or which it is appropriate to make disclosure of.

- 1.13 The JFSC does not wish to unreasonably fetter the commercial freedom of a Registered Person to determine the governing law of the contracts under which it transacts its business. However, nothing in the agreement pursuant to which the Registered Person contracts to provide FSB services to its client fund(s) may exclude the jurisdiction of the Courts of Jersey. (An appropriate condition in this regard shall be added to an LLP Applicant's FSB licence).
- 1.14 As part of reviewing an FSB Application from an LLP Applicant, the JFSC will look to satisfy itself that the name of the LLP is not misleading in light of: (i) the composition of the partnership (in particular, the names of its partners and, if different, those of persons who form part of the LLP Applicant's regulatory span of control); and (ii) the LLP's activities.
- 1.15 No changes are currently proposed to the existing:
 - 1.15.1 Outsourcing / delegation position (ie: same approach to apply);
 - 1.15.2 Application Forms: FSB-NDF, AIFSB Notification-Exemption, FSJ/FSB (although this latter form may be updated generally in due course);
 - 1.15.3 Fees Notices: FSB Fees, AIFSB Fees;
 - 1.15.4 Financial Services (Fund Services Business (Accounts, Audits and Reports)) (Jersey) Order 2007 (FSB Accounts Order) Please note that this Order applies equally to foreign-law governed LLPs and Jersey law LLPs;
 - 1.15.5 Financial Services (Appointment of Manager) (Jersey) Order 2008 (Appointment of Manager Order);
 - 1.15.6 AML-CFT provisions; and
 - 1.15.7 Principal Person definition *Please note: (i) the definition of Principal Person under the FS(J)L which applies in the context of a partnership, including how it applies in circumstances where a partner is a company; and (ii) the additional limb to the Principal Person definition which applies in connection with an applicant whose registered office and principal place of business is outside Jersey, which might also be relevant to a foreign-law governed LLP Applicant (and perhaps cover more than just Managing Partners, depending on the circumstances of the particular applicant). Correctly identifying and disclosing Principal Persons will be relevant in particular for section B.12 of Form FSJ/FSB and the regulatory checks which may be undertaken on such persons by the JFSC. It is essential that LLP Applicants appropriately identify all Principal Persons.*
- 1.16 As with any FSB application, the JFSC may in its discretion require undertakings to be given from (or in respect of) an LLP Applicant as part of the licensing process.
- 1.17 Additional points to note in connection with LLP Applicants that are foreign-law governed LLPs:

1.17.1 The JFSC approaches the question of FSB licensing of foreign-law governed LLPs from the premise that the issue is relevant because the LLP in question is (or would, when licensed, be) managed ‘in or from within’ Jersey.

1.17.2 However, the JFSC does not provide legal advice to applicants or licensees. Accordingly, whether, in the circumstances of a given foreign-law governed LLP, Article 7 of the FS(J)L would require it to be regulated for the conduct of fund services business is something on which the LLP in question should take independent legal advice. The JFSC would, naturally, be willing to engage in a conversation in connection with the same and may well provide its view; however, any views the JFSC may express would not be determinative of the legal position.

Having said the foregoing, the JFSC does wish to make its view clear on a number of factors:

1.17.2.1 The degree of ‘control’ over the foreign-law governed LLP which is exercised in or from within Jersey will clearly be a key consideration in determining whether the provisions of Article 7 of the FS(J)L would apply in a given case. If the conclusion were reached that control was not exercised in Jersey (either at all or to a sufficient extent) to require a licence under Article 7, the JFSC would advise that the party forming such conclusion should ensure that it has a clearly documented (and evidenced) rationale to support the view that the foreign-law LLP is at all material times controlled elsewhere (with such other jurisdiction being specifically identified).

1.17.2.2 As with the case of a Jersey-law LLP, the JFSC accepts that it would be appropriate to draw a distinction between those partners that exercise an active management function and those that should properly be regarded as passive partners. Whilst this distinction is not one reflected in Jersey’s LLP statute, it appears to the JFSC that it will turn on a combination of the provisions of the partnership agreement of the LLP and a factual analysis of what is actually taking place in terms of the partnership’s operation. In this regard potential applicants should consider the following:

