COLLAS CRILL

# Private Investment Fund Rules and Guidance, 2021

APRIL 2021

The Guernsey Financial Services Commission has released the Private Investment Fund Rules and Guidance, 2021, updating the original Private Investment Fund Rules, 2016, with effect from today. This comes off the back of an industry consultation in 2020 on the possibility of adding further flexibility to Guernsey's lighter regulatory fund regime. The changes provide for two new categories of PIF, neither of which require a licensed manager.

The new rules and guidance have a number of minor amendments but the most noteworthy change is the introduction of three "routes" to registration: the POI Licensed Manager PIF (Route 1), the Qualifying Private Investor PIF (Route 2) and the Family Relationship PIF (Route 3).

- Route 1 conforms to the original PIF model, with the criteria for such a Route being the original PIF criteria (fewer than 50 investors, limits on investors in and out in a 12 month period, must have a manager);
- Route 2 is for structures aimed at "Qualifying Private Investors" (QPI), which is defined in the rules and similar to your typical qualifying professional investor (i.e. able to evaluate the risks and to bear the consequences of investment). The designated administrator of a QPI PIF is required as part of the application process to declare to the Commission that it has effective procedures in place to ensure the fund is restricted to QPIs;
- Route 3 is for "family" structures i.e. all investors are required to share a family relationship or be an eligible employee of the family (an eligible employee effectively being a QPI for these purposes). The designated administrator of a Family Relationship PIF is required as part of the application process to declare to the Commission that it has effective procedures in place to ensure the fund is restricted to persons related as family. Crucially, a Family Relationship PIF cannot be marketed outside of the family group.

All existing Private Investment Funds on the date of the introduction of these rules will be recognised as a "Route 1" POI Licensed Manager PIF".

This note is a summary of the subject and is provided for information only. It does not purport to give specific legal advice, and before acting, further advice should always be sought. Whilst every care has been taken in producing this note neither the author nor Collas Crill shall be liable for any errors, misprint or misinterpretation of any of the matters set out in it. All copyright in this material belongs to Collas Crill.

COLLAS CRILL

**For more information please contact:**




## Wayne Atkinson

Partner (Advocate) | Guernsey

**t:** +44 (0) 1481 734225 | **e:** wayne.atkinson@collascrill.com



This note is a summary of the subject and is provided for information only. It does not purport to give specific legal advice, and before acting, further advice should always be sought. Whilst every care has been taken in producing this note neither the author nor Collas Crill shall be liable for any errors, misprint or misinterpretation of any of the matters set out in it. All copyright in this material belongs to Collas Crill.