

International Finance Centres: The Past, the Present and Jersey's Role in the Future

Joe Moynihan, CEO of Jersey Finance, gave a short but illuminating Keynote Address to delegates at the Hubbis Asian Wealth Solutions Forum to update them on the current state of play for international finance centres (IFCs) in the brave new world of global regulation and compliance. He also painted the scene for the rollout of beneficial ownership registers and highlighted a joint Hubbis-Jersey Finance White Paper, recently released on the very topical subject of the evolution of family offices in Asia.

MOYNIHAN BEGAN BY OFFERING DELEGATES A BRIEF OVERVIEW OF JERSEY FINANCE (see box article alongside this report) and by highlighting how closely Jersey works with wealth management professionals across the globe.

“We stress the vital importance of communication, and we try to ensure that professionals such as yourselves here today understand what we do and why it is so positive to work with us for your clients in Asia,” he explained. “We also endeavour to be innovative, so we have a tactical team that works to ensure that Jersey’s legislation, tax rules and regulations support your industry, and that the jurisdiction remains entirely relevant for your clients. There are constantly changing global regulations and market needs, and we try to be ahead of the game to adapt and even anticipate the evolution ahead.”

With that, Moynihan offered delegates his views on why Jersey is an ideal IFC with which to work. “I do not have time to list all our attributes in this short talk,” he said, “but we believe we are one of the best jurisdictions for professionally qualified individuals. We are, for example, a leading player in the world of STEP, the Society of Trust and Estate Practitioners, the largest



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chapter of which around the world is in Jersey, giving you a feel for the depth of experts in Jersey in that area.”

One of the key messages that Moynihan stressed in his talk is that Jersey offers a very stable jurisdiction. “Politically,” he reported, “we are very stable, and that offers clients a huge amount of certainty in relation to what’s going to happen with their assets. We have an independent judiciary, a vast body of case law, so international investors and their structures have benefited significantly.”

He also remarked that Jersey offers substance, which is an important word in the world of wealth management, trust and structures. “We have always operated as a substance jurisdiction and that is reinforced by the number of professionals we have in our jurisdiction,” he explained.

Finally, Jersey has an impeccable reputation. “This has long been important, but now is even more essential,” he told delegates. “Jersey is a highly

reputable jurisdiction and has long been determined to always set itself up to be at the top end of the quality spectrum, and certainly we believe we are continuing to achieve that.”

With that, Moynihan turned to some of the major trends. The geopolitical landscape is changing both rapidly and significantly.

“Traditionally we might have talked about political instability in parts of the emerging world,” he remarked, “but we see this more and more today in the main developed countries, perhaps political stress and Brexit problems in the UK, the well-documented political strife in the US, or in other parts of Europe. In short, the world feels more uncertain today than for many years. But Jersey is rather isolated from all that because of the arrangements that we have in place with both Europe and UK. And as so many of Jersey’s customers look for stability and certainty, we are ideally placed to deliver precisely that.”

Moynihan added that HNWI

and UHNWI clients and their advisers want to increasingly deal with jurisdictions that have good reputations, because they fear their own personal, family or corporate reputations might become tarnished if they associate with the wrong markets.

“Reputation is more than about the quality of the expertise on offer,” he noted, “it is a major value proposition in its own right and serves to engender confidence and peace of mind.”

He also believes that Jersey is well set to benefit from the demand-driven by expectations for better advice, improved service, greater digital connectivity, as well as the need to create economic and social value through initiatives such as socially responsible investing, or ESG-driven investing.

“Very wealthy individuals and their families are increasingly balancing security, returns and social values as they are influenced increasingly by their younger, very well-educated generations,”

he explained. “It is often as much about values as value and financial return. They actually want to do good, to leave a positive legacy.”

Finally, Moynihan highlighted the White Paper on family offices that Hubbis had recently published, in partnership with Jersey Finance.

