

A practical comparison between two of Guernsey's most flexible regulated fund products

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This table provides a practical comparison between two of Guernsey's most flexible regulated fund products - the registered collective investment scheme and the Private Investment Fund (PIF).

	Registered collective investment scheme (Registered Scheme)	Private Investment Fund (PIF)
Overview	Fast-track registration option whereby the Designated Administrator (as defined below) scrutinises the scheme and promoter in place of the Guernsey Financial Services Commission (the Commission) and takes responsibility for ongoing	Fast-track registration option which seeks to provide a "light-touch" regulatory solution for schemes in respect of which management have a close relationship with investors (and which meet the relevant criteria). The registration is granted on the basis of suitability representations made by the Designated Administrator to the Commission (achieving an

for ongoing monitoring of the scheme.
The registration is granted on the basis of suitability representations made by the Designated Administrator to the Commission (achieving an efficient application process).

Commission (achieving an efficient application process).

Regulatory framework

Registered Scheme is regulated under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (the **POI Law**). The Designated Administrator must be a licensee under the POI Law. Where a custodian is required, it will need to be a Guernsey licensee unless otherwise permitted by the GFSC.
The Registered Scheme will be subject to the Registered Collective Investment

The PIF is regulated under the POI Law. The Designated Administrator and the Manager must be licensees under the POI Law.

Where a custodian is required, it will need to be a Guernsey licensee unless otherwise permitted by the GFSC.

The PIF will be subject to The Private Investment Fund Rules 2016 (the **PIF Rules**).

The PIF Rules contain minimum requirements for managing conflicts of interest, the submission of annual returns and annual audited accounts and certain mandatory characteristics of a PIF. Read our article [here for a summary of the](#)

Scheme Rules 2018 and the Prospectus Rules 2018 which contain requirements for managing conflicts of interest, various market-standard investor documentation content/disclosure requirements, apply various immediate and periodic notification and annual filing requirements.

View [The Prospectus Rules](#) section below for more information on the applicable content requirements.

[PIF Rules and application process.](#)

Vehicle type	Companies, limited partnerships, unit trusts or such other vehicle approved by the Commission.	Companies, limited partnerships, unit trusts or such other vehicle approved by the Commission.
Closed-ended/open-ended	Closed-ended or open ended.	Closed-ended or open-ended.
Type/category	No type/category	No specific type/category

of investors	restrictions.	restrictions, however, the Manager (as defined below) is required to declare to the Commission it has assessed that the investors are, as far as the Manager has reasonably been able to ascertain and after having made careful and appropriate enquiries, able to sustain any losses incurred on the PIF at time they have made their investment.
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Number of investors	No maximum.	<p>Maximum of 50* (excluding where an investment is made by an investment manager acting as agent for a wider group of stakeholders (e.g. pension schemes and government funds).</p> <p>*Subject to the 50-investor restriction, in the first year of the PIF's operation there is no restriction on the number of investors that may be added. In each subsequent rolling 12-month period no more than 30 new ultimate investors may be added.</p>
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Track record of promoter	No requirement to demonstrate track record; instead the Designated Administrator (as	No requirement to demonstrate track record; instead the Designated Administrator (as defined below) must be satisfied
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defined below) must be satisfied that the proposed promotor of the Registered Scheme is 'fit and proper'.

that the proposed promotor of the PIF is 'fit and proper'.

Governance

Depending on the structure at least one Guernsey based director, although there are usually more for tax reasons.

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Investor documentation

Offering document, subscription documentation and constitutional documentation complying with the Prospectus Rules 2018 and the law governing the chosen vehicle.

No requirement for an offering document or equivalent (but usual to have to protect promoter), subscription documentation and constitutional documents complying with the law governing the chosen vehicle.

Service providers

- Guernsey based and licensed administrator (the **Designated Administrator**)
- Auditor
- Custodian (in the case of open-ended Registered

- Guernsey based and licensed administrator (the **Designated Administrator**)
- Guernsey domiciled and licensed manager (the **Manager**), which:
 - does not need to have employees (including directors) or offices in Guernsey and can be administered by a

Schemes and certain other circumstances where a derogation has been sought and granted (e.g. hedge funds))

licensed administrator, which is usually the case subject to compliance with economic substance requirements;

- despite its licence, will not be subject to Guernsey Conduct of Business or Capital Adequacy Rules
- A designated custodian must be named for an open-ended PIF, although this may be the Designated Administrator or, with the Commission's approval, a custodian that is domiciled outside Guernsey.
- Auditor

Application procedure	Expedited procedure	Expedited procedure
	Key individuals in relation to the promoter and Registered Scheme to submit to the Commission personal questionnaires (Forms PQ).	Single application form (Form PIF, which applies to registration of PIF and licensing of PIF Manager), together with related Forms PQ for certain persons, including the controllers of the PIF and the Manager.
	Submission of application from (Form RFG) setting	Registration in respect of PIF and licence in respect of Manager issued within one business day.

Form REG, setting out general information regarding the structure of the scheme, its investment activities and the parties involved, together with final forms of the offering document, constitutional documents, the subscription agreement and the material agreements to be entered into by the scheme.

Form REG contains declarations given by the Designated Administrator in respect of Promoter and Registered Scheme itself.

Registration issued within 3 business days.

Regulatory fees:

Application fee: £3,435
 Annual regulatory fee: £3,435

Application fee £2,322
 Annual regulatory fee: £3,322

The Prospectus Rules

Unless specifically agreed otherwise by the Guernsey Financial Services Commission, The Prospectus Rules, 2018 (the **Prospectus Rules**) apply in relation to all registered open-ended and closed-ended investment schemes including those registered under the Registered Collective Investment Scheme Rules, 2018 (**Registered Schemes**) and the offering of Category 2 controlled investments to members of the public in the Bailiwick of Guernsey, save that the Prospectus Rules do not apply to collective investment schemes registered under the Private Investment Rules 2016.

The Prospectus Rules seek to provide a clear and concise set of requirements for the disclosure of information in respect of the offering documents issued in respect of a Registered Scheme. The disclosure requirements are, broadly-speaking, market standard and apply in relation to the following categories:

- Details of vendors and any promoter
- Terms applying to the offer
- Particulars of securities that are the subject to the offer
- General information concerning investments and investment restrictions
- Information concerning material contracts
- Particulars of direct and indirect interests of directors and senior management
- Financial information and type and frequency of financial reports
- Details of directors and certain service providers
- Material information that an investor reasonably requires to make an informed judgement about merits of investment (including suitable risk factors)
- Certain prescribed statements including in respect of director responsibility in respect of preparation of the offering documents and related disclaimers.

Please note that the above is not an exhaustive list or, indeed, a reproduction of the exact requirements pursuant to The Prospectus Rules, 2018, which should be referred to in full on the [GFSC website](#).

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

Disclaimer

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Regulatory information can be found under [Legal Notice](#)

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