



REGULATION OF LENDING UNDER THE FINANCIAL SERVICES (JERSEY) AMENDMENT LAW 202-

THE NAIL IN THE COFFIN FOR UNREGULATED LENDING IN JERSEY

INTRODUCTION

At a stroke, the legislature has put a nail in the coffin for unregulated lending in Jersey after several years of consultation. On 9 July 2025, the States of Jersey adopted the Financial Services (Jersey) Amendment Law 202- (the **Amendment Law**), which introduces a new regulated activity under Schedule 1A (Article 2(12)): *consumer credit business* of the Financial Services (Jersey) Law 1998, as amended (the **Financial Services Law**). The Amendment Law is not yet in force but will come into effect on a date to be specified by the Minister once it has been sanctioned by Order of His Majesty in Council and registered in the Royal Court of Jersey.

KEY IMPACT ON LENDING

The types of regulated lending activities are: -

- unsecured consumer loans;
- secured lending on primary residences;
- hire-purchase;
- conditional sale agreements;
- acquiring or exercising lender rights;
- advising consumers on entering into or varying lending agreements;
- credit broking, debt counselling, debt adjusting, and debt administration; and
- pawnbroking.

ARE THERE ANY EXEMPTIONS?

Yes, exemptions are provided for in new Schedule 2 (exemptions), Part 6, and include lending: -

- to family members or connected persons;
- of £5 million or less in aggregate to no more than ten consumers;
- by trustees, protectors or underlying entities of private wealth structures; and
- to high-net-worth individuals in certain circumstances who sign a waiver.

Other exemptions include: -

- instalment credit for insurance premiums;
- advising only on hire-purchase or conditional sale related to your own product;
- advice or lending by lawyers, liquidators, or insolvency professionals in the course of their professional duties;
- lending or advising by UK and Guernsey regulated firms, provided they do not solicit business in Jersey; and
- informal advice to friends, family, or associated entities not given by way of business.

WHAT STEPS SHOULD CURRENT LENDERS TAKE?

Lenders should take action now. Although lending is not yet regulated in Jersey, once the Amendment Law comes into force, all businesses conducting lending to consumers will be required to either apply for registration with the Jersey Financial Services Commission (**JFSC**) or cease this activity.

Transitional provisions allow: -

- six months to apply for registration from the commencement date; and
- 12 months to wind down activity if not seeking registration.

CONCLUSION

Lending to consumers in Jersey is not yet regulated. However, once the Amendment Law is brought into force, such activity will become regulated unless an exemption applies. Lenders should assess their activities now and prepare for registration or restructuring ahead of the commencement date.

HOW CAN WE HELP?

At Lexstone Lawyers, we help lending businesses navigate Jersey's new consumer credit regime with professional and practical advice. We assess whether activities fall within Schedule 1A, advise on Schedule 2 exemptions, prepare JFSC registration applications, draft compliance policies, and support clients through the transitional period and beyond. We can also review existing lending documentation and advise on any necessary changes resulting from the Amendment Law. Whether you're an established lender or a new entrant, we ensure you stay ahead of regulation and protect your business interests.

Lexstone Lawyers is an established Jersey law firm serving both corporate and private clients.

We advise some of the most successful and reputable companies and individuals with interests in Jersey. A pragmatic and no-nonsense law firm with multi-jurisdictional capability.

Knowing how our clients' businesses work and understanding what drives them is fundamental to us. We are a client-focused practice and enjoy a very strong rapport with new and historical clients.

**FOR MORE INFORMATION ABOUT REGULATED LENDING, PLEASE
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