

# Jersey Finance: Constantly Adapting and Ready for Many Challenges & Opportunities Ahead

Joe Moynihan, CEO of Jersey Finance since February 2019, has a long and distinguished career in offshore financial centres, having previously risen to the position of CEO of Jersey and the Isle of Man for a major international bank, where he was responsible for banking, trust and investment businesses. Before taking the CEO role for Jersey Finance, he was also Director of Financial Services within the Government of Jersey, where he worked closely with industry and the regulator to ensure the island retains and builds its position as a leading international finance centre (IFC). An Irish national by birth, from Enniscorthy in County Wexford, Moynihan has the fabled native wit of the Irish and has been putting that to good use by helping Jersey Finance forward-focus its services and products in the global arena. Hubbis had the opportunity to catch up with him by video link recently, to hear of the next phase of Jersey's development, how it has been coping through the pandemic and what the key priorities are for the decade ahead.

**The resilience of** Jersey's finance industry in an uncertain environment will enable it to play a vital role in supporting economic recovery from the coronavirus pandemic both locally and internationally, was highlighted during Jersey Finance's Annual General Meeting, held virtually on June 19. During that virtual gathering, Moynihan as CEO outlined the industry's highlights from 2019 and pointed to the opportunities and challenges on the horizon.

### 2019 – another good year

He explained how Jersey Finance in 2019 enjoyed another positive year, with the island's financial services industry, ending the year with an impressive set of results. The fund sector continued to grow, administering over GBP340bn of assets, the banking sector remained markedly resilient, with banking deposits on the rise, and in capital markets, Moynihan reported that Jersey continues to be the clear choice for companies seeking to list, with the greatest number of FTSE 100 companies and AIM companies registered outside the UK.

"In the private client space, we also launched a new study along with Hubbis looking at the evolution of family offices in Asia," he reports, "and we won a suite of accolades through various media. In short, Jersey's forward-thinking approach has continued to stand it in good stead with regards to our main markets."

In the UK and Europe, Jersey continued to position itself as the 'steady' jurisdiction in the face of Brexit, whilst further afield, 2019 marked ten years since it established the Jersey Finance Hong Kong office and saw the

### Moynihan's Key Priorities

First up is the drive to communicate the message of Jersey as the high-quality jurisdiction. "We have been working hard to try and ensure that we continue to do that through the band-width of social media, webinars, international seminars and specialist reports and surveys and we are certainly keen to get back on the road, although adaptable to continue to build remotely if this pandemic persists."

He explains that Jersey will continue with its fact-based research and thought leadership, working with specialists such as Hubbis, he states. "We want to ensure that our member firms understand the challenges in the jurisdictions in which we operate, the requirements of customers in those jurisdictions, and what adjustments, if any, we need to make here in Jersey to ensure that we can meet the demands of those customers. That is a really important part of our role as a promotional body and a representative body.

Finally, it remains a priority to work with the Government of Jersey to ensure that Jersey Finance continues to play its part to try and help government deal with the broader challenges that the pandemic has created.

milestone launch of the Jersey Finance New York office.

Jersey in 2019 also continued to expand the Jersey Finance team in the Gulf region to meet growing opportunities there, and the team focused on the African markets has continued to look at ways for Jersey to support the rising demand for infrastructure investment and increasing sophistication of the continent's investors.

### Handling the pandemic

Meanwhile, underlining the commitment the industry has long had in supporting the local community, Moynihan on June 19 also acknowledged the responsibility of the industry to support the local economic recovery from Covid-19.

"In the current environment," he reports, "we recognise the importance of our industry's 14,000-strong workforce and the active role it can play through shared resource, expertise and knowledge to help make a difference to those in need at this time. To that end, we have been working through the past months with our partners, including the Government of Jersey and the Jersey Financial Services Commission, on adapting our industry and supporting the community to ensure our island's future prosperity and recovery when we finally emerge from under the cloud of Covid-19. Our resilience as an island and as an industry has been highlighted in recent weeks, re-enforcing our highly-regarded position



**JOE MOYNIHAN**  
Jersey Finance

as a jurisdiction of quality and differentiating us from many of our competitors.”

He adds that as an international, dynamic and resilient IFC, Jersey stands ready to help support global financial flows through these unprecedented circumstances, to help channel capital to where it is needed most in the world.