Titled [‘The Evolution of Family Offices in Asia: Perspectives from the Wealth Management Industry’](#), the White Paper tracks the development of the family office across the globe, and highlights how nowhere is it on a more dynamic expansion path than in the Asia Pacific region, where private wealth is expanding at such a remarkable pace.

“We are delighted to have produced this report with Hubbis, who we thank for their fine work, and of course we thank all those experts

who contributed their views throughout the process,” he said. “I will not go through the document’s findings here today, I will let you read yourselves, but I will briefly offer you a few takeaways.”

The White Paper, he noted, points to the numerous drivers behind the institutionalisation and professionalisation of the management of the private wealth of Asia’s HNWI and UHNWI families.

These include the immense proliferation of global regulations, as well as the associated tax revenue maximisation and information sharing, and cooperation between national governments and their authorities, and of course the tighter supervision of the financial advisory community and their clients.

“The founders, the second and the Millennial generations are all more focused today on ensuring

that their family wealth is properly managed,” he explained, “and that there is planning for the estate and succession of the businesses and the financial assets.”

Reputation matters greatly, and increasingly, he added, and consolidation of the management of family wealth through single-family or even a multiple family office can ensure a professional approach to the management of the investments, the management of the professionals and jurisdictions with which the family works, and also help with estate and succession processes.

“All of this,” he concluded, “is taking place within, as I mentioned earlier, a trend towards concentration of structures and relationships to the best-reputed and best managed IFCs. We are working hard to stay at the top of our industry and atop these vital trends.” ■



Jersey Finance - A Brief Overview

Jersey Finance is run as a not-for-profit organisation and was formed in 2001 with its primary focus being to proactively communicate the many factors that set Jersey apart as a leading international finance centre (IFC) across its key target markets of the UK, Europe, Asia/Greater China, the GCC and Africa, and North America.

Jersey Finance today has offices in Jersey, Dubai, Hong Kong, New York, representation in London, as well as virtual offices in Shanghai and Mumbai. Jersey's forward-thinking approach, robust regulatory framework and political and economic stability have kept the jurisdiction at the forefront of global finance for more than 50 years.

Jersey is very well connected, with more than 10 flights a day each way to London. The island offers excellent telecom infrastructure, and one of the best-connected fibre optic infrastructures in the world, with internet speeds ranked third in the world, behind only Singapore and Taiwan.

The island of Jersey's finance industry works with local and international businesses to ensure the highest standards and regulations. Attracting the brightest talent and with an impressive range of products and services, it gives an unparalleled welcome to businesses and investors alike.

"Perhaps what sets Jersey apart from other IFCs is its strong regulatory framework - one of the strongest in the world - designed to bring clarity to the world of finance," says Joe Moynihan, CEO of Jersey Finance. "Jersey remains one of the best regulated IFCs, a position that has been acknowledged by independent assessments from some of the world's leading bodies including the OECD, World Bank and IMF."

Moynihan notes that the jurisdiction has signed up to numerous cooperation and information sharing mechanisms, including Base Erosion Profit Shifting (BEPS) project and the Common Reporting Standards (CRS), and has a central register of beneficial ownership that meets international standards, to help share information with tax authorities around the world.

The Jersey authorities have also signed 54 international tax agreements (39 TIEAs and 15 DTAs) to date, which assist in building good quality business with those countries and are also a reflection of Jersey's forward-thinking commitment to comply with international standards, Moynihan reports.

"Jersey is a 'jurisdiction of choice' for listing holding companies on the Main Market of the London Stock Exchange and has the greatest number of FTSE 100 companies registered outside the UK," he reports. "The first Chinese company was registered in Jersey in 1994. As a tax-neutral jurisdiction, Jersey boasts a wide range of wealth management and investment vehicles and highly skilled service providers that support the needs of global investors. This message has been well received in Asian countries for many years, which resulted in a Jersey Finance regional office being established in Hong Kong back in 2009, since when we have continued our broad expansion across Asia." ■