

# Jersey Data Trusts: a closer look

The LifeCycle pilot project is the first time that a legally valid and duly established trust structure has been used to establish a data trust.

## What is a data trust?

Data trusts facilitate the extraction of greater value from data through sharing. A data trust allows people or organisations who collect or hold data to appoint an independent data steward to make decisions about how that data is used and shared with third party data users for an agreed purpose. Until now so-called 'data trusts' have been created by contract or using companies but not with a trust as the central governance structure.

[LifeCycle](#) has been established as a pilot project to establish and operate a Jersey law governed data trust. The trustee is building and stewarding a new database about local cyclists, community cycling and cycling conditions in Jersey. The trustee will collect, aggregate and analyse geo-spatial cycling journey data collected via See.Sense bike lights and an app made available to participating local cyclists. Eligible third-party data users will be able to request access to data insights to inform decisions about how to encourage cycling or make it easier, safer or better to cycle in Jersey. The trustee will be able to fulfil these requests if it deems them appropriate and subject to the terms of the LifeCycle trust instrument.

[LifeCycle](#) therefore aims to empower cyclists to improve cycling conditions locally by providing a mechanism to pool cycling data and create new geo-spatial insights which can be used to inform local agencies and organisations concerned with improving cycling conditions.

## Trust Structure

[LifeCycle](#) is a non-charitable purpose trust. It has a Jersey SPV trustee, LifeCycle (Trustee) Ltd, administered by Icecap Ltd and an enforcer JTC Trustees Ltd. Both Icecap and JTC Trustees are regulated by Jersey Financial Services Commission to conduct trust company business.

As controller of the data collected within LifeCycle the Trustee is registered with Jersey Office of the Information Commissioner and subject to Data Protection (Jersey) Law 2018.

## What are the benefits of a Data Trust?

Data trusts are starting to proliferate as a mechanism for combining and sharing data between multiple parties. In particular, data trusts are being used to steward health and smart city/place data. Often a data trust is structured as a company with shareholders and separate data stewardship governance arrangements (often by data provider committee). These legal arrangements have limitations and create operational complication through a matrix of contractual arrangements.

By contrast using a Jersey data trust has many benefits:

### ***Data providers can appoint independent, professional trustees to steward their data***

In Jersey, trustee(s) and enforcers are independent, professional trustees regulated for trust company business by the island's regulator, the Jersey Financial Services Commission. Where SPV trustees are used they must be administered by a Jersey regulated trust company business. This ensures that trustees in Jersey have expertise in fiduciary duties, good governance and asset management as a matter of course. As a result Jersey is a world-leading trust jurisdiction. This means that data providers can rely on independent trustees to make decisions on their behalf and need not appoint or sit on decision-making committees.

### ***Streamlined and flexible operation***

Once settled into the data trust, the ownership of the data rights are recognised and enforceable against the world rather than simply against the parties to the contract in the case of a matrix of bilateral data sharing agreements. In practice this streamlined legal structure is easy to establish and operate.

A trust structure is inherently flexible e.g. free of capital maintenance rules and companies law regime and can be tailored to various use cases. The continuous duration of the trust structure enables the number and type of data providers to the trust to expand and contract easily and for data to be added or removed through time. Data requests and data sharing can be managed independent of the data providers by the impartial, professional and regulated trustee.

### ***Clear, binding data governance rules are built-in***

Where a NCPT is used, the purposes of the trust are agreed at instigation and encoded in the trust instrument. The trustee(s) are obliged to fulfil the purposes under Jersey trust law and the enforcer is under a duty to enforce those purposes. In essence, clear, binding rules for stewarding and sharing data are prescribed from the outset giving data providers peace of mind.

### ***Established mechanisms allow for flexible monetary returns***

Where it is proposed a trust be commercially active and generate monetary returns to data providers or other stakeholders a unit trust structure may be suitable, similar to the Jersey Property Unit Trusts seen in the high value real-estate sector.

A Jersey data trust therefore provides an easy to implement legal structure allowing data providers to make their data available to share according to binding rules, stewarded by experienced professional and regulated trustees.

### **Who could benefit from a Jersey data trust?**

The potential use cases for data trusts are numerous, but LifeCycle provides a powerful model for local authorities and smart place initiatives looking for ways to combine multiple local data-sets and encourage citizens to share their data to solve localised challenges such as mobility planning, infrastructure investment, efficiency improvements, achieving net-zero targets, ESG reporting and improving service provision.

Healthcare data and supply chain data have also been subject to data sharing arrangements and could be the subject of a Jersey data trust.

### **Jersey data trust service providers**

LifeCycle has been established and is running as part of a pilot project sponsored by Digital Jersey and Jersey Office of the Information Commissioner with a group of Jersey collaborating firms:

LifeCycle (Trustee) Ltd – administered by [Icecap Ltd](#)

Enforcer – [JTC Trustees](#)

Legal advice & trust structuring – [Appleby & JTC Law](#)

Data hosting & analytics – [Calligo](#)

Data protection manager – [PropelFwd](#)

Cyber-security services – [Defence Logic](#)

Support services – [InkBlot Creative](#) & [Monoceros Innovation](#)

For further information or should you wish to explore establishing a Jersey data trust please contact [info@ditigal.je](mailto:info@ditigal.je) or email [datatrust@digital.je](mailto:datatrust@digital.je)