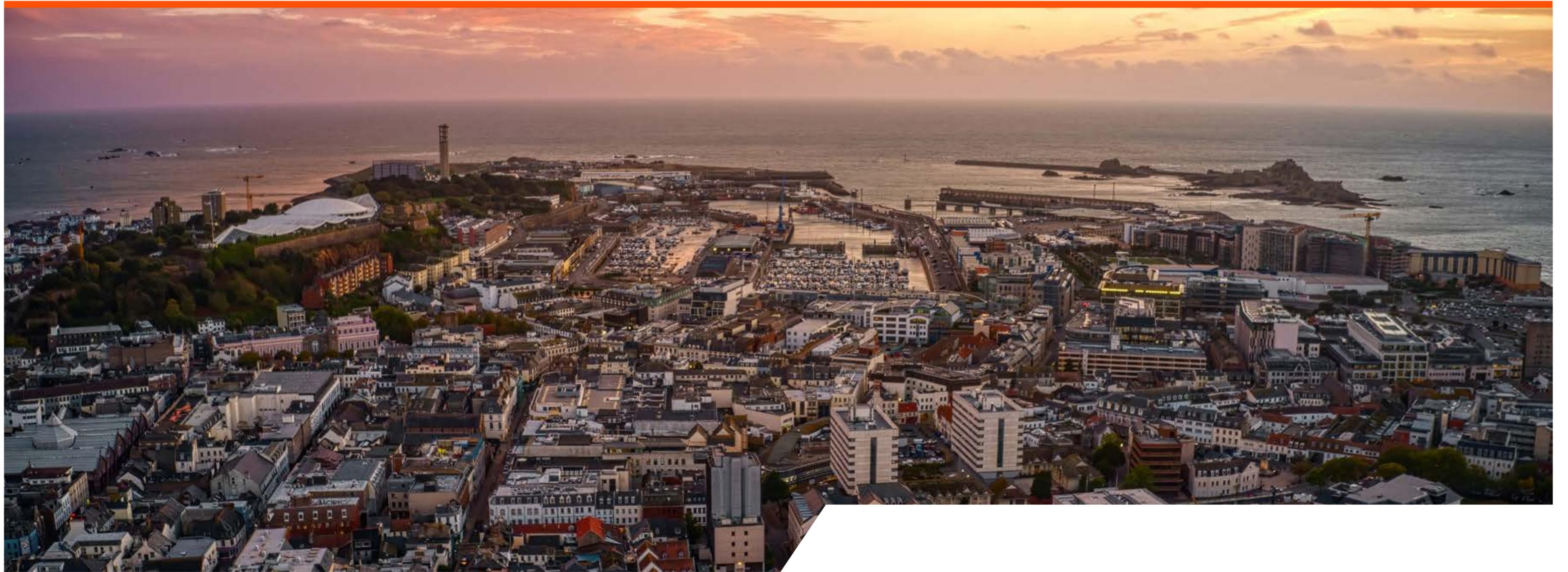




# Global Insolvency: 2025 Reflections and 2026 Projections

Jersey



# Jersey

# Jersey – Insolvency Year in Review 2025

## Insolvency volumes

Jersey's insolvency landscape in 2024 and 2025 is characterised by consistent restructuring activity, influenced by global economic pressures and the ongoing refinement of the island's insolvency framework. Without consolidated statistics, we rely on Royal Court decisions, public notices, and expert commentary to understand trends. These sources reveal a steady flow of distress in financial services, with few trading business failures.

Macroeconomic factors continue to shape this landscape. High interest rates, tight refinancing markets, and commercial real estate volatility are challenging investment structures used by Jersey-based groups. The private equity sector's weaker performance and reduced capital recycling have prompted sponsors to streamline underperforming entities, leading to more wind-downs and restructurings.

## Sector trends

Insolvency trends in Jersey are notably impacting the investment funds sector, real estate holding structures, and vehicles set up for private equity and alternative asset strategies.

Recent developments often involve the downfall of specific investment strategies or sponsor-led decisions to exit underperforming assets. Real estate structures, in particular, face valuation pressures, refinancing hurdles, and rising borrowing costs. These challenges aren't confined to large fund complexes; many mid-sized structures are also navigating restructuring, managed wind-downs, or creditor engagement. Insurance-linked vehicles, trust company structures, and corporate service entities are experiencing isolated distress, often tied to regulatory shifts or changes in group strategy. Locally, trading activities are relatively subdued, but the hospitality, retail, and construction sectors are feeling the strain of inflation, rising labour costs, and operational pressures.

## Legislative changes

Jersey is making strides in updating its insolvency framework, notably with the creditor's winding-up regime. This has bolstered creditor rights and improved the Court's ability to safeguard assets using provisional liquidators. These changes bring clarity and align with global practices, evolving as case law develops. Yet, a significant gap persists: Jersey lacks a statutory administration or corporate rescue process.

Unlike the UK and similar jurisdictions, there's no system to pause creditor actions during restructuring attempts. Consequently, Jersey relies on liquidation processes, schemes of arrangement, or UK administration via letters of request. While these methods work in some instances, they aren't always ideal for preserving businesses as going concerns. This has sparked discussions in the legal and restructuring community about future reforms. There's consideration of introducing a domestic rescue procedure or a flexible restructuring tool akin to the UK's Part 26A plan. Although no formal proposals have emerged, the absence of an administration-like process is a major structural issue in Jersey's insolvency landscape. Future reforms could significantly enhance Jersey's ability to handle financial distress and boost its standing as a global finance hub.



