

STATES OF JERSEY



Jersey

DRAFT AGRICULTURE AND FISHERIES (LOANS) (JERSEY) REGULATIONS 202-

Lodged au Greffe on 23rd October 2026
by the Minister for Environment, Agriculture and Fisheries
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STATES GREFFE

REPORT

I. Introduction

The draft Agriculture and Fisheries (Loans) (Jersey) Regulations 202- provide the detailed operational framework required to implement the [Agriculture and Fisheries \(Loans\) \(Jersey\) Law 2026](#) which was adopted by the States Assembly in March 2026.

The Regulations replace the [Agriculture \(Loans\) \(Jersey\) Regulations 1974](#) and modernise the administration of the Government loans scheme for the agriculture and fisheries sectors. The Regulations support the extension of the loans scheme to the fisheries sector and provide the operational framework for administering loans under the Law.

II. Consultation Process

The draft Regulations have been developed sequentially to the draft Law following engagement with Government officers, the Agriculture and Fisheries Loans Board, Legal Services, Jersey Business Limited and representatives from the agriculture and fisheries sectors. Engagement has also occurred through existing industry forums and stakeholder discussions on the future operation of the Scheme.

III. Key Changes

1. Interpretation

Introduces updated definitions used throughout the Regulations, including definitions of farming, immovable property, secured loans and service provider. The provision also reflects the expansion of the Law from agriculture only to both agriculture and fisheries.

2. Applications for Loans

Formalises the two-stage application process whereby applications are submitted initially to a service provider for screening before being referred to the Agriculture and Fisheries Loans Board. Provision is made for the service provider to reject incomplete applications or applications containing materially false information. Applicants may request that rejected applications are referred to the Board for consideration. The Article also enables the Minister to amend application processes by Order.

3. Consideration by the Board

Sets out the role of the Agriculture and Fisheries Loans Board (which is constituted under Article 3 of the updated Law) in assessing loan applications and making recommendations to the Minister. The provision expands the assessment criteria to include both agricultural and fisheries activities, including consideration of whether the intended use can provide a reasonable return to the applicant, together with the financial and operational merits of the proposal. The Board may request additional information, interview applicants and recommend whether loans should be secured or unsecured.

4. Decision of the Minister

Provides that the Minister must consider both the application and the Board's recommendation before determining whether to approve or refuse a loan. The Minister may approve a lower amount than that recommended by the Board where appropriate.

5. Amount of Loans and Interest Rates

Retains the principle that loans should not normally exceed 90% of the cost of the activity being funded unless the investment contributes to energy savings. The provision modernises the interest arrangements by allowing the Minister to determine the applicable interest rate, including a zero-interest rate, having regard to the Bank of England base rate.

6. Property to be Kept Insured

Requires borrowers receiving secured loans to maintain insurance cover acceptable to the Minister in respect of risks specified within the loan agreement. Provision is also made for the Minister's interest to be recorded on the policy where required.

7. Repayment of Loans

Introduces updated repayment arrangements, including monthly, quarterly or annual repayment options. The provision establishes different maximum repayment periods depending on the type of security provided and enables repayment holidays, re-registration of security and extensions to repayment periods in certain circumstances.

8. Special Circumstances Relating to Interest and Repayment

Provides additional flexibility for projects that are likely to contribute to energy efficiency. The Minister may, on the recommendation of the Board, provide interest-free periods and defer principal repayments for an initial period of up to two years.

9. Secured Loans

Modernises the security arrangements available under the scheme. In addition to judicial hypothecs over land, loans may now be secured against fishing vessels, shares, bank accounts, machinery, vehicles and other movable assets. Security may also be provided by third parties, and personal guarantees may be required where appropriate.

10. Conditions Applied to All Loans

Establishes the conditions that apply throughout the lifetime of a loan. These include requirements to maintain agricultural land in good condition and in accordance with good husbandry practices, and to maintain fisheries premises, vessels and equipment in accordance with good fishing and aquaculture practices. Properties and buildings supported by loans must also be kept in good repair.

11. Powers of the Minister if Conditions are Breached

Provides enforcement powers where the conditions of a loan are breached. The Minister may apply to the Royal Court for ownership of secured immovable property to vest in the public of Jersey where breaches are not remedied following notice. The provision also establishes the legal consequences of any vesting order.

