

# Jersey

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## Financial and corporate

### Recommended firms

#### Tier 1

Mourant Ozannes  
Ogier

#### Tier 2

Bedell Cristin  
Carey Olsen

#### Tier 3

Appleby

#### Tier 4

Voisin & Co  
Walkers

There has been a steady recovery in financial and corporate work in Jersey since the worst part of the downturn passed. M&A in particular has picked up and firms have also seen an increase in company relocations from the UK. "A lot of the corporates have moved to Jersey," says one partner.

However the market has not returned at the rate that some predicted. "There has been some capital raising and capital markets work though just not at the levels we were expecting," says one partner.

Part of the reason for this was the renewed turbulence in the financial markets through a combination of the crisis in the Eurozone and the UK general election in May 2010. "Everyone's in wait-and-see mode to see what the coalition government is going to do," says one partner. "Since mid-February with the euro crisis and election looming there was a dip in instructions."

In the banking and finance area, unsurprisingly restructuring is still the order of the day. "More restructuring work is going on than new money deals," says one partner, "the banks were very active in restructuring." Another agrees: "There's not a lot of new money coming into the market with the

banks still being fairly cautious and deals are still taking a long time to come to fruition."

Firms have seen an increase in structured offerings however. "Structured finance is the exception where we have been busy," says one finance partner, and another agrees: "Big banks are looking to set up structured products. We still see some RMBS issuance."

There may yet be more to come if some stability can be imposed in the City of London. "In Jersey we seem to be about six to nine months behind the UK curve, we have not seen a wave of structured work yet, but that may change," says a partner.

In the legal market, a talking point among firms was the merger of Channel Islands heavyweights Mourant du Feu & Jeune and Ozannes. The market suggests that it is too early to tell how this will alter the landscape, but with both firms having strong pedigrees the potential is there.

### Mourant Ozannes

The formation of Mourant Ozannes through the merger of Mourant du Feu & Jeune and Ozannes has been one of the major talking points in the last year. Firms are planning to wait and see how well these two big players will work together, but there's no doubt that in terms of personnel the firm is a force to be reckoned with, with 50 partners firm-wide.

"It has been a very natural merger it has been good for both firms," says one competitor. "They both focused on one market and after a few years they had to admit that this was the best way to go." Others, while respecting the new firm's capability, questioned how much the market would change. "Our perception is that Mourant's do have the largest market share," says one rival partner. "But in Jersey Ozannes didn't really feature, so Mourant and Ozannes doesn't really change things dramatically."

Certainly the market sees Mourant as the senior Jersey partner in the new operation and this is reflected by the quality of work com-

pleted by the team last year. "They were extremely good in deals, particular work related to re-domiciling," says one client. "I think they are the market leader and I think it shows. They seemed completely on top of what they had to do." Another client comments: "Mourants? Very, very slick."

One of busiest aspects of the firm's practice has been cash box structures which the firm completed for clients including Big Yellow Group, Balfour Beatty and Standard Chartered among others.

With restructuring still playing a large role in the market the team also found themselves advising on one of the largest, providing local regulatory advice to Blackrock in a restructuring designed to facilitate the group's acquisition of Barclays Global Investors. Other restructuring highlights include working on various Lehman-related SPV and debt and bond restructurings of Independent News & Media.

The team also worked on two notable RMBS structures as the market began to regain some traction. Jonathan Walker advised both the Lloyds Banking Group and Nationwide in transactions valued at £3.9 billion and \$3.5 billion respectively.

### Leading lawyers

Edward Devenport  
Simon Gould  
Robert Hickling  
Jacqueline Richomme

### Ogier

One of the biggest developments at Ogier last year saw the firm looking beyond its Channel Island base for new opportunities as it began offering Jersey and Guernsey services out of its Hong Kong office. The move is designed to open up the lucrative Asian market to Channel Islands opportunities and the firm is hopeful it will provide a solid stream of work.

Ogier is recognised by competitors and clients alike as one of the leaders in financial

and corporate markets alongside Mourant Ozannes. "They were very pro-active in what they were doing," says one client. "If something popped up which we didn't envision they solved it right away."

There was also specific praise for Chris Byrne: "He was aware of what we were doing and I had the impression that he had a really good relationship with people in Jersey, so that was impressive," says one client.

One of the firm's biggest deals last year saw it make the most of its Asian experience advising United Company Rusal on its \$17 billion listing on the Hong Kong Stock Exchange. The deal was led by Mark Yates and was the first time a Jersey company has listed in Hong Kong.

Another substantial deal saw Chris Byrne and Peter Longstaffe advising Deutsche Bank over the establishment of its first ever ETC (exchange traded commodities) platform. The deal has an anticipated value of between £1 and 2 billion but there are no limits on the programme size.