- › Where there are only passive partners located in Jersey (which is to say that there are no Managing Partners domiciled or incorporated in Jersey), the JFSC would be persuaded that such scenario would not of itself ordinarily be sufficient to lead to a conclusion that the foreign-law governed LLP is undertaking fund services business ‘in or from within’ Jersey.
- › It is accepted that it is unlikely that a partner in an LLP could always be assumed to be capable (or willing) of being entirely ‘passive’ in its participation in an LLP. For example, it might well be the case that all partners need to vote on the appointment of one of their number to a specific role or to approve accounts. Further, the 1997 Jersey LLP statute requires partners to contribute an element of ‘care and skill’ to the partnership. It would seem reasonable to conclude therefore that a certain ‘de minimis’ level of involvement in the operation of an LLP should be tolerated before it would be appropriate to characterise the partner in question as being a ‘managing’ partnerⁱⁱⁱ. Rather than attempt to prescribe a list of indicia of what, to the JFSC’s mind, constitutes a level of

involvement in an LLP below that warranting characterisation as a Managing Partner, it would seem sensible to refer to the (non-exhaustive) statutory safe harbour provisions in respect of the participation of limited partners in the life of a limited partnership (for example, within Article 19 of the Limited Partnerships (Jersey) Law 1994 (the **LP Law**)). Not all of these however would seem appropriate in the context of an LLP. The JFSC is persuaded that participating in or undertaking activities described in Articles 19(5)(c)-(f) of the LP Law would not alone make a partner in an LLP a Managing Partner. [Within Article 19(5)(f)(v) and (vi) the JFSC would read 'Managing Partner' where the words 'general partner' appear]. The JFSC accepts, of course, that such provisions as cited do not have the force of law in connection with an LLP. However, as a matter of licensing policy, the JFSC believes it is reasonable to look to these extracts from a statutory recitation of activities that constitute non-management involvement in the life of a partnership in the context of an LLP. [Any amendments to Article 19(5) of the LP Law should not be assumed to automatically result in the foregoing position being likewise revised]. The JFSC is not suggesting that the quoted provisions are exhaustive as to what is not management activity in connection with an LLP.

As with the case of a Jersey-law LLP, the JFSC will be reliant to a considerable extent on representations received from the applicant as to where management functions for the given LLP are exercised and by whom. It is essential that LLP Applicants are candid and clear in their communications in this regard with the JFSC.

- 1.17.2.3 In the context of a foreign-law governed company which may be undertaking FSB in or from within Jersey, an assessment is often made as to whether a sufficient proportion of the board discharges its function within Jersey to warrant the conclusion that the company ought properly to be regarded as operating 'in or from within' Jersey. However, the JFSC is not persuaded that looking to establish where the preponderance of Managing Partners in a foreign-law governed LLP are located should, by analogy, be the appropriate test in the context of an LLP. The position of a partner discharging management functions for an LLP would appear to be materially different to that of a director in a company. Also, if a Managing Partner is resident in Jersey, it would not be relevant to the JFSC that such partner might be argued to be largely 'dormant' or subject, in its acting, to the need for joint/prior-approval by another party outside of the jurisdiction. As with the appointment to a general partner role in a limited partnership, it is the fact of appointment and capacity to act as such (rather than any actual acting as such) which is relevant to the need for an FSB licence. (In any event, looking at a relative/quantitative assessment of number of Managing Partners in Jersey or at the specific circumstances and restrictions on those Managing Partners located in Jersey, each seem to present a material risk of inconsistent outcomes, even where structures may ostensibly look similar.) Clarity and certainty would appear to be important, especially given the potential criminal liability if one errs as to whether an FSB licence is required or not. Therefore the JFSC's inclination is to regard the presence in Jersey of a single Managing

Partner as sufficient to indicate that Article 7 of the FS(J)L is relevant. [The JFSC would expect a strong case to the contrary to have to be made on the facts of a given case if an FSB application for a foreign-law governed LLP with a Jersey resident (or incorporated) Managing Partner is not made. It should be borne in mind that even were the JFSC to acquiesce in such an analysis on the facts of a given case, this would not be determinative of the legal position].

1.17.3 Applications from a foreign-law governed LLP Applicant will be considered carefully by the JFSC on a case-by-case basis. Due to the additional complexity involved, the JFSC's published application timescales would not apply in respect of such applications. Potential applicants should engage with the JFSC at an early stage if this is possible.

1.17.4 The jurisdiction under whose laws a foreign LLP Applicant is established will be a paramount, and initial, consideration for the JFSC. The JFSC would wish to be comfortable that the legal and regulatory framework prevailing in the relevant foreign jurisdiction (including, for example, levels of compliance with international standards set by bodies such as the Financial Action Task Force and the International Organization of Securities Commission) is such that it would not be imprudent, given the JFSC's statutory obligations, to issue an FSB licence to an LLP incorporated in such jurisdiction. Any perceived deficiencies within a jurisdiction from an AML/CFT perspective should be expected to be particularly significant within the JFSC's overall assessment.