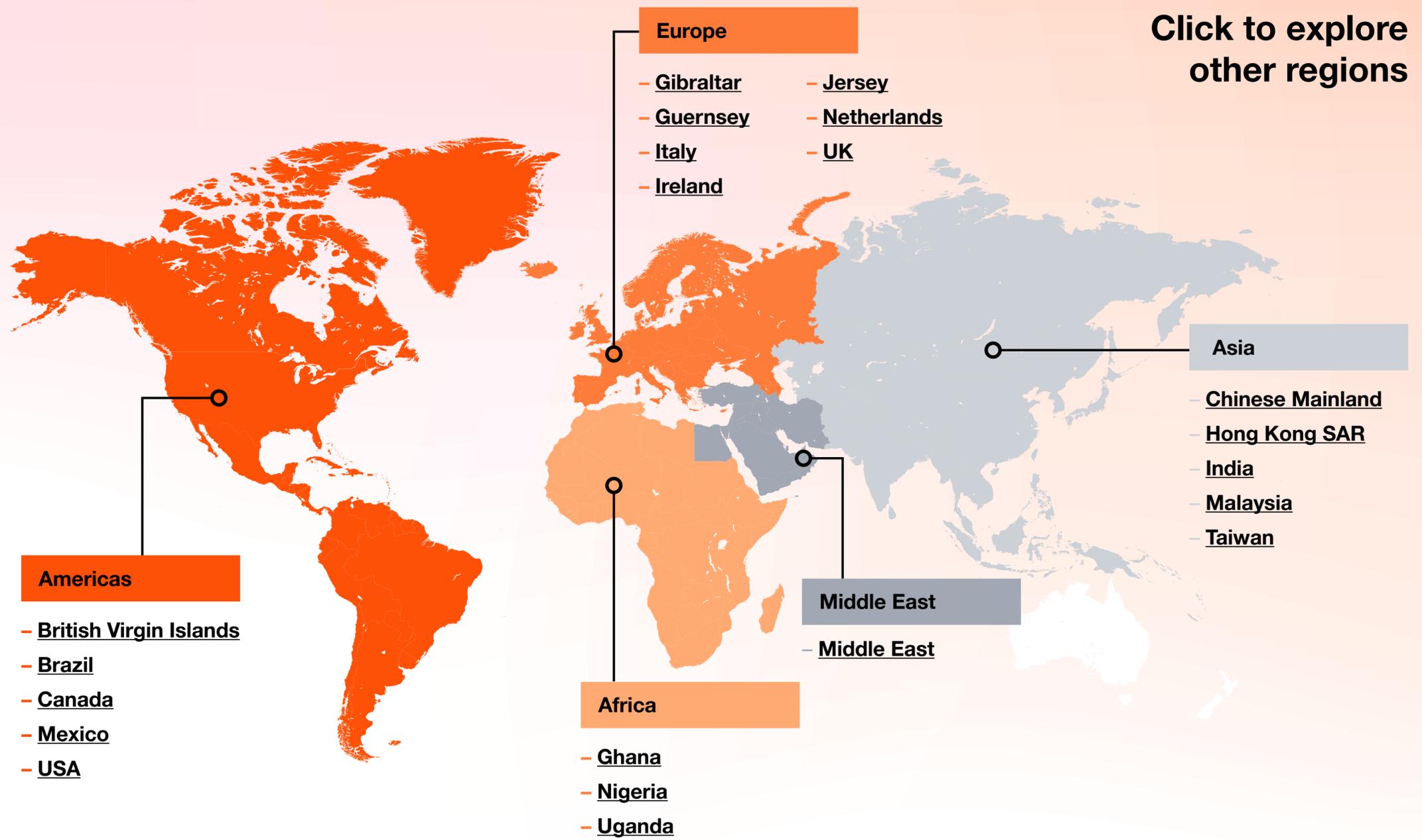
## Large insolvencies and PwC involvement

In the past 18 months, the Jersey market has navigated several major insolvencies, with PwC playing a pivotal role. These cases often involve real estate and private equity structures, where financial pressures or underperforming assets have led creditors to initiate wind-up actions. We've also seen investment structures face insolvency as investors withdraw capital or as part of broader international group restructurings. The Royal Court has been refining its approach to creditor wind-ups, offering clearer guidance on director duties, creditor rights, and the interplay between Jersey and foreign restructuring processes. Schemes of arrangement continue to be a vital tool, with recent cases highlighting the adaptability of Jersey's scheme process, especially for international corporate groups needing coordinated restructuring.

At PwC, we have three professionals on the Royal Court of Jersey's Register of Approved Liquidators. We work closely with our UK team to manage both solvent and insolvent cases, such as Stanley Gibbons Group plc. Our firm remains active in fund wind-downs, regulatory assignments, and multi-jurisdictional restructuring projects, where Jersey entities are key components of global corporate structures.

## Projections for 2026

Looking towards 2026, Jersey is set to continue experiencing the trends shaping its insolvency landscape. The economic challenges—interest rates, refinancing limits, and asset values in real estate and private markets—are expected to persist. These factors will likely exert pressure on Jersey structures managing long-term assets. Financial sponsors might streamline investment platforms, hasten the closure of non-core entities, or explore new restructuring methods as funds mature. While Jersey's local economy may stay stable, sectors like construction, hospitality, and retail could face ongoing operational challenges. These issues might lead to a slight rise in local insolvency filings, especially for businesses heavily reliant on cyclical revenue. Yet, Jersey's advanced professional network, proactive regulations, and constructive judicial system encourage early engagement and collaborative restructuring. Consequently, while formal insolvency filings may increase slightly, the overall outlook for 2026 is steady rather than sharply escalating. The restructuring market will likely be characterised by complex fund and investment vehicle issues, alongside a moderate stream of local business insolvencies.



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