

Resilience and sustainability in a changed environment

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As we emerge into a post-pandemic world every industry will need to take stock, evaluating the changes that are here to stay and the adaptations we need to make to suit the new environment. Bryon Rees examined the developments and resilience of Guernsey's funds industry in a recent article for the Guernsey Press Q2 Review supplement.

No matter what measure you use, the last few months have been extraordinary and so it will come as no surprise, as we move out of crisis mode through the rest of 2020, that the pandemic will provide both a catalyst for change and a chance to take stock and consider how Guernsey is positioned to build on its funds offering in this changed environment, whilst continuing to meet the expectations of clients in terms of stability and service.

There is absolutely no doubt that one of the biggest factors for business continuity and the ability of businesses to weather the pandemic successfully has been technology and the availability of technological remedies to remote working, enabling smooth service delivery throughout the lockdown. If utilising technology to its full potential to prepare for every eventuality was not top of the agenda for all funds businesses before the pandemic, it certainly will be now.

The truth is that funds professionals based in Guernsey worked pretty agilely before the pandemic arrived and were used to frequent travel and remote working. However, the enforced nature of lockdown has pushed us to rely on our technological infrastructure to a much greater degree - not just by supporting remote working but by prompting more extensive use of the tools at our disposal.

Innovation and the application of technology has long been at the heart of Ogier's vision and, over the past few months, we have been able to use that investment to the benefit of our clients by providing robust and tested dataroom and e-signature platforms when it became clear that signing contracts or completing transactions in person was going to become all but impossible.

In these few short months, video-conferencing has also come into its own after years of being

flirted with as a handy add-on. We might all secretly be hoping never to receive another invitation to a Zoom quiz, but video call and conferencing platforms have proved their worth and longevity in a time when physical proximity is no longer an option.

In Guernsey, our geographical isolation has also had its benefits. It means that we have escaped much of the difficulty caused by the pandemic - and we recognise how fortunate we are to have been able to get back to a semblance of normality already. Continued travel restrictions do mean that physical attendance at events may not be possible for some months - and perhaps the remainder of the year - but we have seen service providers continue to develop strong relationships across the private equity industry by other means. We are still seeing a strong desire to develop opportunities and relationships and the type of events on offer have adapted to meet that demand.

And it is not just the way that we work that will change. There is huge promise for private equity and debt fund offerings in the healthcare, technology and the green/clean sectors. Importantly, we also see the whole of the funds industry - lawyers included too - thinking about issues around environmental sustainability throughout the full life-cycle of PE funds and other vehicles.

We see businesses thinking about how to travel smarter to reduce their carbon footprint and, where a total reduction isn't possible, looking at ways to mitigate any negative impact in a meaningful way. We can look at whether our IT systems are optimised for environmental sustainability, how we source our energy, and how we are integrating technology into less obvious parts of our business to result in more sustainable outcomes. Fund jurisdictions are going to need to be alive to all of these issues and more.

It has been clear throughout this period that Guernsey's government continues to be very supportive of the funds industry and recognises the importance that private equity and sustainable finance plays in the longevity of Guernsey as a financial centre. It was, of course, disappointing to see the cancellation of Guernsey's Annual Funds Forum but it was also good to see its swift adaption by Guernsey Finance into a well-received online forum which was then followed by the inaugural Sustainable Finance Week. The Guernsey funds industry is fortunate in that it has, in many ways, been business as usual, which means government continues to work with industry and the Guernsey Financial Services Commission to look forward to future developments to our funds offering as we look beyond the pandemic - and indeed Brexit.

The funds industry has played its part too. The Guernsey Society of Chartered and Certified Accountants (the GCSSA) and the Guernsey International Business Association (GIBA) worked with the Revenue Service to give comfort to industry on the application and interpretation of Guernsey's substance regime while the pandemic has continued.

What is clear to me is that with continuing developments such as the fast-track licensing of managers of overseas collective investment schemes and Guernsey's Green Fund regime, Guernsey remains a very attractive destination for PE managers looking to launch new funds or migrate their

management of funds to Guernsey.

In particular, the Green Fund regime is in exactly the right space at the moment for what investors are looking for - and Guernsey is well-placed with its Green Private Equity Principles - demonstrating Guernsey's thought-leadership in this space.

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