Naturally, the JFSC is more familiar with the legal and regulatory regime applicable in certain jurisdictions (such as, for example, in the United Kingdom) than in others. This is not to say that applications would not be entertained from less familiar jurisdictions but, as a practical matter, they might take considerably longer to process and may, after investigation, not result in a successful outcome. It might also be uneconomic (for the applicant and the JFSC) to process an application in the event that the degree of research and investigation into the legal and regulatory system of the relevant foreign jurisdiction is or might be excessive (from a time and cost perspective) in light of the JFSC's resources and statutory obligations. The JFSC would encourage a prospective applicant from a lesser-known jurisdiction to approach the JFSC at an early stage to commence a dialogue on the subject of the possibility of issuing FSB licences to LLPs established there.

1.17.5 In addition to the foregoing, general, consideration of the jurisdiction under whose laws the applicant is established, the JFSC would also need to consider the specific LLP legislation under which the applicant is formed. It appears to the JFSC that although there are a number of common characteristics which one can identify within different jurisdictions' LLP statutes, there remain a number of important areas where material differences in approach are seen. (A material difference between the LLP legislation in the applicant's home jurisdiction and that prevailing in Jersey would be an important consideration for the JFSC.) It might well be the case that the JFSC would wish to be provided with a legal opinion (not necessarily addressed to it, or exclusively to it) from suitably qualified persons in the relevant jurisdiction as to the nature of an LLP in that jurisdiction and, possibly, as to the implications of any different characteristics which it has there. The JFSC's starting premise is that a foreign law LLP will reflect the following characteristics:

1.17.5.1 the LLP is a separate legal person (although not necessarily a body corporate);

- 1.17.5.2 there is likely to be only one class of partner at law in the LLP (even if certain administrative functions are ascribed to only some partners);
- 1.17.5.3 each partner in the LLP is, at law, likely to be able to participate in management of the LLP. Such participation right would typically be subject to alternative provision being made in the relevant partnership contract;
- 1.17.5.4 the LLP may well have no subscribed 'equity capital' (notwithstanding that partners may be required to contribute effort and skill to the partnership); and
- 1.17.5.5 a partner in an LLP is likely not to be liable for the negligence of their fellow partners (in circumstances where they were not themselves also negligent).

If, as a matter of the law of the jurisdiction where a given LLP Applicant is established, these foregoing 'core points' of JFSC understanding as to what attributes an LLP there is likely to have are not accurate (or are not likely to be), this should be brought to the JFSC's attention at an early stage by the applicant or its advisers. It may well be that an area of material mismatch on these points might be accommodated through additional reassurances or licensing conditions; applicants should be candid with the JFSC.

- 1.17.6 It is not necessary that a foreign-law governed LLP be regulated in its home (or any other) foreign jurisdiction in order to be eligible to seek registration under the FS(J)L to conduct FSB. If an LLP Applicant is regulated elsewhere this may, depending on what the regulation is for and where the regulation takes place, be something which provides the JFSC with comfort. Where an applicant's foreign-regulated status is (or might be) material, the degree/quality of co-operation existing between the competent authorities in the relevant foreign jurisdiction and in Jersey will be a factor that the JFSC will take into account in weighing the degree of comfort which it would be appropriate to draw from the LLP Applicant's foreign-regulated status.
- 1.18 This document focusses on considerations relating to the FSB licensing of an LLP Applicant. It does not therefore expressly address the question as to whether a partner (managing or otherwise) in an LLP might itself require licensing under the provisions of the FS(J)L for one or more types of financial service business. Concerning the latter, potential LLP applicants may however be interested to note the following:
- 1.18.1 Whether a Managing Partner acting in that (or any other) capacity requires licensing under the FS(J)L is considered by the JFSC to be a wholly distinct matter from any question as to whether its LLP requires licensing under the FS(J)L.
 - 1.18.2 Similarly, whether an LLP requires licensing under the FS(J)L is not dependent upon whether one or more of its Managing Partners is also FS(J)L licensed. A promoter's conclusion, for example, that a particular Managing Partner in Jersey is not engaged in trust company business vis-à-vis its LLP would not negate the need to do a separate assessment (and is in no way determinative as to the outcome thereof) as to whether the activities of that (or any other partners in Jersey) is sufficient / of such type to conclude that the LLP should properly be regarded as being engaged in the conduct of one or more classes of financial service business in or from within Jersey.
 - 1.18.3 The JFSC is of the view that merely being a Managing Partner of an FSB licensed LLP (whether the latter is foreign-law governed or not) does not involve a necessary inference that the Managing Partner is, in such capacity, also engaged in FSB activity in connection with the underlying fund served by its LLP. However, the JFSC believes

