



Guidance note: Managed Trust Company Business

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1 Introduction

- 1.1 The purpose of this guidance is to set out our expectations concerning the day-to-day operations of a Managed Trust Company (**MTC**) and its interface with its Manager.
- 1.2 This guidance note now incorporates and replaces the guidance note on 'Distinguishing between the authorisation requirements of a Managed Trust Company and a Participating Member with an affiliation'.¹
- 1.3 This guidance considers requirements for MTCs from the Trust Company Business Code (TCB), Licensing Policy in respect of those activities that require registration under the Financial Services (Jersey) Law 1998 (Licensing Policy) and TCB Fees Notice.
- 1.4 The framework for assessing applications seek to establish a new financial services business in Jersey is grounded in Law, Orders, and Codes of Practice, particularly in relation to integrity, competence, financial standing, and organisational structure (both of the business, and its associated persons).
- 1.5 Particular attention is paid to the identity and integrity of owners/controllers, and whether they can be held accountable under the regulatory regime. The JFSC applies its licensing policy to ensure the following core criteria are met:²
 - 1.5.1 Local management and control (i.e., the "heart and mind" of the business)
 - 1.5.2 Financial standing
 - 1.5.3 Accountability and fitness of controllers/shareholders
 - 1.5.4 Transparency of ownership
- 1.6 Challenges arise when a new applicant is not yet ready to finance a full operation or wishes to test the jurisdiction before committing significant capital. Jersey has long accepted the concept of a "managed presence" for banks, fund services businesses, and TCBs.
- 1.7 Such businesses may choose to operate either as a Participating Member within an Affiliation or as a MTC.

¹ This is as at April 2026

² See Section 9.4 of the Licensing Policy

2 Managed trust companies

- 2.1 A managed trust company (**MTC**) is a trust company that is managed by another licensed trust company.
- 2.2 A MTC is a registered person under Article 9 of the Law in its own right, subject to the same regulatory regime as any other TCB operating in Jersey. However, a MTC may rely upon the non-financial resources (staff, procedures and infrastructure) of the Manager to meet some of its regulatory responsibilities.
- 2.3 It may be appropriate to use a MTC when a business is entering the Jersey market for the first time and it may, for a period, benefit from the expertise of an established TCB, familiar with the Jersey regulatory regime, to provide the **MTC** with support for it to comply with all aspects of the regulatory framework in Jersey.
- 2.4 A MTC cannot be a Manager of another MTC.

3 What is an affiliation?

- 3.1 The concept of an affiliation originated from the need to craft a registration process capable of capturing the activities of a business' principal trading entity along with those of its "creature companies" – e.g. the companies that undertake the specific functions set out under Article 2(4) of the Law – i.e. corporate directors, nominee companies, corporate secretary etc. There was also a need to accommodate the extremely varied ownership structures within the trust company business industry.

4 Participating members

- 4.1 A MTC can act as an affiliation leader for participating members (**PM**)s.
- 4.2 A MTC is generally an externally driven business whose ultimate beneficial ownership is distinct from that of its manager. It may rely on a local manager. In contrast, a PM is an integral part of the local business, necessary for delivering the full range of TCB services to clients.
- 4.3 Registered persons may wish to ring-fence clients introduced by a specific intermediary within a PM. This is acceptable provided that ultimate ownership and control remain within the Affiliation.
- 4.4 The PM may be covered by the Affiliation Leader's professional indemnity insurance.³
- 4.5 The PM's audited accounts should align with other PM companies. If the Affiliation prepares consolidated accounts, the PM's accounts should also be consolidated.

³ See section 5.2.9 of the TCB Code

- 4.6 The Affiliation Leader's board (executive and non-executive directors) must manage the Affiliation's affairs without duress or undue influence as expected in general TCB corporate governance code requirements.⁴
- 4.7 Applicants should refer to the guidance and [application form for becoming a Participating Member](#). We will aim to raise any issues early in the process.