### Past the worst, looking ahead

Moynihan observes that Jersey is well past the worst in terms of business continuity in the world of Covid-19, having coped remarkably well with the support of the private sector and the regulators.

The challenges today centre less around crisis management, he explains, and more on expediting the easing of restrictions, people returning to work, the gradual reopening of offices, and so forth.

“And from the business perspective,” he remarks, “flights will gradually become available internationally, but while we get a lot of business from London,

### Getting Personal with Joe Moynihan

Joe Moynihan commenced his professional life in the banking sector, rising to the position of CEO of Jersey and the Isle of Man for a major bank, which included responsibilities for banking, trust and investment business. In recent years, he expanded his focus as Director of Financial Services within the Government of Jersey, where he worked closely with industry and regulator to ensure the island’s position as a leading international finance centre (IFC). Before joining Jersey Finance in February 2019, he was working to establish high-reputation regulatory frameworks and business models for IFCs in the Middle East and Africa.

Irish by birth, he hails from Enniscorthy, Wexford in the Republic of Ireland. Educated by the Christian Brothers, he went to work in banking virtually straight from school, later doing his professional bank exams and ACCA exams, and then completing an MBA with Ashridge, Hertfordshire, which worked in conjunction with City University back in the early 2000s.

“I have been very lucky because I have enjoyed pretty much everything that I have done,” he reports. “I certainly didn’t have a master plan. After stints in private sector financial institutions, rising to CEO in Jersey and Isle of Man, I then went to work for the Jersey Government for four years, before spending some time in the Middle East and then took this job in February of 2019. We have a great team, it is very interesting and although this pandemic has shifted the ground from beneath all our feet, we are well on track with our plans.”

Married with two children, both qualified lawyers, Moynihan has a variety of sporting and other leisure pursuits in more normalised times. He loves watching his Ireland play rugby union and his favourite football team, Manchester City, fighting it out with Liverpool for supremacy.

Jersey, he reports, is a wonderful place to live, and he and his wife love walks on the beach and the landscapes. “We are a bit spoilt for choice here and we also have some great restaurants, some of which are now beginning to open up again. The travel with Jersey Finance suits me well at my time of life, so we have to hope that will resume before too long. I might even get to enjoy a trip to Rome to watch Ireland play Italy one day, let’s hope...”

actually much more of our business is now international, so we have in recent years travelled extensively to

Asia, the Middle East, Africa and the US. It will be interesting to see how that pans out.”

## Seeing the glass as half full

Moynihan addresses some of the positives that have emerged from the pandemic in relation to Jersey, remarking how clients and partners across the world have seen how resilient the jurisdiction is, as well as demonstrating its normal strengths of stability, high-quality regulation, transparency and enjoying strong industry and services support.

“Our industry has been very resilient throughout,” he remarks, “with good contingency plans in place, good technology in place, and therefore as little disruption as possible for our clients and those we do business with. In fact, some of our private client practitioners have been really busy because pipeline business that in normal times will take a lot longer to materialise, for example related to estate and succession planning, has been accelerated from many quarters.”

**“We think that post Covid-19, or as countries start to recover, the qualities that we have as a world-class jurisdiction for gathering capital efficiently and deploying it effectively where that capital is needed will come even more to the fore. That’s a positive message for us. There is going to be a demand for capital infrastructure, there is going to be demand for capital investment, and we provide and deliver a platform that can expedite these needs.”**

He also notes that the Jersey registry has remained open throughout, allowing for the incorporation of companies, an advantage not shared in the pandemic by certain other jurisdictions, he says. “They still

even have the capacity to fast track company setups,” he says, “so it is noticeable by its continuity not by its absence.”

