

# Jersey Limited Liability Company

A Jersey Limited Liability Company (LLC) is a modern hybrid vehicle introduced in 2022, combining the limited liability of a company with the constitutional flexibility of a partnership. Closely modelled on the Delaware LLC, it offers broad contractual freedom and can be tailored to a wide range of commercial and investment purposes.

Members enjoy limited liability protection, while governance and profit-sharing arrangements can be structured with far greater flexibility than under a standard company.

For fund managers, corporates, and family offices, the Jersey LLC provides a familiar and adaptable option for fund formation, joint ventures and asset holding in a tax-neutral jurisdiction without entity-level taxation on non-Jersey income.

For US counsel and sponsors, the Jersey LLC will feel immediately familiar. Its flexibility, limited liability status and elective tax treatment reflect key features of the Delaware regime, making it an attractive option for cross-border investment structures involving US stakeholders.

Jersey LLCs combine the separate legal personality and liability shield of a company with the privacy and adaptability of a partnership. Management can be either member-led or manager-led, and tax treatment in the US can follow the typical check-the-box election for either flow-through or corporate status. In Jersey, the default position is tax transparency.

This flexibility makes the Jersey LLC well suited to a broad range of use cases from single-member business ventures and asset holding structures, to SPVs within fund platforms, carried interest or feeder vehicles, and even as

holding entities within large international groups. Its adaptable form and cross-jurisdictional familiarity underpin its growing popularity.

## The benefits of a Jersey LLC

- > **Legal flexibility:** The Jersey LLC blends company-style liability protection with partnership-style flexibility. The LLC agreement is a private document, allowing members to define governance, profit-sharing and other key terms with minimal statutory constraint.
- > **Tax treatment options:** By default, Jersey LLCs are tax-transparent for Jersey purposes but can elect to be treated as a body corporate. This allows structuring aligned with the tax preferences of diverse investor bases.
- > **Flexible governance:** LLCs can be either member-managed or manager-managed, with no legal requirement for a formal board. This adaptability ensures alignment with operational needs and investor expectations.
- > **Broad use cases:** Jersey LLCs are versatile tools for fund structures, investment holding, joint ventures and structured finance. They are also commonly used as general partners or managers in fund structures, or for holding family wealth across jurisdictions.
- > **International recognition:** Modelled on the Delaware and Cayman LLC frameworks, the Jersey LLC is instantly familiar to global sponsors and institutional investors, easing adoption in cross-border structures.

## Our services

Our experienced team provides comprehensive support throughout the LLC's life cycle:

- > **Formation:** Turnkey formation services, including name reservation, preparation and filing of the registration statement, and fast-track registration. We manage all regulatory filings and obtain the required consents for a swift launch.
- > **Governance:** Ongoing company secretarial and governance support. We can provide local managers or directors or assist member-managed entities with compliance and record-keeping. Our service ensures compliance with Jersey's statutory requirements and governance best practices.
- > **Tax and accounting:** Tailored accounting, bookkeeping and financial reporting. We guide clients on tax elections (transparent vs. body corporate) and liaise with tax advisers to optimise the LLC's tax treatment. Services include preparing management accounts, coordinating audits and ensuring timely regulatory submissions.
- > **Lifecycle administration:** End-to-end administrative support from formation through to dissolution. We handle capital calls, changes in membership, regulatory compliance and routine maintenance, allowing you to focus on your investments.

## Jersey LLC vs. Jersey Company vs. Jersey Limited Partnership

To determine the best structure for your needs, it may be helpful to compare the Jersey LLC with traditional Jersey companies and limited partnerships.