12. Title

Provides the citation of the Regulations as the Agriculture and Fisheries (Loans) (Jersey) Regulations 202-.

13. Commencement

Provides that the Regulations will come into force on the same date as the Agriculture and Fisheries (Loans) (Jersey) Law 2026.

IV. Background

The current Regulations were introduced in 1974 and were designed primarily for agricultural lending. While the scheme remains valuable, business structures, financing arrangements and governance expectations have changed significantly over the last five decades.

The Economic Frameworks for the [Rural](#) and [Marine](#) Environments both recognise the importance of investment in productive enterprises with the corresponding need for accessible capital to support long-term resilience, productivity and economic sustainability. The Regulations form part of the wider modernisation of the Agriculture Loans Scheme and support its extension to fisheries businesses.

V. Agriculture and Fisheries Loans Board

The Board will continue to provide independent scrutiny and recommendations to the Minister regarding loan applications. The Law provide a modern governance framework and ensure that expertise from finance, business, agriculture and fisheries is reflected in decision-making. The Regulations set out the Board's role in assessing applications and making recommendations under the Scheme.

VI. Jersey Business Ltd and Scheme Administration

The Regulations recognise the role of an appointed service provider in administering applications and supporting applicants through the assessment process. This reflects the practical administration arrangements currently contracted to Jersey Business Limited.

VII. Process Adjustments

Applications will be made in a clearer process to help improve efficiency of delivery whilst maintaining strong due diligence requirements, including consideration of management information, business plans, financial forecasts and supporting evidence. These changes are intended to strengthen lending decisions and improve protection of public funds.

VIII. Financial Risk and Due Diligence

The purpose of the Agriculture and Fisheries Loans Scheme is to support investment in Jersey's agricultural and fisheries sectors where access to commercial finance may be limited, unavailable, or offered on terms that do not adequately support long-term sector development. In approving the establishment and operation of the Scheme, the States Assembly has recognised that achieving these policy objectives requires the Government to accept a higher level of financial risk than would typically be acceptable for a purely commercial lender. Accordingly, the Scheme operates with a deliberately elevated risk appetite in respect of credit risk and capital preservation,

reflecting the strategic objective of supporting economic, environmental and social outcomes within the rural and marine economy.

While appropriate due diligence, security arrangements and governance controls will continue to apply to individual lending decisions, the potential for losses, defaults or impaired recoveries is an inherent and accepted feature of the Scheme and should be considered in the context of its wider public policy objectives rather than solely on a commercial return basis.

Independent financial assessment will continue to be commissioned to support assessment of loan applications and recommendations to the Minister. This is an operational matter rather than a requirement of the Regulations and provides additional assurance regarding applicant viability and risk of default.

IX. Transitional Arrangements

The Regulations support implementation of the new legislative framework and ensure continuity for existing borrowers, applications and security arrangements set out in the Law.

X. Financial and staffing implications

There are no additional financial or staffing implications arising from the adoption of these draft Regulations. The cost of administering the agricultural loans process will continue to be met using funds from the £10 million loans pot. Jersey Business Limited's delivery costs are calculated at £91,810 for 2026. A recharge mechanism with Treasury and Law Officers' Department for their respective administrative duties is based on the quantity and complexity of loans processed each year. This is also met from the loans pot.

XI. Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has not been prepared in relation to this proposition as a CRIA is not required, in accordance with Schedule 2 to the [Children \(Convention Rights\) \(Jersey\) Law 2022](#). We consider that this proposition has no direct or indirect impact on children and that the duty to have due regard to the UN Convention on the Rights of the Child does not arise. Accordingly, a Children's Rights Impact Assessment is not required under the [Children \(Convention Rights\) \(Jersey\) Law 2022](#).

EXPLANATORY NOTE

These Regulations supplement the Agriculture and Fisheries (Loans) (Jersey) Law 2026 (the “Law”) by specifying the mechanism for making loans to agriculture and fisheries businesses as authorised by that Law.

Regulation 1 contains definitions.

Regulation 2 provides for how applications for loans are made. Applications are initially made to the “service provider” (being the body appointed by the Minister for Environment, Agriculture and Fisheries to carry out initial screening of applications). The service provider has to either refer the application to the Agriculture and Fisheries Loans Board (the “Board”) or reject it, if it is not made in accordance with the Minister’s requirements or contains false information, though the applicant can still then require it to be reviewed by the Board.

