



JERSEY ICOS – GOVERNMENT ISSUES STATEMENT

DECEMBER 2017

Jersey's government has issued a [statement in relation to virtual token offerings](#), known as initial coin offerings (ICOs). ICOs are an emerging method of raising funds from the public through the use of distributed ledgers and blockchain technology. This follows the recent statement issued by the Jersey Financial Services Commission (**JFSC**) which you can read about [here](#).

The government statement marks another positive step towards securing Jersey's growing reputation as a centre for high-tech innovation.

The government envisages that Jersey entities may be used to conduct ICOs and anticipates that such entities will be administered by suitably regulated financial services business providers in Jersey and may be subject to specific conditions upon incorporation.

In practice, every Jersey company requires a registered office, company secretary and directors, and at least some of these services are ordinarily provided by a regulated financial services business provider. Every Jersey company also requires a consent from the Jersey Companies Registry to issue shares, known as a 'COBO Consent', pursuant to the Control of Borrowing (Jersey) Law 1947 and the Control of Borrowing (Jersey) Order 1958.

The government's statement confirms that consideration to the JFSC's Sound Business Practice Policy will be required, as it is for incorporation of every Jersey company, and for those entities considering conducting an ICO, bespoke additional conditions may be imposed.

As an international finance centre with a robust regulatory environment, Jersey continues to embrace digital development, from fintech to regtech, and is now an ideal choice of jurisdiction from which to launch an ICO in a European time zone, as a common law jurisdiction and with c13,000 finance industry professionals.

Collas Crill can support you with applications to the Registry and provide legal advice throughout your ICO process. For more information, please get in touch.

The Collas Crill Jersey regulatory team are actively involved in the development of the Island's approach to ICOs as part of a digital assets working group, and have been assisting clients in relation to ICOs, virtual currency exchanges and crypto funds for some time.

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