

Feedback statement on Limited Liabilities Companies guidance

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1 Executive summary

1.1 Introduction

This paper summarises the feedback we received on our consultation on revised guidance for Limited Liability Companies (**LLCs**) and provides our response.

The consultation sought views on proposals to:

- allow LLCs to act as trustees
- allow LLCs to be used for fund services business, trust company business, investment business, general insurance mediation business and money service business under the Financial Services (Jersey) Law 1998 (**FSJL**)
- remove the limitation that restricts the use of LLCs to financially sophisticated investors or customers
- make the guidance clearer and easier to use

We received three formal responses. All supported the proposals. We are grateful to everyone who took the time to respond.

1.2 Background

The Limited Liability Companies (Jersey) Law 2018 introduced LLCs into Jersey's legislative framework. Further amendments to the LLC in 2022 and 2023 introduced five additional regulations. The law is based on a US equivalent model, and LLCs are a distinct vehicle from companies incorporated under the Companies Law. An LLC has a legal personality, separate from that of its members.

Jersey's legislative framework has developed since we introduced the guidance. This includes changes to the [Trusts \(Jersey\) Law 1984](#) , with subsequent Trusts (Jersey) Amendment Law 2026 which introduced specific trust company business classes for services provided to LLCs.

Industry feedback indicated that some parts of our existing guidance, limit the circumstances in which an LLC may be used for regulated financial services business, including placing restrictions on services provided only to financially sophisticated investors or customers. We therefore reviewed and proposed changes to the guidance to make sure it:

- reflects the current legislative framework
- gives entities greater certainty about the regulated use of LLCs
- is clear and practical to apply

This work supports our strategic aim of enabling economic growth in Jersey as part of our initiative to simplify and modernise our regulatory framework.

1.3 Feedback summary

We received three formal responses to the consultation. All three respondents supported each of the four proposals.

The principal themes arising from the feedback were:

- **LLCs acting as trustees:** respondents supported clarifying that an LLC may act as a trustee, noting that an LLC has separate legal personality and is capable of holding assets and entering into legal arrangements. One respondent suggested that the guidance should make clear that the use of an LLC does not alter the fiduciary obligations, regulatory expectations or duties applying to a trustee.
- **use for regulated financial services business:** all respondents supported permitting LLCs to be used in relation to the specified classes of financial services business under the FSJL.
- **removal of the financially sophisticated person limitation:** all respondents supported removing the limitation. One respondent noted that retaining it would unnecessarily restrict the potential market for LLCs, while also seeking assurance that the risks associated with LLCs would remain appropriately managed.
- **clarity of the revised guidance:** all respondents considered the revised guidance clearer and easier to use. One respondent requested further clarification on the interaction between trust company business Class OB and other potentially relevant classes, particularly where a person acts as a manager or member of a Jersey or foreign LLC.

1.4 Policy position and next steps

We intend to proceed with the policy proposals set out in the consultation.

The final guidance will:

- confirm that an LLC may act as a corporate trustee
- permit LLCs to be used for the specified categories of financial services business
- remove the restriction to financially sophisticated investors or customers
- make clear that the legal and regulatory duties linked to each activity remain unchanged
- explain the trust company business classes that may apply to services provided to an LLC

This approach supports responsible growth by widening the range of options available to Jersey entities and their clients. It also removes restrictions that are no longer needed to achieve an appropriate regulatory outcome

We will therefore finalise the guidance, with a registry go live date of the **14 October 2026**.

In respect of series LLCs, we are exploring options as part of our ongoing commitment to continuous improvement and will update in due course.

2 Consultation feedback and our comments

2.1 Questions 1 to 3: permitted use of LLCs

Q1: Do you agree with the proposal to allow LLCs to serve as trustees?

Q2: 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?

Q3. Do you agree with the proposal to remove the limitation on the use of LLCs for financially sophisticated investors or customers only?

Overview	The consultation proposed allowing limited liability companies (LLCs) to act as corporate trustees and to be used for fund services business, trust company business, general insurance mediation business and money service business under the Financial Services (Jersey) Law 1998. It also proposed removing the restriction that limits their use to financially sophisticated investors or customers, with the requirement for administration services to be provided by a regulated trust company business to still apply.
Industry feedback	All three respondents agreed with all three proposals. In relation to acting as a trustee, one respondent noted that: • a limited liability company has separate legal personality • it can hold assets and enter into legal relationships in a similar way to a company • there is no clear policy reason for treating it differently from a company when acting as a trustee • the change may support new business opportunities, particularly for clients familiar with LLC structures in the United States. The respondent also noted that the guidance should make clear that existing fiduciary obligations, regulatory expectations and trustee duties remain unchanged, regardless of the trustee's legal form. Respondents also supported extending the use of LLCs across the proposed categories of financial services business. There was unanimous support for removing the financial sophisticated investor or customer limitation. One respondent observed that retaining the restriction would reduce the potential market for LLCs. The respondent supported removal subject to appropriate consideration of any associated risks.
Our response	We welcome the unanimous support for these proposals and will proceed with the changes.

2.2 Q4: Clarity and ease of use

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

Overview	The consultation included revised guidance intended to improve its structure, accessibility and practical application.
Industry feedback	All respondents agreed that the revised guidance is clearer and easier to use. One respondent asked for more detail on the trust company business class needed when a person acts, by way of business, as a manager or member of an LLC. The respondent noted potential interaction or overlap between Class OB and other trust company business classes, including: • Class G, in circumstances where the definition of “director” includes the manager of an LLC • Class H, where the definition of “partner” may include a member of an LLC • Class M, concerning nominee arrangements and the inclusion of members • Classes F and I, relating to formation, registered office and secretarial services The respondent also identified potential differences in treatment between Jersey LLCs and foreign LLCs and between LLCs that are body corporate and those that are not. It suggested that requiring a registered person to determine whether a foreign LLC constitutes a body corporate could create practical difficulty and lead to inconsistent interpretations.
Our response	We welcome the confirmation that the revised guidance is clearer and easier to use. We also recognise the importance of setting clear expectations in respect of licensing requirements and take this opportunity to clarify our expectation that TCBs providing services to an LLC are required to hold a class OB license. Outcome: We will publish the revised guidance with additional wording to further clarify the position in respect of license requirements where LLC services are being provided.

3 Next steps

- 3.1.1 We will proceed with the proposals set out in the consultation. The final guidance will confirm that LLCs may act as corporate trustees, permit their use for the specified categories of financial services business and remove the restriction to financially sophisticated investors or customers. It will also add further explanation of the license classes that are required to provide services to Jersey and foreign LLCs.
- 3.1.2 The final guidance and revised registry arrangements will take effect on **14 October 2026**.
- 3.1.3 We are also considering options for series LLCs and will provide an update as this work develops.
- 3.1.4 We are grateful to all stakeholders who engaged and submitted responses to this consultation. Any further comments or queries should be directed to policy@jerseyfsc.org.

Appendix A – list of respondents to the consultation paper

Name of respondent	Type of business
RBC Trust Company (International) Limited	Trust Sector
Mourant Governance Services	Professional and Financial Services sector
Ogier	Professional services and legal sector