Jersey Finance

Delivering Insight ▪ Driving Innovation

Jersey: Supporting International Shari'a-Compliant Corporate Structuring

Case Studies

Introduction

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Built on six decades of experience, Jersey’s international finance centre remains right at the forefront of cross-border banking, wealth management, funds and capital markets activity – and it is its expertise in Islamic finance that, across all of these areas, has really come to the fore in recent years.

Unlike other jurisdictions, Shari’a-compliant structures, financing and contracts can be accommodated under existing Jersey legislation, meaning that they are regulated and administered on the same basis as conventional products and structures, while also enabling investors to take advantage of Jersey’s flexible legal system, robust regulatory regime, and tax neutral environment.

The result is that Islamic finance has grown to become a core element of Jersey’s cutting-edge global proposition.

We are proud today to be able to provide global investors with advice and support for their Shari’a-compliant investments and structures – and Jersey’s Islamic finance capabilities are being applied in increasingly diverse ways and supporting investors in a growing number of markets.

Within asset management, for instance, the jurisdiction is a preferred domicile for developed asset classes, such as real estate, private equity, commodity, and equity for Shari’a-compliant fund mandates. In particular, Jersey is highly experienced when it comes to appointing a Shari’a Supervisory Board (SSB) to provide guidance regarding Shari’a considerations and compliance.

In the corporate space, Jersey-based special purpose vehicles are used frequently in connection with a wide variety of Shari’a-compliant capital markets transactions, with Jersey entities being used to facilitate Sukuk structures.

On the private wealth side, a Jersey trust can provide an attractive vehicle for long-term generational wealth planning, while it is also possible to restrict a trust to ensure that it complies with Islamic law. In tandem, Jersey Foundations can be appealing for families looking at setting up Awqaf or Shari’a-compliant endowments.

And we are seeing Jersey’s Islamic finance capabilities being applied in new areas too – in particular against the backdrop of sustainable finance. By its very nature, Islamic finance has synergies with environmental, social and governance (ESG) considerations.

Within the pages of this publication, Jersey firms bring to life the evolving ways in which our jurisdiction’s expertise is being drawn on to support Islamic finance-driven strategies - from Shari’a-compliant investment management and real estate acquisition, to corporate restructuring and succession planning. I hope these case studies provide an insight into how Jersey is at the forefront of supporting Islamic finance in increasingly diverse areas, spanning the Middle East and beyond.

Jersey: Supporting International Shari’a-Compliant Corporate Structuring
Case Studies

CASE STUDY – CRESTBRIDGE FAMILY OFFICE SERVICES

CRESTBRIDGE FAMILY OFFICE SERVICES

Shari'a-Compliant Conventional Investing: A Mechanism for Multi-Generational Middle Eastern Families

Profile

A large Middle Eastern family whose wealth derived from multiple sources including inheritance, interests in international family organisations and personal ventures.

Objectives

The family were looking to create a harmonious structure that facilitated international co-investments in various sectors but also wanted a mechanism that allowed them to co-invest into conventional (non-Shari'a) funds with other conventional investors.

In addition to the Shari'a-compliant aspects, the structure had to align with global practices in respect of robust co-investment governance together with strict Shari'a compliance. Jersey was also favoured as a jurisdiction due to its comprehensive legal framework applicable to this type of structuring.

