



# TRADE TALK: INNOVATION ON THE ISLAND

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In Funds Europe's Jersey report, a panel of experts in Jersey's funds industry share their views about setting up Jersey funds, ease of doing business and efficient transactions.

Here is what Collas Crill group partner Dilmun Leach had to say:

## How will the new Jersey LLC help shape future fund structuring?

Limited liability companies (LLCs) are both flexible and simple in terms of how they operate, being governed by a single bespoke agreement, and being one vehicle whose members each have limited liability. This is in contrast to companies operating under rigid rules set out in the companies law; and limited partnerships, which require a general partner and therefore at least two different vehicles.

The new Jersey LLC is intended to appeal to US-based managers and legal teams who frequently use LLCs in their fund structures. Given their flexibility, LLCs are the most common corporate vehicle in the US, and US managers will soon be able to structure their funds in the way that they are used to this side of the Atlantic.

The draft Jersey LLC law also allows for "series", each with their own separate legal personality that can be used to keep different income streams separate, or to ring-fence assets, which is a key advantage over competitor jurisdictions.

LLCs are also likely to be popular with managers in the UK and elsewhere. LLCs are used in a diverse range of roles including as carry vehicles, joint ventures, and even a fund vehicle itself.

The Jersey LLC law is still in draft form, and in addition to series, a key characteristic is the ability to elect whether they are tax transparent or tax opaque for US tax law purposes.

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