Jersey Financial Services Commission

COBO framework changes at-a-glance

What is the COBO framework? The Control of Borrowing (Jersey) Law 1947 and the Control of Borrowing (Jersey) Order 1958 (together, the COBO framework) were introduced in a very different regulatory environment and were originally designed to regulate borrowing and fundraising activities.

Why is it changing? Since COBO was introduced, Jersey has developed a much broader and more sophisticated financial services regulatory framework. As a result, some parts of COBO now overlap with more modern legislation and regulatory processes creating unnecessary duplication and complexity for businesses and investors. In some cases, it is being used for purposes beyond its original intent, including for new and developing sectors, such as digital assets.

What are the main changes?

At a high level, the changes will:

- **repeal and replace an outdated consent-based regime** with a modern regulatory framework, reducing duplication and creating greater consistency across financial products
- **maintain important safeguards**, including the ability to refuse transactions on public interest grounds and introducing a right of appeal where consent is refused
- **establish clear regulatory frameworks for key growth and investment areas**, including Jersey private funds and digital assets activity
- **create a clearer framework for prospectuses and retail investor protections**, giving Government the ability to regulate the circulation of overseas prospectuses to Jersey retail investors

What does this mean for Jersey? The reforms are intended to modernise Jersey's financial services legislation and ensure the regulatory framework remains fit for purpose. They will help support innovation, provide clearer routes for businesses, maintain investor protection and strengthen Jersey's competitiveness as an international finance centre.

Timeline:

2023-2025	2026	2027	2027-onwards
Development of the replacement policy framework, industry consultation and legislative design	States Assembly consideration of new legislation, regulatory preparation and implementation planning	New regime expected to begin taking effect, with transition of existing COBO-regulated activities	Progressive repeal of remaining COBO provisions and full operation of the new framework

The reforms are part of Jersey's wider efforts to ensure its regulatory framework keeps pace with modern financial services while maintaining the island's reputation as a well-regulated international finance centre.