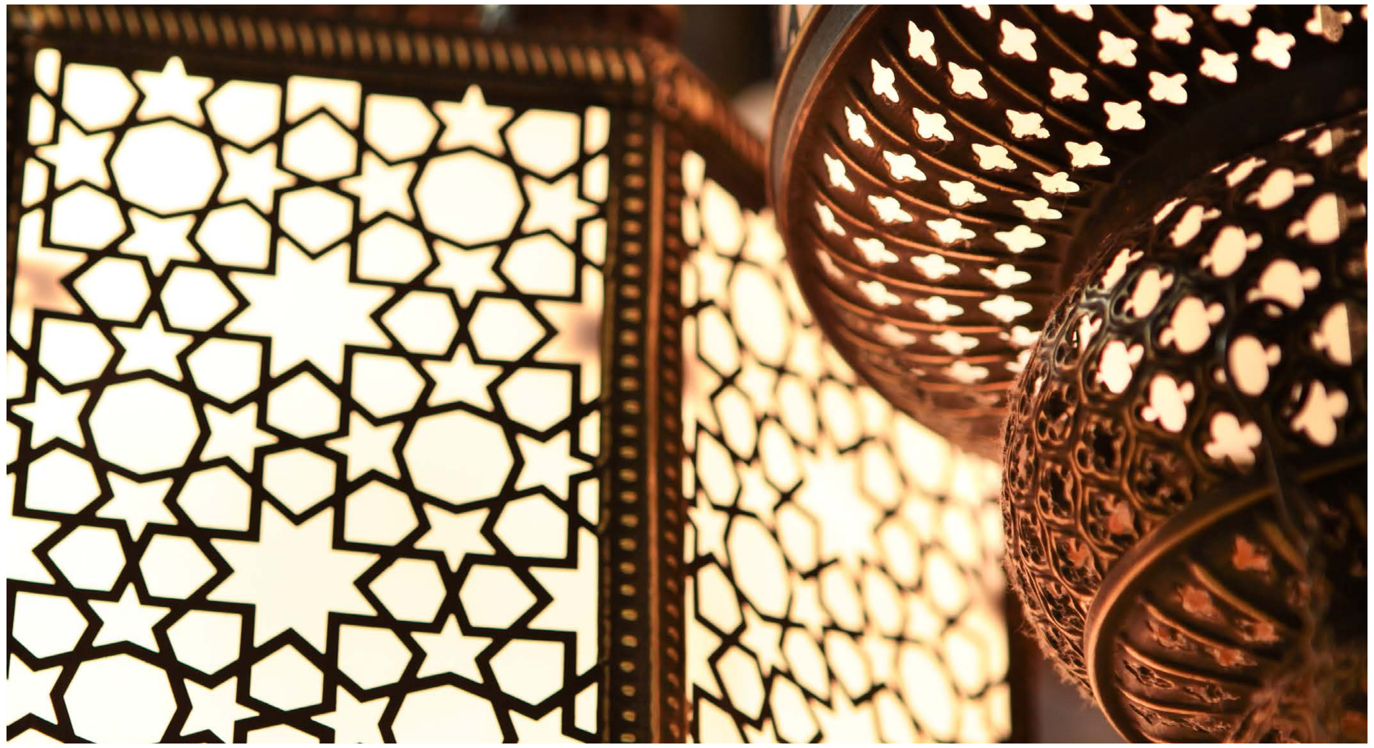
Implementation

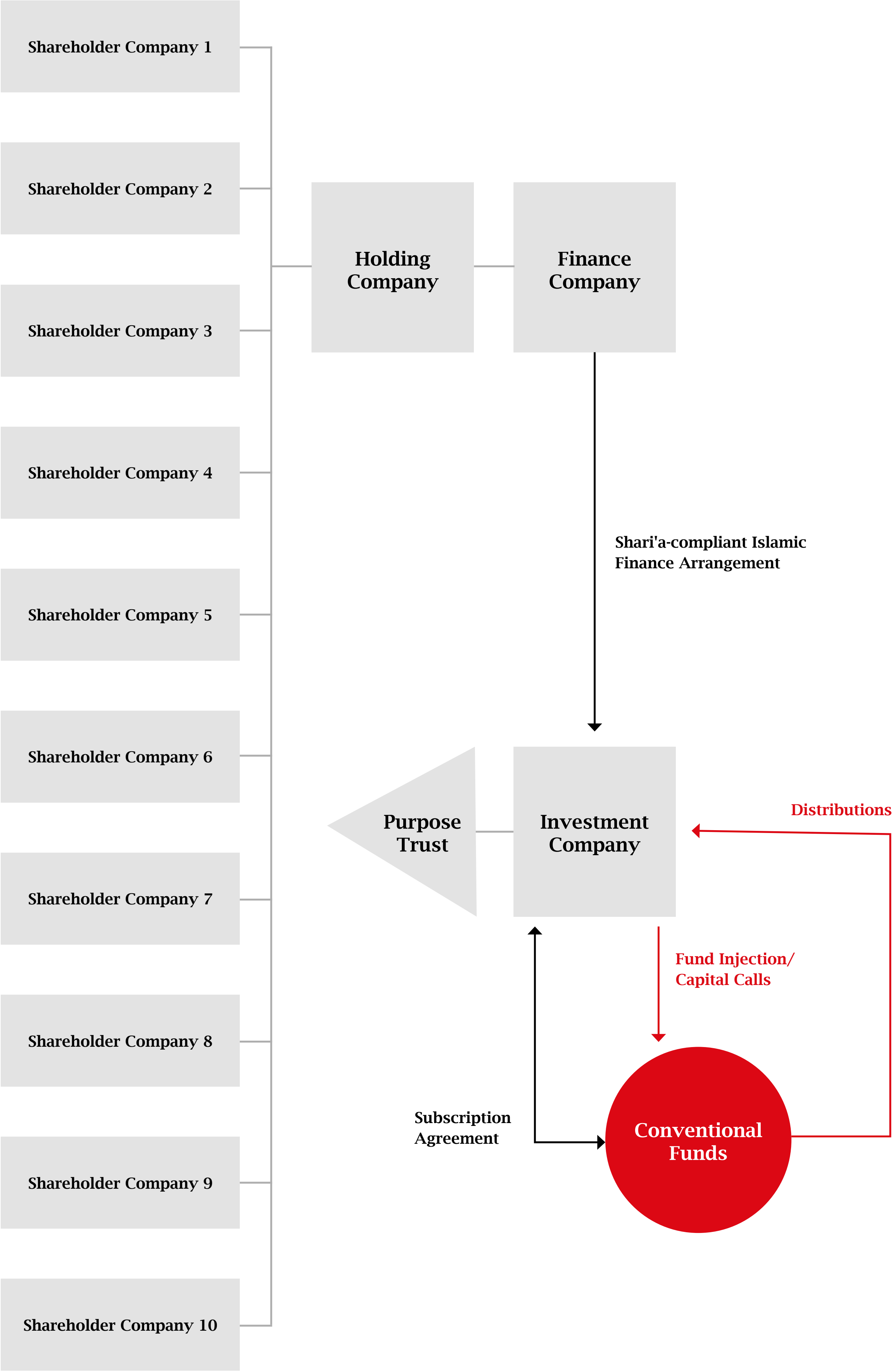
Crestbridge Family Office Services successfully implemented the professional advice prepared by two well-respected Middle East-based accounting and law firms. The structure included the establishment of ten shareholder companies (one for each family branch), one family holding company, an underlying finance company and an orphaned investment company with a Shari'a-Compliant Islamic finance arrangement blessed by the family's Shari'a Committee.

In addition to this, the family required the adoption of a robust and bespoke shareholder's agreement between them which detailed the rights, responsibilities, communication and provided for clear guidance for the family members as shareholders in relation to their interests in the structure.

Why this worked for the family

- United the family's existing interdependent investment objectives while simultaneously providing a flexible platform for additional co-investments in a Shari'a-compliant manner.
- Determined long-term clarity on how the family branches interests inter-relate to one another with robust yet proportionate governance given that it is a family structure with pooled wealth.
- Delivered clear mechanisms on family exits, additional further capital, return on capital and succession of interest within the family branches.





CASE STUDY – ENNESS GLOBAL

ENNESS GLOBAL

Structuring a Shari'a-Compliant Mortgage via Corporate Entities

The Client

An international family with a net worth in excess of US1$ billion, structured through various international corporate entities in reputable jurisdictions including Jersey. The family is globally mobile with fiscal residency in multiple international locations.

The Challenge

Raising mortgages using corporate entities can be difficult as lenders will usually consider this as a non-standard scenario, and they will take a very conservative approach. In addition, to structure a Shari'a-compliant mortgage via corporate entities, ultimately owned by UK non-resident investors, also remains very challenging.

Solution

In this case, we negotiated a loan with an independent, UK Shari'a-compliant bank that operates in the UK and the Middle East. We negotiated a highly competitive rate with a low lender arrangement fee. The borrower was a private UK limited company held by a Jersey company which was administered by a local corporate services provider. The Jersey entity was a subsidiary of an overseas company of which the clients were ultimate beneficial owners. The entire transaction was Shari'a-compliant.

Results

The client was able to raise finance through their UK entity, allowing for the efficiency of the structure via Jersey as well as maintaining the confidentiality of the UK property purchase.

CASE STUDY – EQUIOM

Equiom

Succession Planning Using Islamic Finance

Requirement

A Saudi Arabian family wished to invest into UK commercial property in order to diversify their investments. They wanted to achieve long term stable investment performance and ultimately for the asset to be passed on to their children and grandchildren for succession purposes.

Importantly, the family required Islamic financing by way of a bank facility as their investments must conform to Shari'a Law. The bank facility takes the form of 'cost-plus' financing known as a Murabaha.

Solution

Once financing was approved with a highly-regarded UAE Bank and relevant tax and legal advice had been taken, the next step was to establish a bespoke Jersey company. The Jersey company was established with multiple share classes enabling different voting rights for individual members of the family, in order to be compliant with Shari'a Law.

By establishing the company with multiple share classes, this enabled succession planning for the family's children to be implemented while taking into account their minor age. This coupled with financing using a Murabaha agreement provided an efficient vehicle for the investment.

Our expertise and experience in developing and managing this kind of wealth protection solution enables Equiom to supply Shari'a-compliant structures which meet the specific needs of the family.

CASE STUDY – FAIRWAY GROUP

FAIRWAY

Shari'a-Compliant Financing for Real Estate

Requirement

Fairway were approached by a prominent family based in the GCC who required Shari'a-compliant financing for real estate investment purposes.

Solution

With a strong affinity to the Middle East, Fairway has gained extensive knowledge and experience having worked with clients and intermediaries throughout the GCC for many years. With particular expertise in Shari'a-compliant structures, Fairway provides two options to support our clients' requirements for borrowing, both of which are Shari'a scholar approved and endorsed by Fairway's corporate teams and clients.

Shari'a-compliant lending (see structure 1):

A property owning company ("propco") enters into a lending arrangement with a Shari'a-compliant bank. The bank will create a Commodity Murabaha (trading of commodities in a trilateral agreement between the bank, propco and the original commodity holder). The funds that are used are automatically Shari'a-compliant once the commodity trade completes. Investors can invest directly into the holding vehicle ("holdco"), which wholly owns the propco and will receive returns that filter up from the propco via a distribution.