In restructuring, the team co-operated with the Guernsey office in advising the Four Seasons Healthcare Group over its £1.7 billion debt restructuring.

#### Leading lawyers

Chris Byrne  
Michael Lombardi  
Richard Thomas

#### Carey Olsen

Carey Olsen continues to have an active and well respected practice in financial and corporate work although the feeling persists in the market that the firm is a step behind the top two in terms of market share. "I think Mourant and Ogier do slightly more than Bedell or Careys," says one rival, "but they are all firms we see on work."

Clients though are very impressed by the firm's quality: "What you get is very incisive and channelled advice which is way outside what one would expect from a legal advisor," says one. "They deliver at any time and the work rarely requires any redrafting."

Alex Ohlsson also came in for personal praise: "He's one of those lawyers that is figurative," says one. "There are lawyers that make deals and there are lawyers that break deals, he's probably the best lawyer I have worked with."

A deal highlight for the firm last year saw Paul Sugden leading a team advising BNP Paribas Securities Services on the integration of the Royal Bank of Scotland Custody Bank in the Channel Islands and Isle of Man. Alongside merger arrangements, the team had

to look at various regulatory issues and the establishment of new branches on the islands.

On the corporate side Mike Jeffrey was kept busy advising State Street Corporation on the acquisition of rival Mourant's International Finance Administration business. The company has \$170 billion worth of assets under administration and the deal included work in both Jersey and Guernsey law. Jeffrey also acted for the Henderson Group on the public takeover of New Star Asset Management, a deal that included the placing of shares through a cash box structure.

On the financing side an obvious highlight saw the firm advising Berlin-Hannoversche Hypothekenbank over the securing of a £68.5 million London property financing. The firm advised on the Jersey unit trust structure employed by the Luxembourg companies holding the property.

#### Leading lawyers

Nicholas Crocker  
Alex Ohlsson

#### Other ranked firms

Appleby's deal highlights read like a microcosm of the jurisdiction as a whole, being focused on restructuring and the set up of cashbox structures. One of the biggest deals saw the team work alongside its Cayman office advising Hatfield Philips International as the special servicer of Healthgroup Four Seasons' £1.6 billion debt restructuring.

Both Wendy Benjamin and Alastair Drummond were involved as the firm advised a syndicate of banks over the restructuring of a \$750 million loan to Russian energy company the EN+ Group. The restructuring comes as the company aims to list aluminium producer UC Rusal, in which it has a controlling interest, on the Hong Kong and Paris stock exchanges in an IPO worth between \$1 billion and \$2.5 billion.

Another notable deal saw Mark Weaver and Mark Estella advise Petropavlovsk on the set up of a Jersey convertible bond cash box structure, issuing \$380 million of 4% convertible bonds.

The Walkers team in Jersey was boosted in July 2010 by the arrival of Nigel Weston from Mourant Ozannes. Weston will head up the financial and corporate team at the firm.

## Investment funds

### Recommended firms

#### Tier 1

Mourant Ozannes

#### Tier 2

Bedell Cristin  
Carey Olsen  
Ogier

#### Tier 3

Appleby  
Voisin & Co  
Walkers

The investment funds market in Jersey has been steady over the last year and there are clear signs of a recovery from the downturn, however it is a gradual process and the market is still proving challenging in terms of new money as one lawyer points out: "Now the market is more optimistic but fund raising is still a slog."

Where there has been a clear resurgence is in hedge funds, whose reactive nature has allowed them to adapt to new market conditions, as one partner explains: "Hedge funds are more open ended, they shrank very quickly, but equally they bounced back quickly. They raise money fast so they can anticipate the market better."

There is also some optimism from law firms that activity may yet be drawn to the market from the Caribbean fund centres of Cayman and the British Virgin Islands with investors and fund managers looking to the Channel Islands as a safer more regulated option.

Although it cannot be said that there has been a wave of this work yet, there is hope that Jersey's options and flexibility will work in its favour: "If you look at a jurisdiction like Jersey you have a heavily regulated model and a lightly regulated market and also a regulated fast track," says one funds lawyer. "That's why Jersey is easy to market because we have the whole range of products available."

Another talking point in the market has been the discussions surrounding the Alternative Investment Fund Management Directive (AIFMD) proposed by the European Commission. This is an attempt to create a complementary regulatory framework to cover AIFMs in the EU.

Although discussions are still ongoing there is optimism among Channel Islands practitioners that they will not be negatively affected, with some even suggesting that its effect on other jurisdictions could boost activity on the islands.

"Jersey is foremost in terms of its status, its regulation, its compliance and anti-money laundering in terms of the boxes that require

to be ticked to get funds into the EU,” says one partner. “Jersey is in a good position. Jersey will find itself as a passportable jurisdiction.”

### **Mourant Ozannes**

With Mourant du Feu & Jeune already widely considered to be the leading funds practice in Jersey, the real question surrounding the newly merged firm was whether the new team would have more to offer than merely expanded capacity.