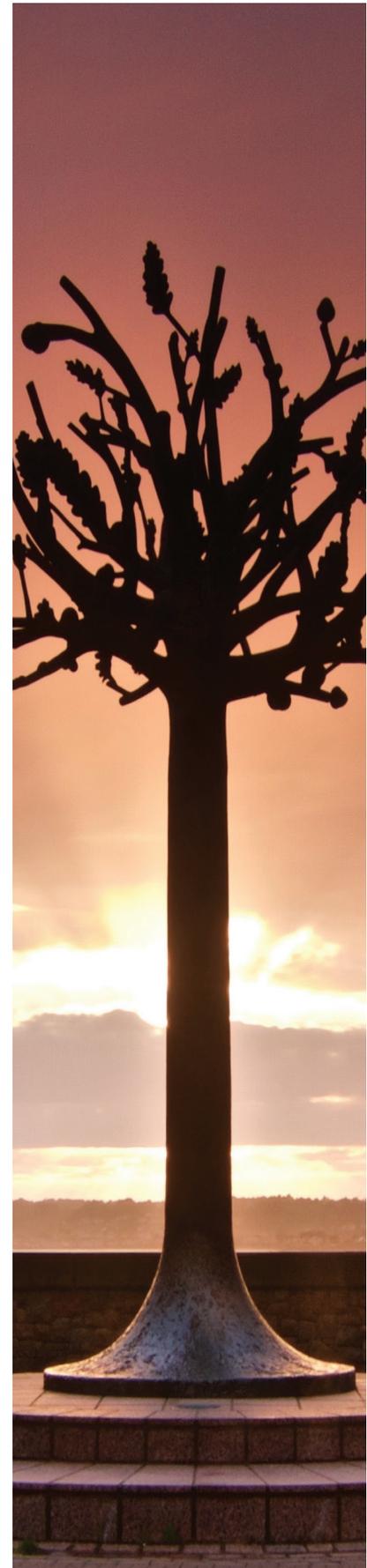
In short, he says, one of the key messages he wants to underline is that Jersey is a remarkably resilient jurisdiction that has proven itself through a global crisis.

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## Constantly competitive

Moynihan explains that Jersey is constantly advancing in any areas in which the island believes it should compete and where there is rising

demand. For example, he points to the findings of a recent research report into fund domiciliation, particularly for alternative assets, by IFI Global and supported by Jersey Finance.





He notes that whilst the fieldwork for the study was undertaken prior to the pandemic setting in, its findings look set to be even more pertinent now as alternative fund professionals grapple with the fallout of the pandemic. “In a world that was already defined by uncertainty and volatility,” he says, “and even more so now, the indications are that stability and certainty will be vital both in the short term, and the long-term too.”

The report is based on the views of alternative managers, law firms, advisors and some of the world’s largest investors in alternatives. It explores the changing face of fund domiciliation and the drivers behind domicile decisions, given the pace of change in the regulatory landscape.

“Overall,” Moynihan reports, “the survey found that key issues including Brexit, BEPS, substance and transparency, have shot up the agenda when it comes to domiciliation, and are themes that are likely to influence decision making for some years to come. It highlights how the most important determinant in domicile selection is whether a jurisdiction is well known and well respected by investors targeted by a fund manager, and with good infrastructure and expertise. It points to how BEPS will impact all domiciles with alternatives, it reports on the growth of alternatives, and concludes that the fund domiciliation landscape is becoming more competitive and more complicated than ever, so IFCs need to be nimble and adapt to future trends and demands.”

### **The government – ready to adapt**

Moynihan notes how the government is continually

forward-looking. Jersey Finance also recently welcomed a new amendment to Jersey’s legislation that will make it significantly easier for managers to migrate limited partnership fund structures to the jurisdiction.

The changes to the Limited Partnership (Jersey) Law 1994, which were approved by Jersey’s government this week to come into force today (16 July), introduce a new statutory basis for limited partnerships, which are frequently used for alternative fund structuring, to be migrated from other jurisdictions, providing greater legal certainty for managers and investors.

Whilst migrating a limited partnership to Jersey has been technically possible in the past, the move brings Jersey in line with the laws of other jurisdictions, making it easier for lawyers to give a clean legal opinion as to the validity of the migration of a limited partnership into Jersey from elsewhere, as the same legal entity.

“In an increasingly complex global alternative funds environment,” Moynihan comments, “managers are increasingly looking at their fund structuring options and indeed, over recent months, our fund industry has reported a rise in interest in Jersey from private equity and other alternative managers wanting to restructure their funds. They are attracted by the sort of stability, expertise, and high-quality service levels Jersey offers, whilst its strong track record in corporate governance, its ability to offer certainty around substance and its ‘whitelisted’ status are all seen as real benefits too. We anticipate a strong uptick in fund relocations following this amendment.”

## Asia – great potential ahead

He then turns his radar to Asia, where he notes Jersey had in 2019 celebrated its 10-year anniversary of operating from Hong Kong. “The Far East has been a really important market for us for a long time,” he says, “and Hong Kong is a jurisdiction that we are comfortable with, we would like to do more business there and we are committed to the Asian market in general.”