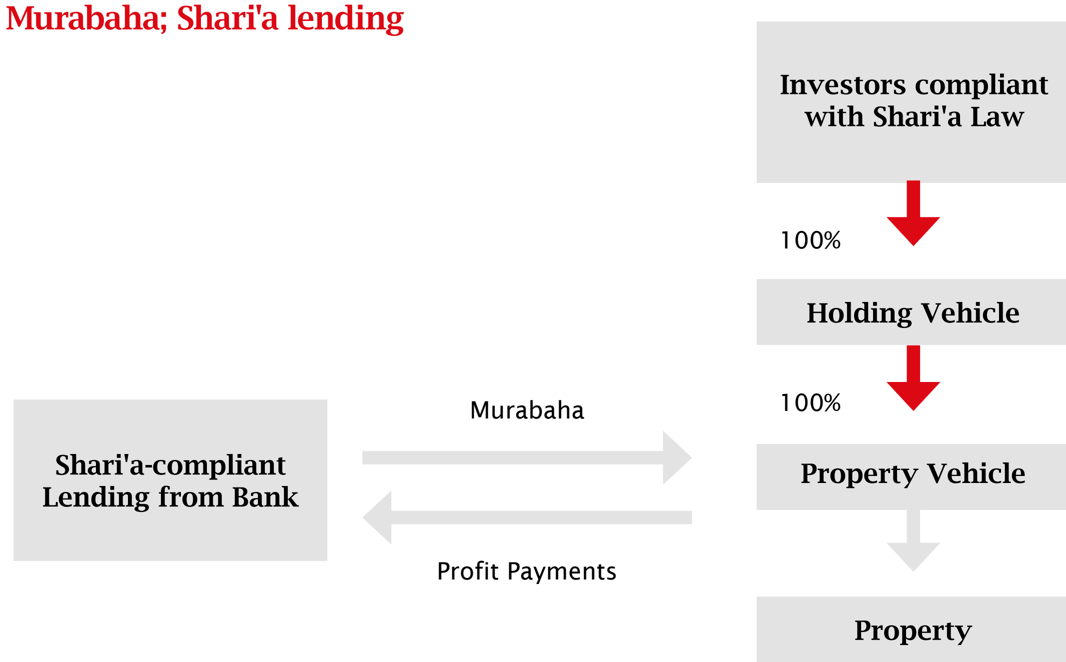
Conventional lending (see structure 2):

Similar to case study 1, there is a propco and a holdco, although in this scenario the propco is borrowing from a non-Shari'a-compliant lender and holdco is wholly owned by a Purpose Trust. The investors will invest into a financing company ("finco") that enters into a trilateral Commodity Murabaha agreement with the holdco and the initial commodity holder. Once the commodity trade ensues, the funds returned to the finco via Murabaha profit are now Shari'a-compliant.

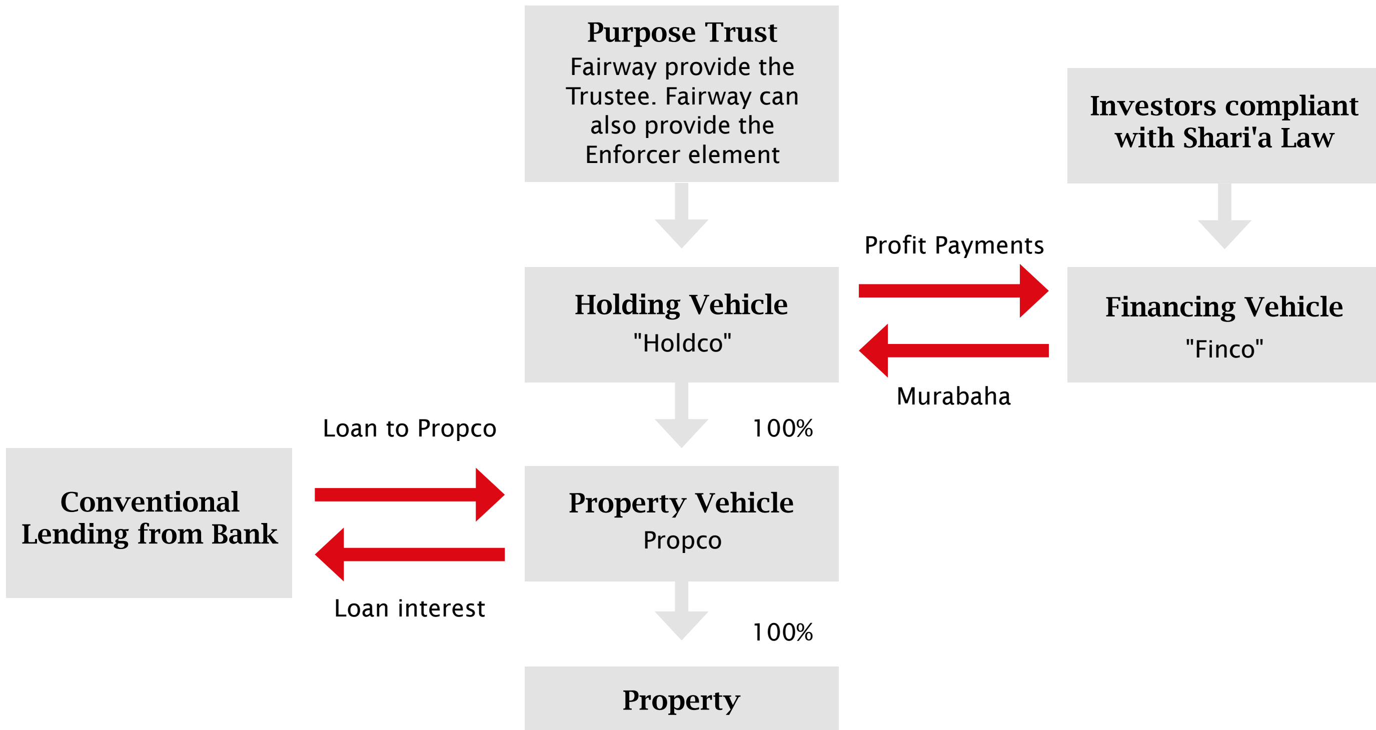
Results

Fairway currently provides both Shari'a-compliant lending solutions to numerous clients who successfully utilise the structure for multiple real estate transactions. They partner with highly regarded onshore and offshore law firms, with dedicated Islamic finance specialists to offer a collaborative approach throughout a structure's lifecycle.

1. Murabaha; Shari'a lending



2. Conventional lending



CASE STUDY – IQ-EQ

Assisting an UHNW from Saudi Further Professionalise their Existing Structure

IQ-EQ was appointed by an ultra-high net worth (UHNW) family from Saudi Arabia to assist in further professionalising their existing structure, including the governance of their structure.

IQ-EQ established a purpose trust and Jersey company to act as a corporate private trustee of four trusts, each trust settled by a family member.

The private trust company (PTC) was then appointed as trustee of all four trusts. The PTC board consisted of individuals from IQ-EQ and three non-Jersey resident directors – these three non-Jersey resident directors travel to Jersey every quarter for board meetings, and if a meeting is required outside of this schedule, then they travel to Jersey as and when required.