that there may perhaps be circumstances where such a conclusion would be warranted (for example, if the Managing Partner, in its own name and in such capacity, had to counter-sign instructions issued by the LLP for the latter to be of any effect).

For the avoidance of doubt, if a Managing Partner was appointed, in a separate capacity, to discharge a function in connection with an underlying fund that was the same or very similar to that performed by the Managing Partner's LLP (for example, if the Managing Partner was the GP and its LLP a co-GP of the same underlying fund) the JFSC would regard such GP activity as something done other than in its capacity as Managing Partner in the LLP.

- 1.18.4 Any FS(J)L licences which may be held by a Managing Partner (whether in connection with the same underlying fund served by its LLP or not) would, naturally, be something which the JFSC would derive a significant, general, comfort from. It should be noted though that they would not exempt the LLP Applicant from the requirements which it needs to satisfy in order for the LLP to be licensed to conduct FSB (such as, for example, insurance cover and functioning/operation of the Jersey regulatory span of control in connection with the LLP) nor would they confer a 'lighter touch' in connection with the treatment of the LLP Applicant. As a practical matter though, if the JFSC is already familiar with, and has licensed, aspects of a structure such as a Managing Partner (in particular, Principal Persons involved therewith), it may well be possible to process an LLP's application that much more promptly.

Whilst the 'requirements' which an LLP would need to satisfy will not change if its Managing Partner is also FS(J)L licensed, it is worth bearing in mind what the relevant requirements, in fact, are. The JFSC anticipates that the majority of LLP Applicants (and, if also FSB-licensed, their Managing Partners) would be managed entities acting in connection with Qualifying Funds. Such parties are typically subject to the Core Principles of the FSB Code. In the context of capitalisation level, in such a scenario, the requirement in Principle 5 of the Code is for each managed entity to "have and maintain, financial resources which are, in the opinion of its directors, sufficient to meet its commitments". [In the case of an LLP Applicant the JFSC would read 'Managing Partners' for the word 'directors' where it appears in the foregoing extract from Code Principle 5.1.3]. Accordingly, what is required is such financial resource as is considered sufficient by the Managing Partner(s) of the LLP in order to meet the managed entity LLP Applicant's commitments. There is no automatic requirement therefore for a capitalisation at £25,000 (although that, or more, may well be appropriate in the circumstances).

- 1.19 As with all JFSC policy and guidance, the foregoing is subject to amendment from time to time. The JFSC's accumulated experience (both specific and general, positive or otherwise) in connection with the authorisation and ongoing regulation of LLP Applicants as FSBs, will be a key factor in arriving at any decision to amend the foregoing.

2 Standard Licence Conditions

3 Standard FSB Conditions (applicable to all Applicants)

- 3.1 Any partner in the Registered Person which is a company (wherever domiciled) must at all times have only natural persons as its directors.

- 3.2 Any partner who from time to time participates in the management of the Registered Person (each of the same, a **Managing Partner**) must be either a natural person (wherever domiciled) or a company incorporated in Jersey which has at least two Jersey resident directors.
- 3.3 The Span of Control required by virtue of the fund services business Code of Practice in connection with the Registered Person is to be exclusively comprised of natural persons (each of whom is a Managing Partner or a director of one or more Managing Partners, or both), at least two of whom are Jersey-resident.
- 3.4 The Registered Person must ensure that the offering documentation of the fund(s) for which it acts, wherever such fund(s) may be domiciled, includes:
- 3.4.1 disclosure of the Registered Person's:
- 3.4.1.1 status as a limited liability partnership, the relevant law under which it is established, the date of its establishment as such and its registered office address; and
- 3.4.1.2 regulatory status as an entity registered to conduct fund services business pursuant to the Financial Services (Jersey) Law 1998, as amended;
- 3.4.2 statements to the following effect, in a prominent position within the offering document close to where the disclosure required by condition 4(a) above is given:
- 3.4.2.1 "The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the [fund – use appropriate defined term] or for the correctness of any statements made or expressed in this [offering document - use appropriate defined term]."; and
- 3.4.2.2 "The Jersey Financial Services Commission is protected by the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under that law."; and
- 3.4.3 disclosure of the identity and jurisdiction of residence (or, as the case may be, incorporation) and, in respect of any corporate partner in the Registered Person, its date of incorporation and registered (or principal) office address, of:
- 3.4.3.1 each partner in the Registered Person; and
- 3.4.3.2 save insofar as the prior written consent of an officer of the JFSC has been obtained, the directors of each corporate partner in the Registered Person.
- The Registered Person must inform an officer of the JFSC of any failure (or anticipated failure) to make such disclosure(s).
- 3.5 Save insofar as the prior written consent of an officer of the JFSC has been obtained, nothing in the agreement(s) pursuant to which the Registered Person contracts to provide fund services business to its client fund(s) may exclude the jurisdiction of the Courts of Jersey.

