

# Consultation on limited liability companies guidance

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# 1 Executive summary

## 1.1 Overview

- 1.1.1 This consultation paper asks for feedback on proposed changes to our [guidance on limited liability companies \(LLCs\)](#).
- 1.1.2 We introduced the LLC product in Jersey in 2018. As of 19 June 2026, 49 LLCs have been registered.
- 1.1.3 Industry feedback is that some parts of the current guidance may limit the use of LLCs. We have therefore worked with an industry working group to consider targeted changes to the guidance.
- 1.1.4 The proposed changes would allow Jersey LLCs to be used in more ways, including as corporate trustees, for certain regulated financial services businesses. We are also proposing lifting the restriction on the use of LLCs for financially sophisticated investors and making further clarifications to improve the accessibility of the guidance.
- 1.1.5 The draft new guidance is included as [Appendix A](#).
- 1.1.6 These proposals support our strategic aim to simplify the regulatory framework, ensuring our guidance is proportionate and accessible. This helps industry apply requirements consistently and supports confidence in Jersey as a well-regulated international finance centre.

## 1.2 Who would be affected?

- 1.2.1 The proposals may affect:
  - 1.2.1.1 Jersey corporate trustees
  - 1.2.1.2 fund services business, trust company business, investment business, general insurance mediation business or money service business under the Financial Services (Jersey) Law 1998 (**FSJL**)

## 1.3 Invitation to comment

- 1.3.1 We welcome your views on the proposals, including the:
  - › use of LLCs as corporate trustees
  - › use of LLCs as fund services business, trust company business, investment business, general insurance mediation business or money service business under the FSJL
  - › removal of the limitation on the use of LLCs for financially sophisticated investors and customers only
  - › clarity and accessibility of the guidance
- 1.3.2 [Submit your response via our SmartSurvey](#) by **12:00pm** on **Thursday 6 August**.

## 2 Consultation

### 2.1 Basis for consultation

- 2.1.1 The JFSC is a statutory body corporate established under the Financial Services Commission (Jersey) Law 1998 (**the Commission Law**). It is responsible for the supervision and development of financial services provided in or from within Jersey
- 2.1.2 We have issued this consultation paper in accordance with Article 8(3) of the Commission Law, as amended, under which the JFSC “may, in connection with the carrying out of its functions ...consult and seek the advice of such persons or bodies whether inside or outside Jersey as it considers appropriate”.

### 2.2 Have your say

- 2.2.1 We invite feedback on this consultation paper by **12:00pm on Thursday 6 August**.
- 2.2.2 [Submit your feedback online](#).
- 2.2.3 Where a response is submitted by an industry body or trade association, that body or association should also provide a summary of the type of individuals and institutions that it represents.
- 2.2.4 Any queries should be directed to [policy@jerseyfsc.org](mailto:policy@jerseyfsc.org).
- 2.2.5 All responses will be considered non-confidential (unless specifically requested otherwise by the respondent).

### 2.3 What next?

- 2.3.1 We plan to publish feedback on this consultation in September 2026, ahead of implementation of the new guidance.

## 3 Proposals

### 3.1 Permit the use of LLCs as corporate trustees

- 3.1.1 We propose to allow LLCs to act as corporate trustees. This change aligns with recent updates to the Trusts (Jersey) Law, which removed ambiguity about whether a Jersey LLC can meet the requirements to be a corporate trustee.

#### Question 1

**Do you agree with the proposal to allow LLCs to serve as trustees?**

[Yes/No]

If 'no', please state your concern(s) and suggest how we could address them.

### 3.2 Permit the use of LLCs for certain classes of FSJL regulated businesses

- 3.2.1 We propose to allow LLCs to be used for fund services business, trust company business, general insurance mediation business or money service business regulated under the Financial Services (Jersey) Law (FSJL).
- 3.2.2 Neither the FSJL nor the LLC Law prohibits the use of LLCs for these categories of regulated business. These changes would not affect the usual process for businesses wishing to obtain regulatory authorisation(s). [Find out more on our approach to authorisations.](#)

#### Question 2

**Do you agree with the proposal to allow LLCs to be used for fund services business, trust company business, investment business, general insurance mediation business, or money service business under the FSJL?**

[Yes/No]

If 'no', please state your concern(s) and suggest how we could address them.

### 3.3 Remove the limitation for financially sophisticated investors or customers only

- 3.3.1 We propose to remove the limitation on the use of LLCs to financially sophisticated investors or customers. The requirement for administration services to be provided by a regulated trust company business will still apply. This change does not affect the duties of regulated financial services businesses under the relevant codes of practice, including the obligation to have due regard to the interests of customers. It does, however, remove the automatic presumption that an LLC structure is only suitable for the financially sophisticated.

#### Question 3

**Do you agree with the proposal to remove the limitation on the use of LLCs for financially sophisticated investors or customers only?**

[Yes/No]

If 'no', please state your concern(s) and suggest how we could address them.

### 3.4 Clarity and accessibility of the guidance note

- 3.4.1 In addition to the above, we have made changes to improve the clarity and accessibility of the guidance.

#### Question 4

**Do you agree that the guidance is clearer and easier to use?**

[Yes/No]

If 'no', please state your concern(s) and suggest how we could address them.

## 4 Next steps

- 4.1.1 This consultation closes at **12:00pm on Thursday 6 August 2026**. We aim to publish our feedback and outline next steps in September 2026.

## 5 Summary of questions

Page	Question
5	<b>Question 1</b> Do you agree with the proposal to allow LLCs to serve as trustees?
5	<b>Question 2</b> Do you agree with the proposal to allow LLCs to be used for fund services business, Trust Company Business, Investment Business, General Insurance Mediation Business, or Money Service Business under the FSJL?
5	<b>Question 3</b> Do you agree with the proposal to remove the limitation on the use of LLCs for financially sophisticated investors or customers only?
6	<b>Question 4</b> Do you agree that the guidance is clearer and easier to use?