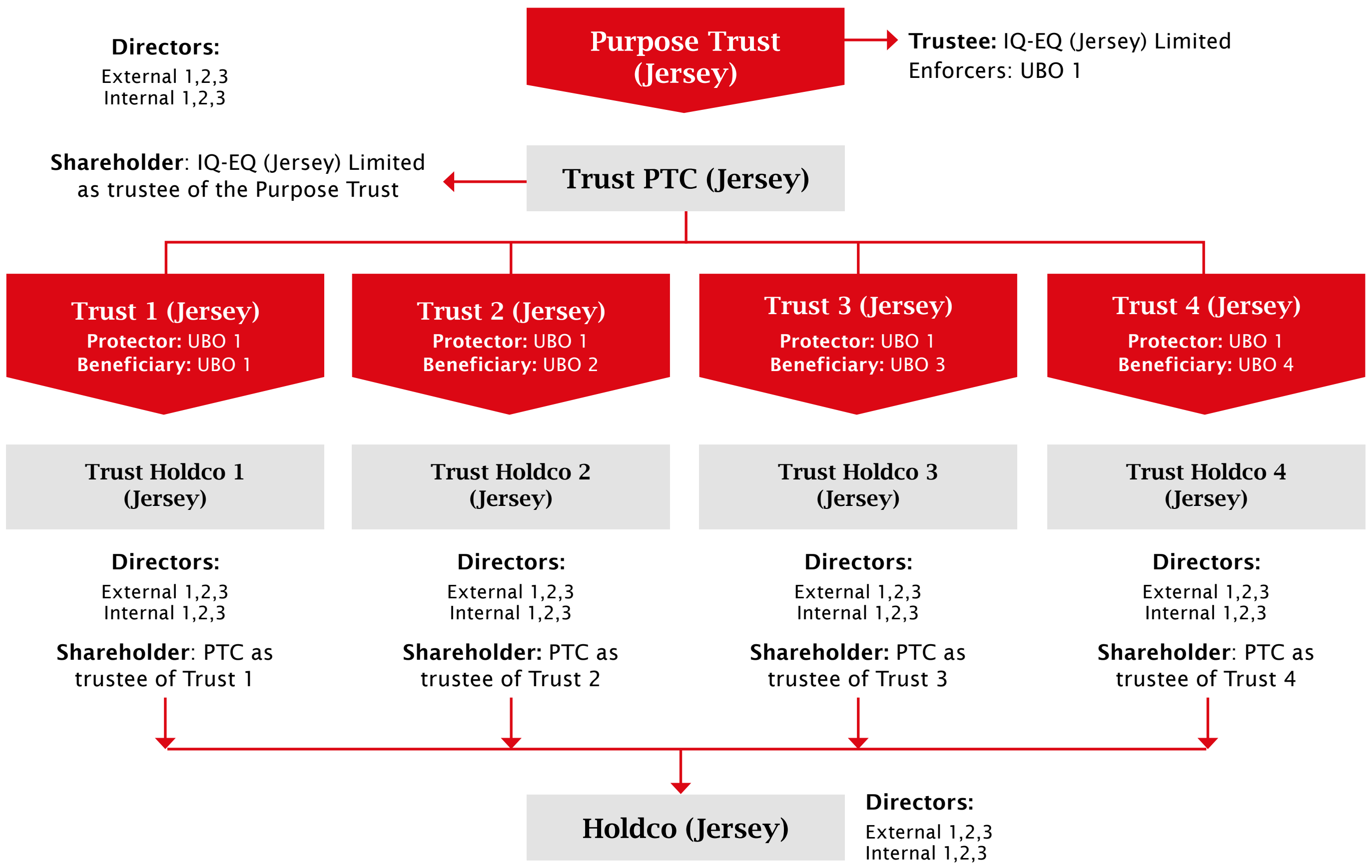
The PTC as trustee of the four trusts owned a share of the companies incorporated in a Caribbean jurisdiction, which IQ-EQ then re-domiciled to Jersey.

The companies own financial investments and the performance of assets is then reviewed on a quarterly basis. The structure is Shari'a-compliant and when necessary, some income is purified by disposing that income to an approved charity after obtaining approval from the Shari'a Advisor.

The settlors who are also beneficiaries of each trust have an annual requirement for "income", so this was factored into the investment mandate. There is also an Investment Advisory Committee, comprising industry professionals who are experienced in financial markets, which assists the board on investment recommendations received from the investment advisor.

Happy with the result of professionalising their structure and governance, the family have since appointed IQ-EQ to structure other assets.

Purpose trust structure



CASE STUDY – JTC LAW

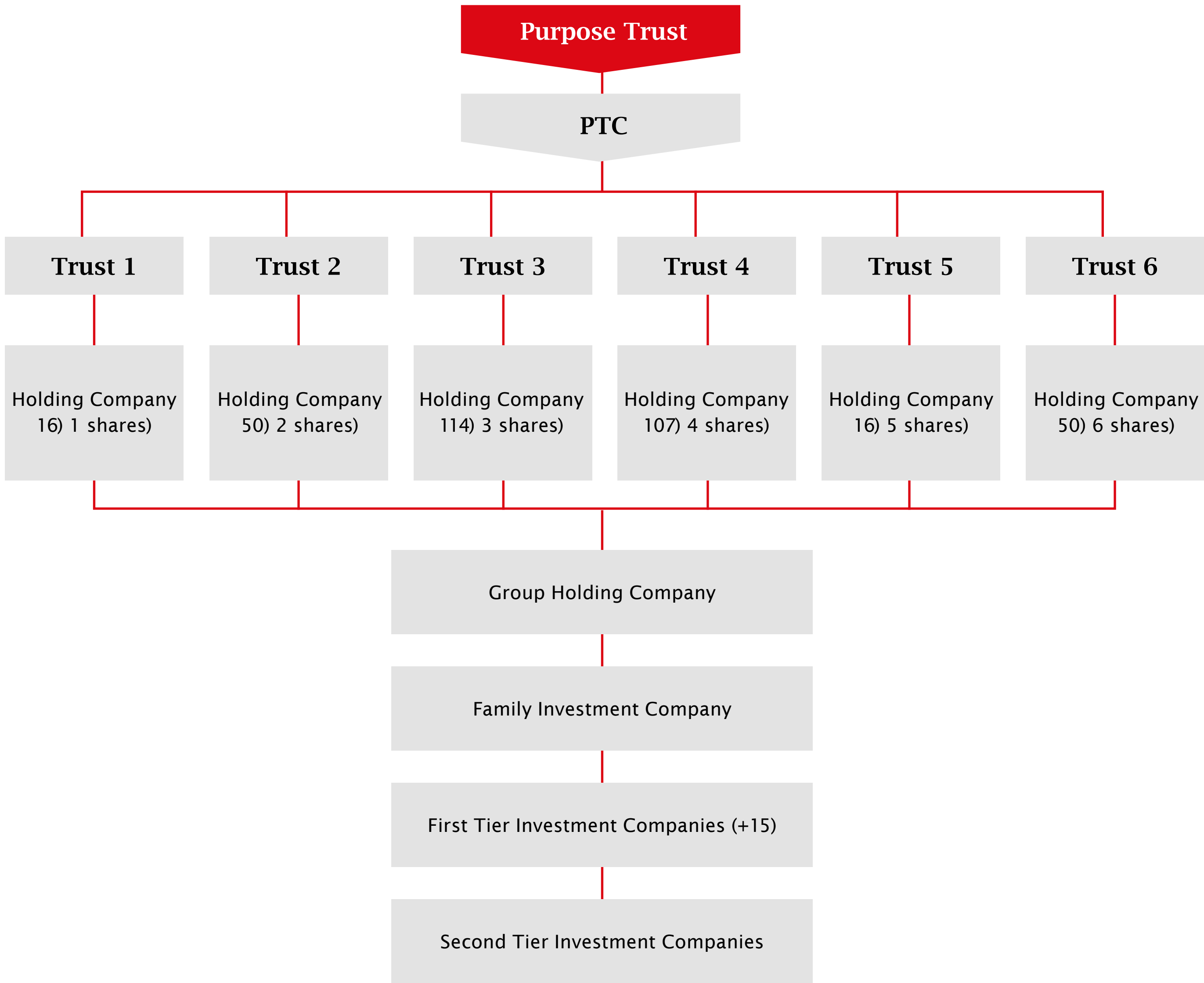
Developing Wealth Preservation Discretionary Trusts for a Saudi Family with Shari'a Principles

