

**DRAFT COLLECTIVE INVESTMENT FUNDS (No. 1)  
(JERSEY) REGULATIONS 199**

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**Lodged au Greffe on 19th June 1990  
by the Finance and Economics Committee**

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**STATES OF JERSEY**

**STATES GREFFE**

### Explanatory Note

Article 23 of the Collective Investment Funds (Jersey) Law 1988 enables the States by Regulations to amend Article 2 of the Law, which describes the schemes or arrangements for the investment of money which are to be regarded as collective investment funds for the purposes of the Law.

These Regulations amend that description in two ways. *Sub-paragraph (a) of Regulation 1* provides for the replacement of sub-paragraph (a) of paragraph (2) of Article 2 of the Law. That sub-paragraph presently reads as follows -

“units are or are to be brought back or redeemed, directly or indirectly, out of the assets of the fund”.

Any fund which includes that arrangement is a collective investment fund for the purposes of the Law. The sub-paragraph has however been found to be too widely drawn and to embrace certain types of Jersey company which were never intended to be regarded as collective investment funds or to be regulated as such. The new sub-paragraph is more specific and removes this difficulty.

*Sub-paragraph (b) of Regulation 1* provides for an additional clause (numbered (iv)) to be added to sub-paragraph (b) of paragraph (3) of Article 2 of the Law. This amendment works in the opposite direction to the amendment in sub-paragraph (a) and seeks to bring into the ambit of the Law certain, albeit few, collective investment funds not at present regulated. The Law only regulates “public” collective investment funds and Article 2(3) defines “public” broadly by reference to the number of persons to whom the investment offer is communicated: this number must be less than 50 if the fund is not to be regulated. A practice is developing however under which, while the offer is made to less than 50 persons, units in the fund are listed on a stock exchange and publicly available in that way. The additional clause means that the Law would in future apply to such funds.

Collective Investment Funds (Jersey) Law 1988

COLLECTIVE INVESTMENT FUNDS (No. 1)  
(JERSEY) REGULATIONS 199

(Promulgated on the \_\_\_\_\_ day of \_\_\_\_\_ 199 )

STATES OF JERSEY

The \_\_\_\_\_ day of \_\_\_\_\_ 199

**THE STATES**, in pursuance of Article 23 of the Collective Investment Funds (Jersey) Law 1988<sup>1</sup> (hereinafter referred to as "the Law"), have made the following Regulations -

- 1. In Article 2 of the Law<sup>2</sup> -
  - (a) for sub-paragraph (a) of paragraph (2) there shall be substituted the following paragraph -
    - “(a) units are or are to be bought back or redeemed continuously or in blocks at short intervals upon the request of the holder and out of the assets of the fund; or ”;
  - (b) in sub-paragraph (b) of paragraph (3) for the fullstop at the end of clause (iii) there shall be substituted a semi-colon followed by the word “and” after which there shall be added the following clause -

1 Volume 1988-1989, page 162.

2 Volume 1988-1989, page 138.

“(iv) the units which are the subject of the offer are not to be listed on any stock exchange within one year of the offer being made.”.

2. These Regulations may be cited as the Collective Investments Funds (No. 1) (Jersey) Regulations 199 and shall come into force forthwith on promulgation.