Regulation 3 is about consideration of the application by the Board, which may request additional information or invite the applicant to appear before it. The Board may make a recommendation to the Minister having regard to all the circumstances of the case, including circumstances set out in the Regulation. The recommendation may be to grant the application, grant it for a lesser amount or grant it subject to the applicant complying with specified requirements. Alternatively, the Board may recommend refusal or refer it to the Minister without making a recommendation. The Board may also make a recommendation about whether the loan is to be secured or unsecured.

Regulation 4 requires the Minister to consider the application and any recommendation of the Board. The Minister may grant the application with or without conditions for the amount recommended by the Board or a lesser amount or may refuse the application.

Regulation 5 requires the Minister to be satisfied that the amount of a loan to be advanced is within the resources of the loan Fund established by the Law. The principal sum to be advanced must not exceed 90% of the estimated cost of carrying out the activity for which the loan is sought unless that activity is likely to contribute to the saving of energy resources. The Minister chooses the annual interest rate for the loan (which may be a zero rate).

Regulation 6 states that if the loan is secured the applicant must provide evidence of a policy of insurance approved by the Minister and the Minister may request that their interest be noted on the policy.

Regulation 7 provides for the repayment of loans.

Regulation 8 empowers the Minister, if the activity for which the loan is made is likely to contribute to the saving of energy resources, to waive the interest charge for the first 2 years of the loan or not require repayments during that period.

Regulation 9 sets out how a loan may be secured according to the type of property on which it is secured.

Regulation 10 requires the conditions of all loan agreements to be observed and sets out specific requirements relating to property in respect of which a loan has been made.

Regulation 11 sets out the powers of the Minister if any of those conditions are breached, which include applying to the Royal Court for an order vesting immovable property in the public of Jersey or, in the case of other loans, enforcing the security.

Regulation 12 gives the title of the Regulations.

Regulation 13 provides for the Regulations to come into force when the Law comes into force.



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*Made**[date to be inserted]**Coming into force**[date to be inserted]*

THE STATES make these Regulations under Article 7 of the Agriculture and Fisheries (Loans) (Jersey) Law 2026 –

1 Interpretation

In these Regulations –

- “farm” means to carry out agricultural activity on or in relation to, land;
- “immovable property” includes flying freehold property and a lease over land for a term of more than 9 years that has been passed before the Royal Court;
- “Law” means the Agriculture and Fisheries (Loans) (Jersey) Law 2026;
- “secured” in relation to a loan, has the meaning given in Regulation 9;
- “service provider” means the body appointed by the Minister to carry out an initial screening of applications.

2 Applications for loans

- (1) An application for a loan must be made to the service provider in the manner specified, and containing the information required by, the Minister.
- (2) On receiving the application, the service provider must either –
 - (a) refer it to the Board; or
 - (b) reject it in accordance with paragraph (3).
- (3) The service provider may reject the application if –
 - (a) it is not made in accordance with paragraph (1); or
 - (b) on carrying out the checks required by the Minister, any information contained in it is found to be false in a material particular.
- (4) If the application is rejected, the applicant may require that the service provider refer it to be considered by the Board under Regulation 3.
- (5) The Minister may amend these Regulations by Order to vary how applications for loans may be made.