Originally, JTC Law prepared six asset protection and wealth preservation discretionary trusts for a Saudi Arabian family without any consideration to Shari'a principles. The six trusts each owned shares in a family holding company. Each of the six trusts was for the benefit of the immediate members of a different branch of the family.

The family holding companies held shares (in different proportions) in a group holding company, which in turn owned a family investment company that owned multiple investment companies (including joint venture vehicles with other families) with UK assets.

Later, JTC Law amended each of the family trusts to introduce new trusts so that when the primary beneficiary (the settlor) dies, the trustees with the consent of the protector, have the power to appoint the trust fund or part of it for the benefit of secondary beneficiaries in accordance with the Mawarith.

Consequently, these trusts went from being non-Shari'a-compliant to respecting how a Muslim should distribute his estate by identifying and benefiting secondary beneficiaries in accordance with the Mawarith.



CASE STUDY – MOURANT

mourant

UK Commercial Real Estate; Family Restructuring in Accordance with Shari'a Law

Mourant were instructed by the UK branch of a Saudi Arabian family office in relation to the restructuring of the ownership of a substantial UK commercial real estate portfolio. The real estate was already owned by a number of Jersey companies (the Group Companies) and shares in the Group Companies had been given to the family members (comprising various members of G1 and G2), with the proportionate holdings being in accordance with Shari'a succession principles.

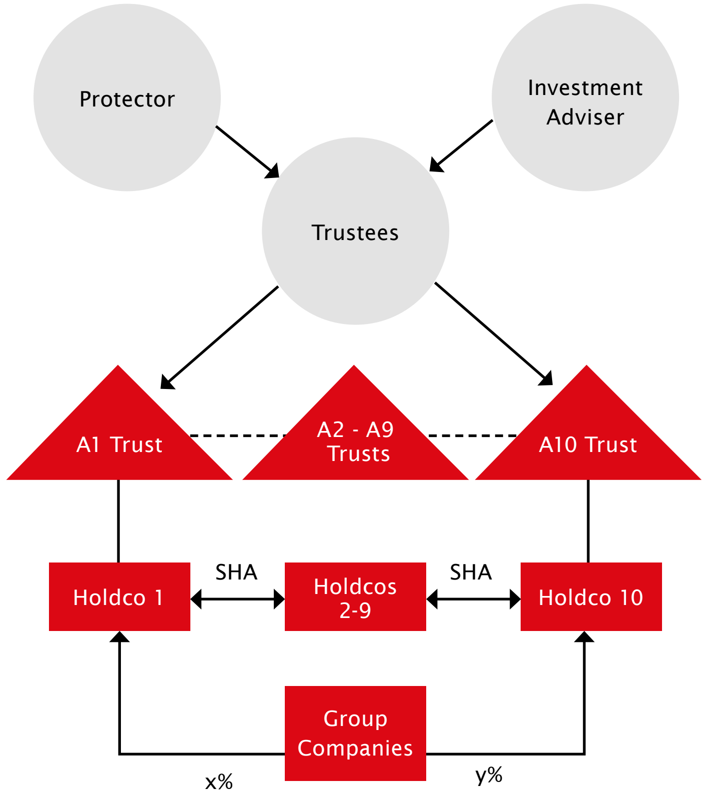
After consultation with family members, the family office and UK counsel, it was decided to create a series of new trust structures, one for each settlor, each with its own holdco (the Holdcos). The shares in the Group Companies were then transferred to the Holdcos, and a shareholder agreement (the SHA) put in place between the Holdcos as the shareholders of the Group Companies. This created an additional level of robust governance as between the different family branches, regulating various matters including management of the Group Companies, pre-emption rights, exit terms and valuation.

While it was acknowledged that individual branches might wish to go their own way at some point in the future (hence the importance of agreeing exit terms) it was also anticipated that, at least initially, the trusts would be on the same terms and governed by similar principles. Protectors were appointed in relation to each trust with responsibility for guiding the trustees in relation to Shari'a succession principles. Additionally, investment advisers were appointed with responsibility for managing trust assets in accordance with Shari'a investment principles. Advice is taken from Islamic scholars when necessary.

Regional family governance structure

The Protector's consent is required for the exercise of the Trustees' dispositive powers.

The Investment Adviser (IA) may direct the Trustees in relation to investment decisions.



The Trustees are the owners of the assets, as fiduciaries for the Beneficiaries, on the terms of the Trusts.

The Trusts are obligations owed by the Trustees to the Beneficiaries.

The Holdcos are managed by their directors, but are subject to the SHA, and the Trustees' powers as shareholder. The IA can direct the Trustees in relation to the shareholder powers.

The Group Companies will continue to be managed by their directors. However they are also subject to shareholder powers which may be directed by the IA.

CASE STUDY – PRAXIS

PRAXIS OPEN IDEAS

Corporate Asset Restructuring for Shari'a-Compliant Succession Planning

The Client

A prominent Saudi Arabian family, which owns a large trading group operating throughout the GCC and Europe. The family group includes two wives who each have children with the patriarch.

The Challenge

The patriarch held the family's assets in his own name, and these were situated in the UK, the US and Europe. He was concerned that no provision had been made for succession planning and wished to create an effective structure for passing on both the private wealth and family business, while adhering to Shari'a inheritance principles.

Solution

We created a structure that includes a foundation acting as a privately owned foundation to underlying Jersey Law trusts, and which in turn provides the family with a greater degree of control and involvement in the trustee decision-making process.

Each trust holds a proportion of the shares in the European arm of the family trading business in accordance with Shari'a principles. Each trust also holds the shares of their own Jersey-registered asset and investment holding vehicles to cater for personal investments.

Results

The assets of the family are held within one organised structure to ensure that they are preserved and enhanced for the benefit of future generations and that they will be passed on in accordance Shari'a principles.

