

GUERNSEY FUNDS MAY BE SET FOR PRE-BREXIT BOOST AS MANAGERS AVOID UNCERTAINTY

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Guernsey funds could be set for a burst of pre-Brexit activity as fund managers prepare for the uncertainty of the UK's departure from the European Union in 2019, delegates heard at the Guernsey Funds Masterclass.

Lack of clarity about the UK's regulatory position could lead managers to seek to launch new funds before March 2019, and to use stable and understood regulatory environments such as that in Guernsey, it has been suggested.

"I think there is a real wind of opportunity," said Robert Mellor, UK Asset Management Tax Partner at PwC, who delivered the keynote address at the Guernsey Finance-hosted event in London.

"If you look at the pace of fund launches, London-based alternative managers want to get their funds away now. If you can get a fund away before March 2019 or during the transition, then you've got a closed-ended fund on the books. Then when it comes to raising their next fund, they'll know what the landscape is."

Andrew Seaman, Partner and Chief Investment Officer at fund manager Stratton Street, said he believed there were overseas managers currently not wanting to risk structuring in the UK because of uncertainty.

"Guernsey has a well-established private placement regime into Europe and the UK might have to go through the same. Managers might say: 'I know the position in the Channel Islands, why don't I start in there, and when I know what the UK position is, then I can take a view on the UK.'

"You have a wonderful opportunity to provide the certainty that those managers require."

Travers Smith Investment Funds Partner William Normand said that Guernsey funds continued to provide a good alternative to Luxembourg structures. Guernsey's reputation for listed funds, particularly into London, made it an ideal complement to the City, he added.

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Sarah Shackleton, Partner at Development Partners International, a leading private equity firm focused exclusively on Africa, with some \$1.1 billion in assets under management, has experience of establishing a fund in Guernsey. She praised the ease of doing business in the island and the understanding of private equity in the sector.

"We have had a really good experience working with Guernsey," she said.

The panellists at the Masterclass discussed the implications of Brexit as part of a wider debate which included Guernsey's abilities in global fund distribution.

Guernsey Finance Chief Executive Dominic Wheatley said: "Guernsey has a strong distribution capability for funds outside of Europe, and in the light of Brexit, we can support UK investment managers to pivot their trading models to a focus on the rest of the world. We are very much a complementary centre to the UK asset management industry."

The event attracted more than 120 people from the London funds sector in a 200-strong audience. Guernsey Finance's next funds-based event in the capital is the [Guernsey Funds Forum](#), which takes place in Bishopsgate on 17 May, with discussions focusing on the problems facing the asset management industry and the potential solutions as managers look to navigate risk in an uncertain world.



The panel session at the Guernsey Funds Masterclass. L-R: Robert Mellor of PwC, Sarah Shackleton of Development Partners International, Andrew Seaman of Stratton Street Capital, William Normand of Travers Smith and moderator Simon Thornton.

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WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Dominic Wheatley, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

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