3 Consideration by Board

- (1) On receiving a referral under Regulation 2, the Board may, if it considers it necessary or expedient in a particular case, request an applicant to provide additional information or appear before it.
- (2) In deciding on the recommendation to be made to the Minister regarding an application, the Board must have regard to all the relevant circumstances of the case, including the criteria set out in Article 5 of the Law and the circumstances set out in paragraph (3).
- (3) Those circumstances are –
 - (a) if the purpose of the loan is to assist or enable an applicant to purchase agricultural land to be occupied and farmed by them, whether the land can provide a reasonable return for the applicant;
 - (b) if the purpose of the loan is to assist or enable an applicant to purchase a fishing vessel, whether the vessel can provide a reasonable return for the applicant;
 - (c) whether the carrying out of the activity for which the loan is sought is likely to contribute to the more efficient and economic –
 - (i) use of the agricultural land occupied and farmed by the applicant; or
 - (ii) running of the fisheries business by the applicant;
 - (d) the cost of carrying out the activity for which the loan is sought relative to the benefit to be derived from it;
 - (e) the skill and experience in running the farming or fisheries business of the applicant or, in the case of an application by an agricultural or fisheries company, of the beneficial owners of the company;
 - (f) the financial assets of the applicant;
 - (g) the financial liabilities, whether present or contingent, of the applicant.
- (4) The Board must make its recommendation to the Minister in writing along with any additional information provided under paragraph (1), and may recommend that the application should –
 - (a) be granted;
 - (b) be granted, but only for an amount less than that specified in the application;
 - (c) be granted, subject to the applicant's complying with requirements specified in the recommendation;
 - (d) be refused; or
 - (e) be referred to the Minister to make the decision.
- (5) If the Board recommends that an application for the making of a loan be granted, it must also recommend whether the loan is to be secured or unsecured and, if recommending it be secured on only part of the applicant's movable or immovable property, on which part.
- (6) The Board must be satisfied, before making a recommendation about an application for the purchase of land that includes a dwelling or building for a purpose specified in paragraph 1(b) or (c) or 2(b) or (c) of the Schedule of the Law, that if the dwelling or building is to be retained –
 - (a) in the case of the dwelling, it is, or will be put, in a good state of repair and in all respects made inhabitable; and

- (b) in the case of the building, it is, or will be put, in a good state of repair.
- (7) The Board must meet as often as it considers necessary to consider applications referred to it and must report to the Minister after each meeting.
- (8) In this Regulation “agricultural or fisheries company” means a company as defined in Article 1(1) of the [Companies \(Jersey\) Law 1991](#) that is, or the beneficial owners of which are, engaged, or if the application for a loan is granted, will be engaged, wholly or mainly in work relating to agriculture or fisheries.

4 Decision of Minister

- (1) The Minister must review an application considered by the Board, along with any recommendation made by the Board.
- (2) Having complied with paragraph (1) and taken into account any relevant change in circumstances and all relevant matters (including the criteria set out in Article 5 of the Law and the circumstances mentioned in Regulation 3(3)), the Minister must –
 - (a) grant the application, either without the need for security or subject to the conditions and on the terms as to security set out in these Regulations –
 - (i) in the amount recommended by the Board; or
 - (ii) in an amount less than the amount recommended; or
 - (b) refuse the application.

5 Amount of loans and interest rate

- (1) Before granting a loan, the Minister must be satisfied that the amount to be advanced is within the resources of the Fund.
- (2) The amount of the principal of the loan must not exceed 90% of the estimated cost of carrying out the activity for which the loan is sought, unless the carrying out of the activity is likely to contribute to a saving of energy resources.
- (3) Interest is charged on the loan at an annual rate determined by the Minister (which may be zero).
- (4) The interest is calculated each day based on the unpaid amount of the principal and any interest that remains unpaid after it is due.
- (5) In determining the rate of interest on a loan the Minister must have regard to the current Bank of England base rate.

6 Property to be kept insured

- (1) In the case of a secured loan, an applicant must provide evidence that a policy of insurance approved by the Minister is or will be in place in relation to all risks specified in the loan agreement to be included in the policy.
- (2) The Minister’s interest must be noted on the policy of insurance if the Minister so requests.

7 Repayment of loans

- (1) The principal of the loan and the interest on it must be repaid by monthly, quarterly or yearly instalments as agreed between the applicant and the Minister.

- (2) The whole of the sum owing must be repaid within a period specified by the Minister –
 - (a) in the case of a security interest under the [Security Interests \(Jersey\) Law 2012](#), that does not exceed 10 years from the date of its registration; or
 - (b) in the case of a loan secured on immovable property by judicial hypothec, that does not exceed 30 years from the date of its registration.
- (3) But –
 - (a) the whole of the sum owing, or part of it, may be repaid at any time without notice;
 - (b) the Minister may allow the repayment period of any type of loan to be extended beyond that specified in paragraph (2)(a) or (b) by re-registering the security; and
 - (c) the Minister may, on the recommendation of the Board, allow a borrower to postpone further repayments of the principal amount or interest or both for a period not exceeding 3 years, if the borrower agrees to repay the instalments of the recalculated amount outstanding as agreed by the Minister.
- (4) Before the re-registration of a security under paragraph (3)(b), the Minister may increase the rate of interest on the loan or reduce the repayment period.
- (5) For the purposes of paragraph (3)(c), the Minister may extend the period of years within which the loan must be repaid by a period not exceeding either the original or revised loan period, and may re-register the security accordingly.