5 Corporate governance

- 5.1 The responsibility for corporate governance of a MTC rests with its Board. The management and control of the MTC must be in or from within Jersey. A MTC and its Board are expected to be able to demonstrate appropriate qualifications, experience, competency, and a broad complementary skill set relevant to the business.⁵
- 5.2 To further secure accountability and establish a connection of substance with the ultimate shareholders, the Board of a MTC would ordinarily have the span of control requirement met locally by the Manager and include one or two Directors from the parent Board. The Directors provided by the Manager may not be engaged on the business of the MTC on a full-time basis; however, they must be actively involved in the day-to-day management of the business and be able to exercise executive powers on behalf of the Manager. The JFSC would expect the majority of the Board of a MTC to be made up of Jersey resident individuals throughout the registration of a MTC.⁶
- 5.3 The JFSC expects the Board of a MTC to meet regularly and the MTC must maintain proper records, including Board minutes and reports/papers submitted for the Board's consideration. The Board should periodically consider the adequacy of its span of control, especially in the event of changes to, among other things, the board, staffing provided by the Manager, or changes to the nature of its business.⁷
- 5.4 It is the responsibility of the Board of a MTC to monitor its business risks notwithstanding that day-to-day monitoring will usually be done by the Manager.
- 5.5 The Manager must pay due regard to the risks that might arise from performing its role, as part of its own corporate governance.⁸

6 Compliance function

- 6.1 The JFSC expects:
- 6.1.1 a MTC is to share the same compliance function as that of its Manager to adequately demonstrate consistency and effective use of policies and procedures and systems and controls between both businesses and

⁴ See section 3.1.1.3 of the TCB Code.

⁵ See section 3.1.2 of the TCB Code

⁶ See section 3.1.2 of the TCB Code

⁷ See Section 3.2. TCB Code

⁸ See section 3.2.10 of the TCB Code

- 6.1.2 the positions of Compliance Officer, Money Laundering Reporting Officer and Money Laundering Compliance Officer (together referred to as **Key Persons**) to be fulfilled by employees of the Manager.
- 6.1.3 The JFSC will consider proposals where a MTC wishes to utilise the services of Key Persons who are not provided by the Manager, so long as the proposed incumbent is resident in Jersey and is fit and proper to undertake the role. All appointments will be considered on a case-by-case basis; however, where the JFSC agrees to such an arrangement, the Manager is expected to maintain oversight of the functions of the MTC and ensure there is adequate monitoring of all the MTC's activities.

7 Policies and procedures

- 7.1 The Manager is responsible for the operating environment of a MTC. To effectively demonstrate this, both businesses are expected to share the same policies, procedures, systems and controls.
- 7.2 The JFSC recognises that in some cases the business model of a MTC will be different from that of the Manager and it may be appropriate for some modification to the policies and procedures to reflect those differences. The JFSC expects the rationale for variances to be agreed and fully documented by the boards of both the Manager and the MTC, alongside robust assessments of any risks that may follow consequently thereof and how they will be mitigated.

8 Staffing

- 8.1 The JFSC expects the Manager to ensure it has adequate staff resources to manage both its own business and the business of the MTC. The MTC is not expected to directly employ its own staff.

9 Contractual arrangements

- 9.1 The JFSC expects there to be a formal written agreement between the Manager and the MTC clearly specifying the terms of engagement and the levels of service to be provided by the Manager. This agreement should be periodically reviewed to ensure that it remains current, accurately reflects the arrangement, and complies with the requirements of the regulatory regime.

10 Outsourcing

- 10.1 If a Manager performs outsourced activity on behalf of a MTC (e.g., the provision of corporate directors to the MTCs clients), and where such services are consistent with the standards set out in this guidance, such outsourced activity is not caught by the Outsourcing Policy as per section 2.2.3.3 of the same.