CASE STUDY – QUILTER CHEVIOT

Shari'a-Compliant Investment by a Discretionary Investment Manager

The Challenge

A client of a discretionary investment manager wished to invest in a fully Shari'a-compliant investment portfolio while also meeting the following criteria;

- capital growth
- transparency of portfolio constituents
- low total cost

Solution

Quilter Cheviot were able to provide a solution that adhered to the principles of Islamic Law by utilising our partnership with Yasaar, a Shari'a Supervisory Firm that possesses a three-man Shari'a advisory board.

The specific client requirements were met thanks to our access to a range of risk-adjusted Shari'a-compliant strategies which could be tailored to fit the client's needs. Quilter Cheviot also benefits from an in-house team of equity analysts who provided Yasaar with a thoroughly researched universe of investment ideas which had been screened to ensure adherence to Shari'a principles.

Results

Investing directly in equities and Sukuk with a portfolio specifically tailored for the client enabled Quilter Cheviot's solution to meet the client's specific requirements, while also taking into consideration their objectives and risk profile. The client was also enthused that the final solution could be amended in the future should their circumstances change.

CASE STUDY – SG KLEINWORT HAMBROS

Restructuring from a Conventional Interest-Bearing Debt to a Shari'a-Compliant Arrangement

As part of a wider plan to establish a GCC-quoted Real Estate Investment Trust (REIT) by the family office of a GCC family, the financing of an existing Jersey structure holding a substantial commercial property was reorganised from conventional interest-bearing debt to a Shari'a-compliant arrangement.

Initially a Murabaha arrangement was put in place between the Jersey HoldCo ('JHC') and the subsidiary owning the property ('JPC'), whereby a basket of eligible Shari'a-compliant collateral, including commodities, were bought and sold, with payment for the final part of the transaction between the Jersey entities being deferred for a period. In consideration of this deferral, a profit element was also paid which was broadly similar to the interest charged under the original finance arrangements.

The final phase involved the re-financing of the Murabaha arrangements with a Sukuk listed on The International Stock Exchange (TISE). In accordance with a declaration of trust on behalf of the JHC as the Sukuk holder, the Issuer (Luxembourg entity) made Shari'a-compliant financing available to the JPC. The majority of the Sukuk proceeds (the Mudaraba capital) were invested in the business of JPC, with the balance used to enter into Murabaha transactions with JPC involving the purchase of Shari'a-compliant commodities from a broker. As with the arrangements in the initial phase, payments for the final part of the transaction were deferred to give rise to an agreed profit.

CASE STUDY – STANDARD BANK

Establishing a Shari'a-Compliant Structure

Standard Bank Offshore Trust Company Jersey Limited (SBOTCJL) was introduced to the patriarch of an East African family who wished to protect the interests of the women in his immediate family. The challenge was to:

- establish a suitable estate and succession planning structure to hold Islamic asset classes and follow the Shari'a inheritance principles;
- ensure that the settlor and his sons have the power to make decisions relating to the management of the Islamic assets; and
- provide the opportunity for beneficiaries to fairly receive income and capital while providing robust accounting and maintenance of the trust records, in spite of the large number of beneficiaries.

Benefiting from Jersey's modern and sophisticated trust legislation, SBOTCJL, as trustee and administrator, established a reserved powers trust, with the settlor retaining the power to direct investments. The power would eventually pass to his sons who were appointed as the trust's protectors.

An independent power holder was also appointed to hold a casting vote on decisions should the protectors be unable to agree matters.

The settlor has provided SBOTCJL with a letter of wishes to guide them as much as possible in relation to the distribution of income and capital as per the Shari'a principles.

Assets, in this instance, are invested within Shari'a-compliant investments offered by Melville Douglas International and the trust is banked with Standard Bank Offshore – Jersey.

Subject to the discretion of the trustee, a distribution waterfall mechanism has been implemented which allows beneficiaries to put through distribution requests (such as Zakat obligation or general welfare) and which the trustees can follow in accordance with the Shari'a principles.

The family has benefitted from SBOTCJL's fiduciary services and Standard Bank Offshore's Shari'a-compliant investment solutions.

CASE STUDY – STANDARD CHARTERED

Providing a Shari'a-Compliant Mortgage to Purchase a London Property

Standard Chartered Jersey recently supported a client who wanted a Shari'a-compliant mortgage to purchase a property in London.

The client is of Pakistani nationality, married, male, in his late fourties and works in the finance industry in Dubai. Living in the United Arab Emirates, he sought a bank with an established presence in both the UK and the Middle East to help him arrange his mortgage needs.

The bank's Jersey team, with expertise in Shari'a corporate structuring and advisory, was able to work quickly and closely with the client over email, virtual meetings and telephone to provide an Islamic-compliant product.

The client, who originally started banking with Standard Chartered in 2019, now with this type of mortgage, also benefits from wider diversification across his portfolio of asset classes. With the nature of the bank's focus on emerging markets (Asia, Africa and the Middle East), this is a prime example of how Standard Chartered Jersey is listening and responding to the needs of clients in Middle Eastern and Islamic countries who feel strongly about products aligned to their beliefs.

CASE STUDY – VG

EST.1982

Expanding a Property Portfolio Through Shari'a-Compliant Lenders via a Commodity Murabaha

The Client

An established Middle Eastern family investing into Sharia-compliant UK and European real estate through the family-owned asset management company.

The Challenge

The client wished to continue expanding their existing property portfolio through the investment into commercial and residential properties in the UK and Europe with financing obtained from Shari'a-compliant lenders via a commodity Murabaha.

Solution

After obtaining tax and legal advice from our regular advisors and agreeing the most efficient way to structure the investment, VG incorporated a Jersey registered Finance Company ("FinCo"), Property Company ("PropCo") and Purpose Trust (to hold the Management Shares of FinCo). The capital received from the client (via the Middle Eastern based asset management company) entered the structure through the FinCo in exchange for non-voting, redeemable participating shares.

Throughout the incorporation stage, VG continued to liaise with the selected Shari'a scholars and lenders for the approval (by way of a Fatwa issued by a qualified legal scholar) of the financing and underlying real estate asset(s).

On receipt of the Fatwa from the Shari'a scholars, Murabaha financing from the third party lender entered the structure at PropCo level with security being held by the lender over the bank account.