Moynihan explains that a core theme for Jersey Finance is that the next generations are inheriting or creating so much more of the private wealth than ever before. “The NextGens,” he says, “tend to have a different perspective on wealth management, they want it to be more professionalised, especially relating to international assets and structures.”

## Reaching out to the NextGens

“We see that many of the businesses and families from Asia working with us, or coming to us, are attracted by our strong reputation from a regulatory viewpoint, because their family wealth and family reputation and values are very important to them,” he adds. “They want to operate somewhere where it is stable, where rules aren’t going to change suddenly, and that has a long and robust history of stability. They also want access to expertise - which we have plenty of in Jersey - for managing international wealth, and very often the start of the relationship involves resolving legacy issues where perhaps the quality of the advice and solutions offered to the first generation is either less valid or robust as

it could have been. Having the expertise and the experience to be able to deal with those problems and those issues is a real edge we offer.”

Moynihan stresses the considerable difference he sees amongst the generations in terms of both the professionalisation of their wealth management needs and expectations, as well as the diversification of their investments in terms of asset classes and geographical exposures, as well as investment vehicles.

**“We have always said as a jurisdiction and as an industry there is only one place to be in this global area and that is at the high end of the quality mark, and by that we mean quality in terms of service to customers, relationships, but also quality in relation to the adherence to international standards. Reputation is essential for us, for our partners and for all our end clients around the world.”**

## Ready for the evolution

“We are certainly well-positioned to cater to this evolution, with the structures, expertise and the range of services to be able to deal with those expectations. And as inheritance planning and succession planning are so much more in demand, our trust structures and our foundations offer a suite of solutions that will accommodate any family’s needs and their overall vision.”

He adds that any wealthy or ultra-rich family looking ahead and wanting to organise their affairs properly need to work with a truly compliant and well-reputed jurisdiction such as Jersey. “You do not want problems later on,”

he cautions. “Accordingly, our key message to such families in Asia is that we are experts in supporting private and family wealth, we see the trends ahead, we are there and ideally positioned to service these needs and the wider evolution of the wealth market.”

## All bases covered

He also highlights how Jersey supports the drive towards both philanthropy and sustainability. “As families evolve their wealth

from the founder-creator generation to a broader distribution of wealth within the larger family,” he says, “they are increasingly wanting to see that wealth is also a means to do good. This philanthropic vein that runs increasingly through family structures particularly, and its consequences are central to our vision of the future. We see more involvement of women in the family wealth curation, more focus on ESG and sustainable finance.”

He explains that about a third of all the foundations that Jersey helps establish these days are for philanthropic purposes. “And within family structures increasingly we are seeing

philanthropic foundations or philanthropic structures in there and supporting both sustainable financing but also impact investing and supporting the environment and society at large, including a focus on developing and under-privileged areas in Africa and elsewhere, helping alleviate poverty and other social issues.”

### Regulatory rectitude and reputational excellence

Moynihan stresses that Jersey is a jurisdiction that works within the global regulatory environment. “We of course adhere to global standards, that has always been our mantra,” he states. “We have always said as a jurisdiction and as an industry there is only one place to be in this global area and that is at the high end of the quality mark, and by that we mean quality in terms of service to customers, relationships, but also quality

in relation to the adherence to international standards. Reputation is essential for us, for our partners and for all our end clients around the world.”

He also notes that Jersey is subject to regular international, independent checks and is well-endorsed by the global financial and regulatory communities. “We are not the cheapest jurisdiction,” he says, “but we are at the very top end of the quality metric, and we also know that if our partners and clients do not meet the global standards and requirements, they are not seeing the longer-term picture. Jersey stands for stability, integrity and longevity, and that is what wealthy families increasingly want to be associated with.”

### The clients care

He elaborates on this point, noting that clients are especially demanding these days of

the jurisdictions they work with representing all these virtues. “This is really where we score highly,” he reports. “For businesses, for family wealth, for fund managers and for parties across the globe, we are one of the true jurisdictions of choice.”

### Staying adaptable

As to the immediate or even near-term future for the world economy, Moynihan concludes the discussion by commenting that nobody can predict what might happen. “Whatever lies ahead, our challenge is to ensure that we have the infrastructure in place,” he says. “We have the people in place, and we continue to adapt to the market conditions and expectations, and that is precisely what we have been doing. We believe Jersey will be a beneficiary from the global flight to quality, and our resilience and robustness and history will attract ever more Asian clients to our shores.” ■