Key aspect	Jersey LLC (Ltd Liability Company)	Jersey Company (Ltd by Shares)	Jersey Limited Partnership (LP)
Formation & setup	<p>Formed by simple registration (filing a declaration) with the Jersey Registrar.</p> <p>Only one member needed to form an LLC.</p> <p>Quick incorporation – can be registered within hours via online portal (fast-track two-hour service available).</p> <p>The LLC's constitutive document is a private LLC Agreement (no public filing of the agreement).</p>	<p>Formed by filing a Memorandum &amp; Articles of Association with the Registrar.</p> <p>Requires at least one shareholder and one director (these can be the same person).</p> <p>Incorporation can be done within hours on a fast-track basis (standard formation ~five days).</p> <p>Constitutive documents (Memorandum &amp; Articles) are public documents.</p>	<p>Formed by registration of a partnership declaration with the Registrar and execution of a partnership agreement (which remains private).</p> <p>Requires at least one General Partner (GP) and one Limited Partner (LP) (GP and LP cannot be the same).</p> <p>Typically formed within a few days – expedited two-day formation available.</p>
Governance	<p>Flexible governance: can be member-managed or managed by appointed manager(s) per the LLC Agreement.</p> <p>No board of directors is required by law. If no manager is appointed, members run the LLC by default.</p> <p>The LLC Agreement can customise decision-making processes (majority votes, consent thresholds, etc.).</p> <p>A Jersey LLC must have a Jersey-based secretary and a local registered office – usually provided by a corporate services provider.</p>	<p>Managed by a Board of Directors (appointed by shareholders). Directors owe fiduciary duties to the company and are responsible for day-to-day management and oversight.</p> <p>Shareholders do not participate in management (beyond voting in general meetings on certain reserved matters).</p> <p>Jersey companies must appoint a company secretary and must maintain a registered office in Jersey.</p> <p>Corporate records (director, shareholder registers, etc.) are maintained by the company or its administrator.</p>	<p>Managed by its General Partner(s). The GP has full authority to act on behalf of the partnership in all matters.</p> <p>Limited Partners are passive investors and cannot participate in management of the partnership (doing so could risk their limited liability status, though Jersey law provides safe-harbour activities LPs can perform without 'managing' the LP).</p> <p>The GP can be a company or LLC, which is commonly done to limit liability at the GP level.</p> <p>The partnership agreement governs internal operations and profit allocation, and the GP carries out management in accordance with that agreement.</p>

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<b>Tax status</b>	<p>Tax-transparent by default, the LLC itself is not taxed in Jersey, and profits flow to members.</p> <p>Unique option: can elect to be taxed as a company ('body corporate') upon establishment. This election, once made, is irrevocable and lets the LLC be treated like a company for tax purposes - useful for aligning with tax classifications in other countries.</p> <p>In Jersey, even if treated as a company, the LLC would typically pay 0% corporate tax since Jersey's standard corporate rate is 0% for foreign-facing businesses.</p>	<p>Tax-opaque, a company is a separate taxable entity. In practice, Jersey companies are tax neutral for most international activities (0% corporate income tax in Jersey).</p> <p>Profits can be retained or paid out as dividends to shareholders.</p> <p>Shareholders are generally only taxed in their home jurisdictions on dividends or gains.</p> <p>Jersey does not levy withholding tax on dividends, and no capital gains tax.</p>	<p>Tax-transparent, a limited partnership is not a taxable entity in Jersey; profits and losses flow through to the partners, who are taxed individually (depending on their own tax profile).</p> <p>Jersey does not tax the partnership or impose withholding taxes on distributions.</p> <p>This transparency often makes LPs efficient for investment structures - each partner can capitalise on their own tax treatment.</p>
<b>Investor liability</b>	<p>Limited liability for all members. Members are only liable up to the amount of their capital contributions or agreed guarantees.</p> <p>They are not personally responsible for the LLC's debts beyond that investment.</p> <p>If a member agrees to assume additional obligations in the LLC Agreement, those will apply, but there is no automatic personal liability in an LLC.</p>	<p>Limited liability for shareholders.</p> <p>Shareholders' losses are limited to the capital they invested (the value of their shares).</p> <p>Shareholders are not personally liable for the company's debts.</p> <p>Directors or officers can incur personal liability in certain cases (e.g. wrongful trading), but shareholders enjoy the 'corporate veil' protection.</p>	<p>Dual liability structure. The GPs have unlimited liability for the debts of the partnership - creditors can claim against the GP's assets if partnership assets are insufficient.</p> <p>Limited Partners have limited liability, so they can lose up to their contributed capital, but no more, provided they do not take part in management.</p> <p>In practice, the GP is often a limited company or LLC to shield individuals from the GP's unlimited liability exposure.</p> <p>The LP's creditors typically have no recourse to limited partners personally.</p>

**Please note:** there are also Jersey Separate Limited Partnerships, Jersey Incorporated Limited Partnerships and Cell partnerships are in development, so please ask if you would like to learn more about these vehicles.

## How we support our clients

- > **Client-first, boutique service:** We offer the reach of a global provider with the agility of a boutique firm. Our Jersey team provides direct access to senior professionals who understand your business and deliver tailored, responsive service.
- > **Expert-led delivery:** Our fund and corporate services team brings decades of multi-jurisdictional experience. Backed by 50 years of group expertise, we guide clients through every stage, from initial structuring to day-to-day operations.
- > **Technology-enabled efficiency:** We use Allvue, a leading administration platform, to ensure robust, efficient, and transparent service. Features include online investor portals, automated compliance tools, and timely NAV reporting.
- > **Scalable, trusted partner:** We operate to institutional standards, ensuring transparency and regulatory compliance at every stage. Our services scale with your growth, supporting both emerging managers and complex, multi-entity structures.

## Praxis at a glance

1972

Established

13

Offices

400

People

£74b\*

AUA

\*As at September 2025



### Key contacts

For more information about launching a Jersey Private Fund or our fund services, please contact:



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