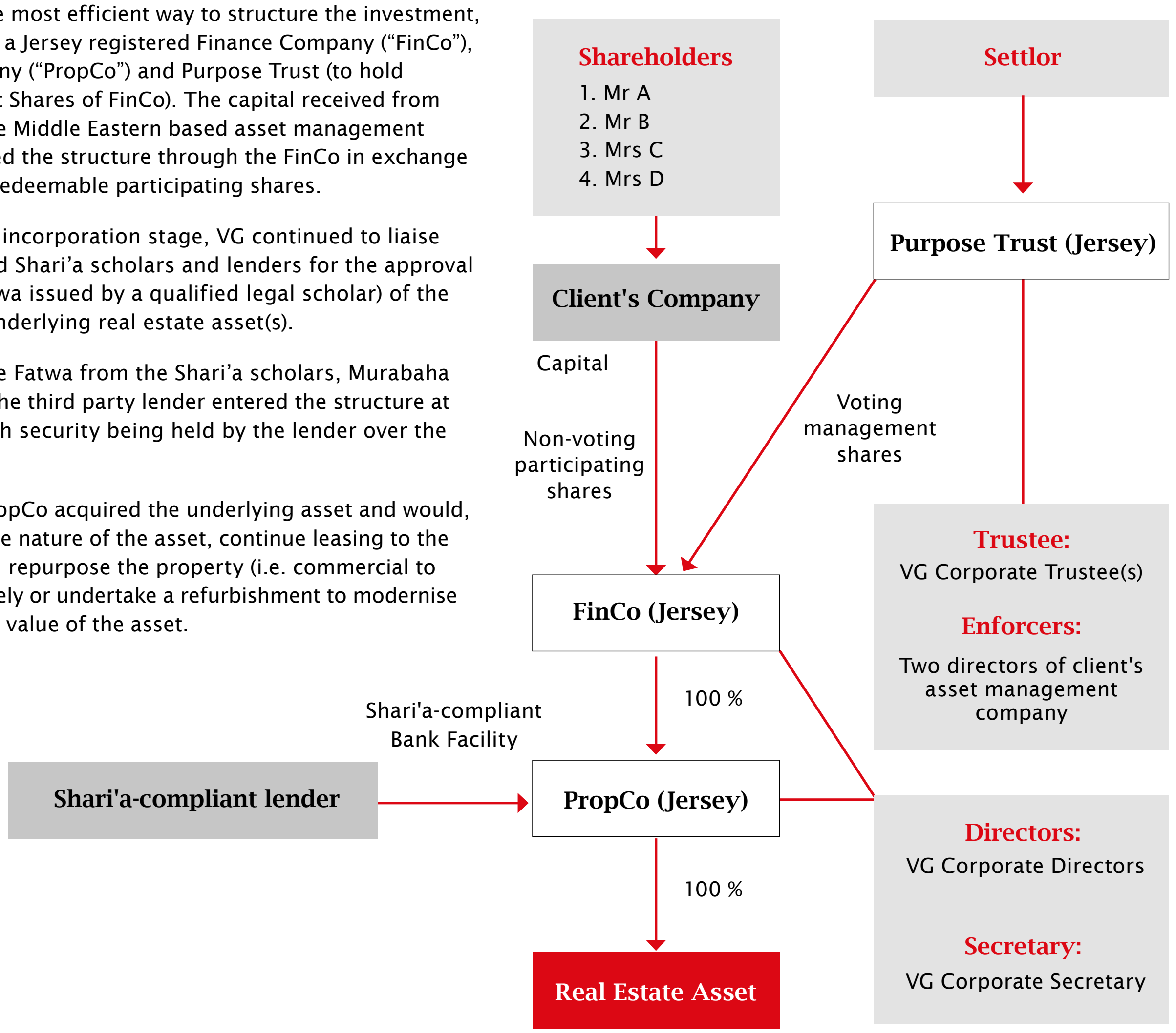
Subsequently PropCo acquired the underlying asset and would, depending on the nature of the asset, continue leasing to the existing tenants, repurpose the property (i.e. commercial to residential) entirely or undertake a refurbishment to modernise and increase the value of the asset.

Results

VG provides full corporate services for the structure and will, through the appointment of property and asset managers, oversee the day-to-day operations of the asset.

The client benefits from VG's 30 years of experience in the establishment and administration of Shari'a-compliant vehicles as well as the long-standing relationships that VG maintains with industry leaders and experts.

In a recently turbulent market, the client continues to see good returns from their property portfolio owing to the diligence and thorough assessments that were undertaken by all interested parties pre-acquisition.



CASE STUDY – VISTRA

VISTRA

Succession Planning for a Multi-Generational Family with Aspirations to Follow Shari'a Law

The Client

Succession planning for a multi-generational Middle Eastern family with both international and local assets who wanted to adhere to Shari'a Law when it came to distribution requirements and donations to Zakat.

The Challenge

The structure had to be legally recognised in the UAE, (where the assets were located), but also legally recognised in the UK, US and Canada (where some family members were located).

Vistra broke down the challenge as follows:

- What succession planning vehicle was recognised in the UAE that could hold the assets, including the family's operational and trading businesses, which would also enable the Zakat to be paid?
- Would that vehicle be suitable for the UK, US and Canada and, if not, was there an alternative or a way to expand, amend or 'add to' the UAE vehicle?
- Could the governance within the structure ensure the family was able to adhere to Shari'a Law without unnecessary complexities?

The Solution

Having sought professional advice, Vistra was able to establish a structure that matched the family's objectives as follows:

1) Establish a Dubai International Finance Centre ("DIFC") Foundation, which owns the UAE assets. The By-Laws detailed a distribution policy which included the payment of Zakat.

2) Establish a Jersey Reserved Powers Trust ("RPT") that was appointed as a beneficiary of the DIFC Foundation to enable it to receive distributions from the DIFC Foundation. The beneficiaries of the RPT are that of the family members individually residing in the UK, US and Canada where trusts are more commonly recognised and where the Trustee is able to make distributions to them in line with Shari'a principles.

This is subject to UAE Corporation Tax and specific wording drafted in the By-Laws.

The Outcome

The family were able to achieve its succession planning objectives while ensuring their Shari'a Law requirements were met and the structure was legally recognised in the UAE, Canada, the UK and the US.

Glossary of Terms

Term	Definition
Awqaf	Plural of Waqf, meaning assets that are donated, bequeathed, or purchased for being held in trust for general, one's family or specific charitable causes that are socially beneficial. In many ways, the concept of Waqf is similar to the Western concept of endowment with certain similarities to principles of the common law trust.
Commodity Murabaha	The purchase of certain specified commodities on a cost plus profit basis (Murabaha) agreed upon by both parties (buyer and seller) and subsequently, the commodity is sold to another commodity trader (third party) with the objective of obtaining cash.
DIFC Foundation	Established by one or more 'Founders', a foundation is an independent legal entity which has no shareholders, members or partners and can be used for succession planning purposes. A DIFC Foundation can be used by clients holding assets in the GCC who are looking for a flexible civil law structure that can be established according to the specific wishes of an individual private client or family. DIFC Foundations are fully recognised under UAE law.
Fatwa	Arabic word which can mean "explanation" or "clarification." It is a legal declaration and judgment on a point of Islamic law given by a recognised religious authority. In Islamic Finance, the Fatwa is used as a certification of authentication of the underlying structure, product or service.
Feeder Fund	An investment vehicle that pools capital commitments of investors and invests or "feeds" such capital into an umbrella fund, often called a master fund, which directs and oversees all investments held in the master portfolio.
Finance Company (FinCo)	A non-banking finance company.
Holding Company (HoldCo)	A firm that exercises control over one or more additional firm(s) through the acquisition of stock that is sufficient to control or influence the voting by shareholders.
Jersey Reserved Powers Trust	Allows a third party to the trust (usually, but not necessarily, the settlor or other instigator of the trust) to retain or hold certain powers in respect of the trust. These powers may deal with any aspect of the trust, ranging from how the trust's assets are invested through to who may benefit from the trust and in what circumstances.
Mawarith	A schedule in the Qur'an (holy book for Muslims) which specifies how a Muslim should distribute their deceased's estate.
Mudaraba Capital	A partnership or contract and Islamic finance instrument where one partner gives money to another for investment into a commercial enterprise. The investment comes from the first partner who provides the capital who is called "rabb-ul-mal", while the management and work is an exclusive responsibility of the other, the "mudarib".
Mura	Shortened version of Murabaha.
Murabaha	An Islamic financing structure in which the seller and buyer agree to the cost and markup of an asset. Under Islamic law, it is an acceptable form of credit sale.
Musawama Arrangement	A type of transaction in which the buyer does not know the price paid by the seller to create or obtain the good or service being offered. Various conditions must be met in order for Musawama transactions to be permitted and to meet the standards required under Shari'a Law.
Property Company (PropCo)	A secondary entity created by a business specifically to hold and manage the real estate it owns.
Purpose Trust	Trusts which are neither charitable nor for named or ascertainable beneficiaries, but for a purpose. The possibilities are virtually limitless, ranging from private family trusts at one end of the scale, to those used in international financial transactions at the other. An enforcer is required to be appointed to enforce the terms of a trust in relation to its non-charitable purposes. Trusts can be used for philanthropic purposes which are not strictly charitable.
Real Estate Investment Trust (REIT)	A company that owns, operates or finances income-generating real estate. A REIT pools the capital of numerous investors making it possible for individual investors to earn dividends from real estate investments, without having to buy, manage or finance any properties themselves.
SHA	Shareholder agreement made between the shareholders of the underlying venture or business.
Shari'a Advisory Board or Shari'a Supervisory Board	A panel of Islamic scholars who certify Islamic financial products as being Shari'a-compliant i.e. in accordance with Islamic law.
Shari'a Committee	A committee who ensures all activities and businesses are in compliance with the principles of Islamic law.
Shari'a Inheritance Principles	The rules around the distribution of wealth which apply to every Muslim. These rules do not differ from person to person; a primary difference between an Islamic will and a conventional will.
Shari'a or Shari'a Law	A body of religious law that forms a part of the Islamic tradition.
Shari'a Supervisory Board	Same as Shari'a Advisory Board.
Sukuk	An Islamic financial certificate, usually compared to or provided as an alternative to a conventional bond, that complies with Islamic religious law or Shari'a law.
Zakat	Charitable giving Muslims pay yearly on their money and property.

