

JURISDICTION COMPARISON

Caribbean vs Channel Islands: BVI and Cayman funds compared with Jersey and Guernsey

The Caribbean and Channel Islands both offer tax-neutral, common-law fund regimes, but Jersey and Guernsey's proximity to the UK/EU and direct market-access routes make them a distinct competitive choice rather than a simple cost alternative.

01

Overview

Jersey and Guernsey are the leading Channel Islands fund domiciles, regulated respectively by the Jersey Financial Services Commission (JFSC) and the Guernsey Financial Services Commission (GFSC). Like BVI and Cayman, both are UK Crown Dependencies with English common-law-based legal systems and tax-neutral fund regimes. Both islands offer streamlined private-fund products — the Jersey Private Fund (JPF) and the Guernsey Private Investment Fund (PIF) — that can be approved in as little as 24 hours to one business day, rivalling or beating the fastest BVI/Cayman open-ended registration routes.

The decisive difference between the two regions is not cost or speed but market access. Because Jersey and Guernsey have negotiated bilateral National Private Placement Regime (NPPR) arrangements with individual EU member states, managers domiciled there can market into most of the EU under AIFMD without establishing an EU AIFM — a materially lighter and cheaper route than full AIFMD passporting via Luxembourg or Ireland, and one not directly available to BVI or Cayman funds in the same form. This gives promoters targeting European institutional capital a structural reason to choose the Channel Islands, even where BVI or Cayman would otherwise be cheaper or faster.

02

Key features

Feature	BVI / Cayman	Jersey / Guernsey
Regulators	BVI FSC / CIMA	JFSC / GFSC
Flagship private fund vehicle	BVI Private Investment Fund; Cayman Private Funds Act fund	Jersey Private Fund (JPF); Guernsey Private Investment Fund (PIF)
Typical approval time	~2 weeks (Cayman); 2 days to ~14–21 days (BVI)	JPF/PIF: generally within 24 hours of a complete application

Berkley Fund Services is an authorised financial services provider, regulated in South Africa (FSCA 52890) and the British Virgin Islands (BVI FSC – Licence No. SIBA/L/26/1190).

Enquiries: enquiries@berkleyfunds.com

Feature	BVI / Cayman	Jersey / Guernsey
EU/UK market access	No bespoke NPPR framework equivalent	Bilateral NPPR agreements with most EU member states
Cost vs. Luxembourg alternative	Not typically compared directly	A Luxembourg fund can cost up to 3x a comparable Jersey/Guernsey fund
Typical promoter profile	Global managers indifferent to EU distribution	Managers with UK/European investor bases or EU fundraising plans

03

Regulatory framework

Both regions have converged on a similar philosophy for private/professional fund products: light-touch registration for vehicles sold only to sophisticated investors, fast regulatory turnaround, and reliance on locally licensed administrators to carry much of the compliance burden. The JPF and PIF both dispense with a mandatory full prospectus in favour of lighter offering documentation, mirroring the BVI's Incubator/Approved Fund and Cayman's smaller-fund philosophy of proportionate regulation.

The meaningful divergence is jurisdictional positioning relative to the EU. AIFMD governs marketing of alternative investment funds to EU professional investors, and non-EU AIFMs generally rely on each member state's own NPPR to market locally, since there is no automatic passport for non-EU funds. Jersey and Guernsey have invested heavily in maintaining these bilateral NPPR gateways. BVI and Cayman funds can, in principle, also be marketed under individual member states' NPPRs where those states permit it for any third country, but the Channel Islands' proximity and marketing infrastructure make this route more established in practice for Jersey/Guernsey vehicles.

04

Practical considerations

- Choose Jersey/Guernsey when European or UK institutional distribution is a near-term priority and NPPR access materially reduces the cost of that distribution versus a full EU AIFMD platform.
- Choose BVI/Cayman when the investor base is primarily US, Asian, Middle Eastern or global-offshore and EU marketing is not a current priority.
- Compare approval speed directly for time-sensitive launches — JPF/PIF and BVI Incubator/Approved Funds sit in the same hours-to-days tier; Cayman's ~2-week timeline is the outlier to plan around.
- Consider “substance” optics — geographic and regulatory proximity to the UK can carry perception value with certain UK pension and institutional allocators.
- Model total EU distribution cost, not just fund setup cost, when comparing an NPPR route against Cayman's lower base setup cost.
- Confirm current regulator fee schedules before finalising a budget — fee data varies year to year across all four jurisdictions.

05

How Berkley can help

Berkley Fund Services administers funds domiciled in both the British Virgin Islands and the Cayman Islands, and works alongside promoters and their legal counsel from the earliest stages of structuring to help match a fund's strategy and investor base to the right jurisdiction and vehicle. Promoters weighing up their options are welcome to discuss a proposed structure with Berkley's team before finalising an offering document.

ENQUIRIES **enquiries@berkleyfunds.com**

This article is provided for general information purposes only and does not constitute legal, regulatory or tax advice. Fund promoters and managers should seek independent professional advice before establishing or investing in any of the structures described.