11 Conflicts of interest

- 11.1 A MTC and its Manager must have regard to conflicts of interest, including any that arise from the arrangements between a MTC and its Manager. One example of a conflict of interest

would be if a MTC and its Manager find themselves acting for different customers and a dispute arises between these customers.⁹

11.2 All identified conflicts of interest must be addressed by both the MTC and its Manager and adequate procedures implemented to avoid any conflicts of interest arising, or where they arise, manage them appropriately.¹⁰

11.3 A MTC must be able to meet the financial resource requirements independently of its Manager. The JFSC expects the management fee paid by a MTC to its Manager to be included as an expense in the MTC’s adjusted net liquid asset calculation.¹¹

11.4 As the Manager undertakes control and management functions, mandatory professional indemnity insurance may equally be provided by them.¹²

12 Termination of services

12.1 A MTC must notify the JFSC, in writing, within a reasonable time of resolving to give notice of termination, by either the MTC or its Manager, of the services agreement between the MTC and its Manager.

13 Supervisory approach

13.1 A MTC will be subject to the same regulatory supervision as any other registered person, for example, it may be subject to periodic reviews such as examinations, by the JFSC.

13.2 The JFSC requires an understanding of the risk-profile and make-up of the MTC’s clients.

14 Summary Comparison: Managed Trust Company vs. Participating Member

14.1 The table below summarises the key differences between a MTC and a Participating Member within an Affiliation:

Managed Trust Company	Participating Member
Externally driven business	Common management, controls, systems, and staff. However, in certain cases, particularly within larger affiliations, the PM and the affiliation leader may comprise of completely different individuals, especially at the board level.

⁹ See Section 2.4 of the TCB Code.

¹⁰ See Section 2.4 of the TCB Code.

¹¹ See section 5.1 of the TCB Code and Section 1.2 of the TCB Fees Notice.

¹² See section 5.2.9 of the TCB Code.

Relies upon a local “host” known as the Manager	Depends on the Affiliation Leader
Registered under Article 9 of the Financial Services (Jersey) Law 1998 as a standalone entity	Managed by the Affiliation Leader’s board with no third-party influence (e.g., board presence, shareholding, or options)
Subject to different ultimate beneficial ownership. MTC are customers of the manager.	Common beneficial ownership with the Affiliation Leader
Expected to meet financial resource requirements independently (per Principle 5 of the TCB Code of Practice)	PM accounts should be consolidated with the Affiliation’s accounts if applicable Covered by the Affiliation Leader’s professional indemnity insurance
May rely on the Manager for infrastructure and local presence	A PM may rely on the affiliation leader for infrastructure and local presence.
Directors must be actively involved in day-to-day management. ¹³	

15 Conclusion

- 15.1 If after considering this guidance there are areas that remain uncertain, the JFSC would encourage Managers, affiliation leaders, participating members and/or MTCs to contact the JFSC to discuss.

¹³ See section 3.1.2 of the TCB Code.

Glossary

The following table sets out a glossary of terms used in this Guidance Note.

Affiliation	in respect of a registered person or an applicant for registration, means a group of persons carrying on or intending to carry on trust company business the members of which have agreed that one member will be the affiliation leader
Affiliation Leader	in respect of an affiliation, means the member of the affiliation which has agreed to be the prime source of contact between the Commission and the members of the affiliation with respect to compliance with the Commission's prudential rules and conduct of business regulation affiliation leader (see Trust Company Business Fees Notice)
Auditor	shall have the meaning assigned to it in Article 1(1) of the FS(J)L.
the JFSC	Jersey Financial Services Commission
the FS(J)L	Financial Services (Jersey) Law 1998
Licensing Policy	Licensing Policy in respect of those activities that require registration under the Financial Services (Jersey) Law 1998
Manager	A registered person who has been granted a class N trust company business registration under the FS(J)L
MTC	Managed Trust Company
PM	Participating Member, in respect of an affiliation, means a member of the affiliation who is not the affiliation leader see the TCB Fees Notice
the TCB Code	Code of Practice for Trust Company Business
registered person	A person registered by the JFSC under Article 9 of the FS(J)L
TCB	Trust Company Business
TCB Fees Notice	Notice of Fees – Trust Company Business