Awards and Accolades

For more than 60 years, Jersey's world-class reputation as a leading international finance centre has been recognised by independent bodies and institutions of the highest standards.

International Finance Centre of the Year

Citywealth International Finance Centre Awards 2023

Citywealth International Finance Centre Awards 2022

Citywealth International Finance Centre Awards 2021

Citywealth International Finance Centre Awards 2020

Best International Finance Centre

WealthBriefing MENA Awards 2023

WealthBriefing European Awards 2022

WealthBriefing Asia Awards 2022

WealthBriefing MENA Awards 2021

WealthBriefing MENA Awards 2020

WealthBriefing Asia Awards 2020

WealthBriefing European Awards 2020

Jersey's Contribution to Global Value Chains

Jersey's deep financial services expertise, its respected regulatory framework and its robust legal system mean that our Island is a key location for pooling capital and for facilitating international trade and economic activity.

Value chains are the full range of activities that firms and workers undertake to bring products or services from conception to end use and beyond, performed within the same firm or divided among different firms and countries. Research from the Centre for Economics and Business Research (Cebr) has quantified the full extent of Jersey's global economic footprint and its contribution to global value chains, through the metrics of GDP, employment and jobs. It has revealed that our financial services industry makes a significant impact on the global economy, including in Asia and the Middle East.

Jersey's global contribution

Cebr's research has revealed that on average each year, between 2017 and 2020, Jersey intermediated £1.4 tn of capital and this supported £170.3 bn of global economic output, 5.1 m jobs worldwide and £73.3 bn in associated wages. To give the GDP figure scale, in 2020, the direct GDP contribution of New Zealand was around £172 bn.

Jersey's support of regional GDP

The United Kingdom was the most significant destination of capital across the period examined. The value chains that Jersey's financial services sector supported contributed an annual average of £62 bn of UK GDP between 2017 and 2020, representing approximately 2.9% of total UK output. Europe was the most dominant continent, followed by Asia (inc. Middle East) and North America, then Oceania and South America.

Real world impacts

For every job in Jersey's financial services sector, the value chains supported an additional 380 jobs globally.

Jersey's financial ecosystem

During the course of Cebr's research, the on-Island availability of world-class professional and legal services was the most highlighted factor in what makes Jersey an attractive jurisdiction to do business.

The Island's ancillary services underpin Jersey's annual administration of nearly £1.5 tn of capital. All other industries within Jersey's financial ecosystem require these firms to provide services. While the funds, banking, and other asset holding vehicles (AHVs) sectors in Jersey are key in directly facilitating Jersey's role within global value chains, their activity is enabled by the professional services network on the Island.

Although Jersey's GDP is relatively small compared to many nations, the results show that the Island makes a very significant impact on the global and Gulf region's economy.

Learn more about the research quantifying Jersey's global economic footprint: jerseyfinance.je/globalvaluechains

Finance Sector Analysis

Cebr examined three of Jersey's key finance sectors; funds, banking and trusts and asset holding vehicles (AHVs), to assess their impact on economic activity.

Funds

Cebr found that on average annually during the period examined (2017-2020), Jersey's funds sector supported a scale of economic activity in line with the total GDP of Bahrain in 2020: £225.9 bn of capital serviced by the sector, supporting £29.3 bn of global Global Value Chains (GVCs).

Trusts and Asset Holding Vehicles

Cebr found that on average annually during the period examined (2017-2020), Jersey's trusts and AHVs sector supported a scale of economic activity in line with the GDP of Hungary in 2020: £1.14 tn of capital administered by the sector, supporting £126.0 bn of global GDP via GVCs.

Banking

Cebr found that on average annually during the period examined (2017-2020), Jersey's banking sector supported a scale of economic activity in line with the total GDP of Iceland in 2020: £142.2 bn of assets administered by the sector, supporting £14.9 bn of global GDP via GVCs.

About Jersey Finance

Funded by members of Jersey's finance industry and the Government of Jersey, we have a presence in Jersey, Dubai, Hong Kong SAR, Johannesburg, London, New York, Shanghai and Singapore. By working with the best people, we're able to create a safe, ethical and secure environment for investors. We're passionate about what we do and are focussed on developing a better, clearer future for businesses, the general public (at home and abroad), and the finance industry as a whole.

Jersey Finance in Saudi Arabia

We have an active engagement programme in Saudi Arabia and look forward to continuing our special relationship with clients and partners alike. To find out more about our plans, please get in touch.

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Faizal is a UK qualified and trained lawyer (currently a non-practicing solicitor admitted on the roll of the Senior Courts of England and Wales). Faizal specialises in banking and finance law with a particular specialism in Islamic banking and finance. Faizal graduated with a first class in his undergraduate Law (LLB) Honours degree and a distinction in his postgraduate (MSc) degree in Islamic Banking and Finance, both from top tier UK-based universities.

Faizal is a member of the invitation-only prestigious TheCityUK's Middle East and Africa Sub-groups, which provide strategic direction to the TheCityUK and its membership on its activity relating to the financial and related professional services (FRPS) industries in the Middle East and Africa markets. Additionally, Faizal also sits on the Financial and Professional Services and Investment focus groups for the Riyadh Group for British Business in Saudi Arabia, one of the largest British Business Groups globally, and in 2023, Faizal was nominated to the Financial Services Task Group, the Saudi financial services focussed working group of the Saudi British Joint Business Council (SBJBC).

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