4 The Standard Supplemental FSB Condition for 'Jersey-law LLPs' (applicable only to Jersey-law LLP Applicants in addition to the foregoing conditions):

- 4.1 At least one partner in the Registered Person, either domiciled in Jersey (if a natural person) or incorporated in Jersey (if a company), is to be a Designated Partner of the Registered Person (Designated Partner being as defined in the Limited Liability Partnerships (Jersey) Law 1997), save for any period in respect of which the prior written consent of an officer of the JFSC has been obtained.

5 The Standard Supplemental FSB Condition for ‘foreign-law LLPs’ (applicable only to foreign-law governed LLP Applicants, in addition to the foregoing conditions):

- 5.1 A register of partners in the Registered Person (which may be a duplicate of a register maintained in another jurisdiction) must be maintained at the registered office address of a Managing Partner resident in Jersey. The identity of such Managing Partner shall be identified to the JFSC; any changes therein must be notified to the JFSC in advance.

6 The Standard MoME / ME Conditions (applicable, in addition to the applicable foregoing conditions, to a managed entity subject only to the Core Principles):

- 6.1 The Registered Person may not act for new or further funds without first obtaining the written consent of an officer of the JFSC.
- 6.2 The Registered Person must appoint a person registered to act as Manager of a Managed Entity (**MoME**).
- 6.3 The Registered Person must notify the JFSC of its intention to change its MoME at least 28 days prior to the change taking effect.
- 6.4 The Registered Person must adhere with such notification and consent requirements as the JFSC has set out in the fund services business Code of Practice as may be updated or revised from time to time.
- 6.5 The Registered Person must permit, and shall procure that any agent or subcontractor resident or established in Jersey and appointed by the Registered Person permits, officers of the JFSC to conduct inspections of any part of the activities in relation to which this registration is granted, and the Registered Person will (and will procure the agreement of any such agent or subcontractor to) give all assistance in connection with any such inspection which they are reasonably able to give.
- 6.6 The Registered Person must adhere to such advertising standards as the JFSC has set out in the fund services business Code of Practice as may be updated or revised from time to time.
- 6.7 The Registered Person must adhere to such record keeping requirements as the JFSC has set out in the fund services business Code of Practice as may be updated or revised from time to time. This requirement will be satisfied where a MoME provides the registered person with the necessary means to comply.

- 6.8 The Registered Person must appoint a compliance officer, a money laundering compliance officer and a money laundering reporting officer. This requirement will be satisfied where a MoME provides the registered person with the necessary means to comply.

7 The Standard AIFSB Condition (if applicable):

- 7.1 The Registered Person must comply with the applicable sections of the Code of Practice for Alternative Investment Funds and AIF Services Business.

Notes:

The JFSC reserves the right to apply other specific conditions which reflect the unique circumstances of a particular applicant, as is the case with current FSB licensing. For example, a managed entity electing to comply with the Full FSB Code will often have tailored conditions applied to its FSB licence.

ⁱ Parties may be interested to note this document includes, at paragraph 1.18) thereof, some commentary in connection with whether a partner in an LLP (managing or otherwise) may itself require licensing for one or more types of financial service business pursuant to the Financial Services (Jersey) Law 1998, as amended (FS(J)L).

ⁱⁱ Applicants should note however that the JFSC retains discretion to request the submission of a Personal Questionnaire by a party which falls (or may fall) outside of the definition of 'Principal Person' in FS(J)L if this should be deemed appropriate in the circumstances of a particular LLP Applicant.

ⁱⁱⁱ "Managing Partner" is the defined term for this used herein.