# Appendix A: draft revised guidance on LLCs

## 1 Law and Regulations

On 1 September 2022, the [LLC Law](#) and three sets of Regulations came into force:

- [General Provisions Regulations](#) - these relate to accounts and audit, prospectuses, takeovers, compromises and arrangements, mergers, demerger, continuance, economic substance test and investigations
- [Winding Up and Dissolution Regulations](#) - these relate to summary winding up, creditors' winding up, transactions at an undervalue and preferences and liquidators
- [Consequential Amendments Regulations](#) - these amend 35 Laws, Regulations and Orders, such as the AIF Regulations, Control of Borrowing (Jersey) Law 1947 and the COBO, FSJL and several of its Orders (including certain Exemptions Orders)

On 14 February 2023, two further sets of Regulations came into force:

- [Limited Liability Companies \(Amendment\) \(Jersey\) Regulations 2023](#) - these amend the LLC Law by ensuring that the legal treatment of LLCs that are bodies corporate is broadly the same as for LLCs that are unincorporated bodies
- [Limited Liability Companies \(Winding Up and Dissolution\) \(Amendment\) \(Jersey\) Regulations 2023](#) - these introduce changes to the Winding Up and Dissolution Regulations

## 2 Legal status

LLCs are registered under the LLC Law and are based on a US equivalent model. They should not be confused with companies incorporated under the Companies Law.

An LLC has a legal personality separate from that of its members.

At registration, an LLC may be a body corporate or an unincorporated body.

## 3 Governance and ownership

Subject to the LLC Law, an LLC is governed by the terms of its LLC agreement. The LLC Law provides for various default positions where the LLC agreement is silent.

Ownership of the LLC vests in its member(s), which may hold LLC interests on the terms of the LLC agreement. An LLC may have a sole member.

If an LLC agreement does not provide for the appointment of managers, or it does but none are appointed, the management of an LLC vests in its members.

An LLC must have a secretary that is either:

- › a member or manager being a person ordinarily resident in Jersey or a company with a registered office in Jersey
- › registered to provide such services under the FSJL

## 4 Disclosure requirements

LLCs are subject to the [Financial Services \(Disclosure and Provision of Information\) \(Jersey\) Law 2020](#) and as such, will be required to disclose to the Registry information on the beneficial owners and the significant persons (being managers or managing members) of the LLC and, to provide notification to the Registry of any changes to that information within 21 days.

LLCs will also be required to submit an annual confirmation statement to the Registry disclosing up to date information on the beneficial owners and the significant persons of the LLC and its registered office address.

A nominated person must be appointed to act as the LLC's main contact with the Registry for the purpose of making the disclosures set out above.

## 5 Restrictions on use

As with all vehicles, the JFSC will review any application to register under the LLC Law, having regard to the proposed activities of the LLC and all other relevant legislation and regulatory requirements, including the JFSC Sound Business Policy.

LLCs are not currently permitted to carry on the following regulated activity:

- › banking business under the BBJL
- › CIF activity under the CIFJL
- › insurance business under the IBJL

Although the LLC Law makes provision for series, the relevant provisions of the LLC Law have not yet been brought into force.

Outside of the above restrictions, LLCs may otherwise be used for any purpose permitted by law and regulation.

The requirement for administration services to be provided by a regulated trust company business (TCB) will still apply to Jersey non-financial services trading businesses.

## 6 General establishment requirements

At registration, an LLC is granted a consent by the JFSC under Article 11A of the [Control of Borrowing \(Jersey\) Order 1958 \(COBO\)](#).

All COBO consents are conditioned to require the LLC agreement to be in writing.

COBO consents are also conditioned to require administration services to be provided to an LLC on establishment and on an on-going basis by a person registered under the FSJL to carry on trust company business.

## 7 Providing TCB services to an LLC

The following activities and classes of TCB permit the provision of TCB services to an LLC:

- › **Class F** - acting as a company, partnership or foundation formation agent or an LLC registration agent
- › **Class I** - acting or arranging for another person to act as secretary, alternate, assistant or deputy secretary of a company, as secretary of an LLC or as secretary of a limited liability partnership
- › **Class J** - providing a registered office or business address for a company, an LLC, a partnership or a foundation
- › **Class K** - providing an accommodation, correspondence or administrative address for a company, an LLC, a partnership or a foundation or for any other person
- › **Class M** - acting as or fulfilling or arranging for another person to act as shareholder, member, unitholder or as a nominee for another person
- › **Class OB** - acting as or fulfilling the function of or arranging for another person to act as or fulfil the function of a member or manager of an LLC

Under the FSJL, if a corporate or a natural person is providing manager or member services to an LLC 'by way of business', registration for TCB will be required where no exemptions to registration under the FSJL apply.

If you require to be registered to provide TCB services to an LLC, you will need to apply to the [JFSC Authorisations Team](#):

- outlining your intention
- detailing any capacity or competency considerations
- attaching an updated business plan and business risk assessment

An LLC application will be subject to the relevant LLC application fee.

# Glossary

Defined terms are indicated throughout this document as follows:

BBJL	Banking Business (Jersey) Law 1991
CIFJL	Collective Investment Funds (Jersey) Law 1988
Commission Law	Financial Services Commission (Jersey) Law 1998
FSJL	Financial Services (Jersey) Law 1998
IBJL	Insurance Business (Jersey) Law 1996
JFSC	Jersey Financial Services Commission
Limited liability company	LLC
TJL	Trusts (Jersey) Law 1984