One issue raised by the market was how the practice would cope after the sale of Mourant’s International Finance Administration business. “The sale of the admin side will have an impact,” says one rival. “That was the main feeder to their funds business.” Another agrees: “The challenge is whether they can operate without this. The Mourant’s machine has been very effectively driven by the admin machine.”

The flipside however, and the point put forward by the firm itself, is that its partners can now focus on the legal work without having the added consideration of the admin side.

A highlight of the firm’s work last year saw partner Jacqueline Richomme lead a team on a real-estate fund restructuring for Henderson UK Shopping Centre. The first part of the deal saw the team complete a debt restructuring involving transferring £58 million of the debt between two different trust substructures. The second aspect saw the team advise Henderson and Universities Superannuation Scheme in a £100 million acquisition by Henderson of the Manchester Fort Shopping Park.

Hedge funds also proved to be a busy area. One highlight saw Ed Devenport advising Lyxor Asset Management on the expansion of a management account platform that increased by ten new funds since the beginning of 2009. Devenport also advised Deutsche Bank as they assisted EIM in the creation of a new platform to be launched in 2010.

#### **Leading lawyers**

Edward Devenport  
Simon Gould  
Robert Hickling  
Jacqueline Richomme

### **Carey Olsen**

Clients of Carey Olsen were impressed by the team’s in-depth advice: “The experience is outstanding, it’s the critical advice particularly,” says one client.

The team has had a hand in the busy restructuring area with Eve Kosofsky advising Close Global Funds over the restructuring of the Close Brothers Investment fund. The complex transaction involved gaining shareholder approval for the creation of side pocket sub-funds, the conversion of other sub funds into feeder funds and the adoption of new articles of association and fund rules.

Kosofsky was also engaged in new fund matters advising Morgan Stanley on the launch of three new sub-funds for the bank’s Jersey expert fund trusts Topas 2 and Topas 3.

Edward Quinn was also busy on the new fund side advising GoldenTree European Select Opportunities Fund on the creation of a liquidating class of shares/interests in the feeder company and limited partnership and the redemption of loan notes offered by the master limited partnership. Quinn also advised GCP Infrastructure on the establishment of an open-ended expert fund, primarily investing in infrastructure, listed on the Channel Islands Stock Exchange.

Assisting Quinn on the GCP deal was Robert Milner, and clients were keen to praise the rising star: “He’s very good,” says one. “Doesn’t waste anyone’s time or money, willing to refer to other people’s advice and isn’t stubborn.”

In the private-equity area the firm advised Nordic Capital on numerous asset acquisitions and restructuring of interest arrangements in the group’s Jersey private-equity funds.

#### **Leading lawyers**

Eve Kosofsky

### **Ogier**

Channel Islands lawyers as a whole tend not to be too focused on just one specific area of practice, but there is a sense in the market that Ogier is more flexible in this regard than most: “Ogier generally are less specialised,” says one rival and another agrees: “They have a number of partners who are more general and they can spread themselves.”

The firm has a clear strength in real-estate matters and as the market begins to return in the UK the firm can look forward to more matters coming its way.

One of the biggest deals worked on by the team last year was a \$1 billion unregulated fund structure for JRJ Investors. In a similar deal, a team led by Christopher Byrne advised on an unregulated exchange trade fund for LXB Retail Properties. The fund, which was set up to invest in UK commercial real-estate, was valued at £110 million and listed on both the AIM and CISX exchanges.

Clients of the firm were particularly taken by department head Michael Lombardi: “He’s got a very good awareness generally of the market and the pressures and conditions we are working with, this is because of their judicial services team,” says one. “He’s very accessible. Their whole culture pervades down from Mike.”

There was also praise for managing associate Bruce Scott: “Very responsive, always willing to come up with solutions, he’s happy to go into bat for us with the regulator,” says a client.

Lombardi and Scott were both involved as the firm advised Columbus UK Real Estate fund on the establishment of an estimated £500 million Jersey fund for investment in real estate. Lombardi also worked with Intermediate Capital Group on the close of an €843 million recovery fund consisting of three limited partnerships and a corporate general partner.

#### **Leading lawyers**

Chris Byrne  
Nick Kershaw  
Michael Lombardi  
Richard Thomas

### **Other ranked firms**

A highlight for the Appleby team last year saw it advising Atrium European Real Estate on a dual listing of the company’s securities on both the Euronext Amsterdam and Vienna Stock Exchange. This involved work with teams in Austria, The Netherlands and the UK.

Another highlight saw Andrew Weaver lead a team advising Tritax Securities over the establishment of the Tritax Brindleyplace (7, 8 & 10) Unit Trust unregulated fund, including the listing of £43.3 million of securities on the Channel Islands Stock Exchange.