8 Special circumstances relating to interest and repayment

- (1) If an applicant presents evidence to the satisfaction of the Minister that the activity for which the loan is made is likely to contribute to the saving of energy resources, the Minister may, on the recommendation of the Board, make a loan in relation to which either or both of the following apply –
 - (a) no interest is charged for the 2 years from the date on which the loan is made; or
 - (b) no instalments of principal are due during those 2 years.
- (2) This Regulation does not limit the Minister's power to charge a zero rate of interest.

9 Secured loans

- (1) A loan that the Minister requires to be secured may be secured –
 - (a) by a judicial hypothec, in the case of immovable property;
 - (b) by a registered mortgage within the meaning of Schedule 1 of the [Shipping \(Jersey\) Law 2002](#) in the case of a fishing vessel;
 - (c) by the creation of a security interest in the case of intangible movable property (such as company shares or bank accounts); or
 - (d) by the creation of a security interest in the case of tangible movable property (such as machinery or vehicles) other than fishing vessels.
- (2) A loan may be secured on property owned by a third party.

- (3) The agreement relating to a secured loan must comply with all applicable legal requirements to constitute valid security and state that the loan is made subject to any applicable conditions set out in Regulation 10.
- (4) The Minister may require a personal guarantee in respect of a loan from the beneficial owners of a company or a third party.

10 Conditions applied to all loans

- (1) Until the principal of a loan is repaid together with the interest on the loan, the conditions set out in the loan agreement and any other conditions imposed by the Minister must be met.
- (2) Agricultural land in respect of which the loan was made must be kept in good condition and in a good state of fertility, and must be cultivated in accordance with the principles and practices of good crop or animal husbandry.
- (3) Premises for use in fishing, (including areas where aquaculture production businesses operate), vessels and equipment, in respect of which the loan was made, must be kept clean and in good condition and, where applicable to the fisheries business, must be operated in accordance with the principles and practices of good capture fishing or aquaculture.
- (4) The owner must take all necessary steps to ensure the maintenance in good repair of any dwelling (which should also be inhabitable) or other building forming, or forming part of, the property for which the loan was advanced and which is to be retained, and to ensure that a lessee or tenant observes the terms of their lease or residential tenancy agreement.

11 Powers of Minister if conditions breached

- (1) If any of the conditions included in a loan agreement or imposed by the Minister under Regulation 10(1) are breached in respect of immovable property, the Minister may apply to the Royal Court for an order vesting in the public of Jersey the ownership of the whole or part of any immovable property on which the loan is secured, as the Minister sees fit.
- (2) But the Court must not make that order unless the Minister has served on the owner of the property a notice requiring them to remedy the breach and the owner has failed to comply with the notice within 30 days after receiving the notice.
- (3) An order made under paragraph (1) must require that it is registered in the Public Registry and an order so registered has the same effect as a contract passed before the Royal Court and constitutes a valid title to the property to which it relates and to the rights relating to that property from the date of the Court order.
- (4) The property vested in the public by the order is vested subject to a *rente* or judicial hypothec to which the Minister has consented under Regulation 9(1)(a) but is otherwise free of all *rentes* and hypothecs, other than legal hypothecs bearing a date later than the hypothec securing the loan.
- (5) If the only way from a public road to a part of the vested property is over property of the former owner of the vested property or of their successors in title, the customary law of Jersey in relation to *enclavés* applies to the vested property for the benefit of the Minister as representing the public of Jersey, and of the Minister's successors in title.
- (6) Paragraph (5) applies even if the property, or a part of it –

- (a) is land covered with buildings; or
 - (b) may be used for purposes other than farming or fishing.
- (7) If an order is made under paragraph (1), despite the [Loi \(1919\) sur la Location de Biens-Fonds](#), the former owner must leave the property in respect of which the loan was made not later than the first Christmas Day after the order was made.

12 Title

These Regulations are the Agriculture and Fisheries (Loans) (Jersey) Regulations 202-.

13 Commencement

These Regulations come into force when the Law comes into force.