

Why choose a Jersey trust?

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During the past forty years, thousands of individuals have chosen Jersey as the location in which to establish a trust - but why is this?

Well, firstly Jersey has been self governing for over 800 years, during which time it has established itself as a leading international finance centre for private (and institutional) clients seeking a quality location.

Jersey's leading role as an international finance centre has been the result of the Island's long standing ability to maintain what is recognised worldwide as a high quality and stable commercial environment that meets the diverse needs of international investors.

The three primary factors which may be taken into account when selecting Jersey as a location to establish a trust are:

- (1) **Quality and reputation of the jurisdiction;**
- (2) **Excellence of regulation and law; and**
- (3) **The choice of trustee providers.**

(1) Quality and Reputation of the Jurisdiction

Jersey is self governing and is not part of the United Kingdom nor is it part of the European Union. Its constitutional position has remained stable since 1204, and it has its own parliament and sets its own laws and taxation policy.

With a population of 88,000 inhabitants within its 45 square miles of land, Jersey has evolved a reputation for integrity and is the jurisdiction of choice for an increasing number of international clients.

Not surprisingly, laws have been developed by the Government to protect and grow this business, which accounts for well over half of the GDP of the Island.

Jersey safeguards its reputation by only allowing major banks into the Island, and licensing all trust companies and fiduciary service providers to ensure the exclusivity, security and high quality which clients have come to expect - and which is all too often missing in other jurisdictions.

In addition, Jersey has a very high quality infrastructure, with excellent physical links to London and other cities, the most modern electronic communications and a wealth of top quality lawyers and accountants.

With a very low crime rate and one of the highest GDP's per capita in the world, inhabitants have access to top quality schools and medical services.

These factors aligned to an Island with exceptional natural beauty, a stable climate and good facilities attracts high quality and long term employees - a further defining factor when clients demand high quality service.

(2) Excellence of Regulation and Law

Jersey's legal system under which trusts are governed and under which Jersey regulates its service providers is widely regarded to be the best in the world.

The "Trust (Jersey) Law 1984" took further the legal concept originally developed by English courts of equity in order to meet the more sophisticated needs of international clients. Such was the success of the law, it has widely been copied by other jurisdictions and the next revision, due in 2006, will introduce a number of modern and innovative developments.

Interpretation of the law is supported by a considerable body of local trust case law and the concept is not only fully recognised in the local courts, but also gives jurisdiction to the Royal Court of Jersey over foreign and domestic trusts administered in Jersey.

Jersey also has strict regulation for trust companies which must reach exacting standards of professionalism, security and control. These include tests on the probity of owners/employees, ability to pass full audits, capital and insurance requirements and a four/six eyes span of control.

(3) Choice of Trustee Provider

Jersey has a well established and wide range of fully regulated providers of trust services, each licensed by the Jersey Financial Services Commission. These include independent trust companies, as well as those owned by, or linked to financial institutions, lawyers or accountants.

The size of such Companies also varies, as does the specialties which certain providers offer, all of which adds up to a wide and varied choice to meet the customers needs.

Through industry bodies such as The Jersey Association of Trust Companies, and the Jersey Banking Association Trust Sub Committee, plus the largest single Branch of the Society of Trust and Estate Practitioners, Jersey trustees are well placed to ensure that the interests of their clients are well understood, protected and developed.

Professionalism of staff is also a hallmark of Jersey and this significant experience of dealing with clients makes for quick and easy responses by Jersey trustees who both visit clients around the world, and who also welcome visits to their offices in Jersey. It is this that enables the Jersey trustee to develop a familiarity with client requirements and align this with the technical knowledge required to meet their needs - often over many, many years.

The Jersey location provides the setting, the Jersey regulation provides the framework, and the Jersey trustees provide the relationship that promises and consistently delivers to the client the responsiveness and quality of service they demand from a jurisdiction.

It is these factors that continue to make Jersey such an attractive choice for trust clients. **b**

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