

## What Benefits do Guernsey Companies Offer for Family Offices and HNWI's?

Guernsey, as an independent, self-governing jurisdiction, is a premier international financial centre, with an enviable reputation and excellent standards. It is one of the leading jurisdictions providing international corporate and private client services and has developed as a base from which internationally mobile families can organise their worldwide affairs through family office arrangements.

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Factors contributing to and enhancing the status of Guernsey include:

- A general rate of tax payable by companies of zero.
  
- There are no wealth taxes, no inheritance taxes, no withholding taxes on dividends, no capital gains taxes and no VAT.
  
- Individuals relocating to the Island can effectively elect to pay tax on their Guernsey source income only, capped at £150,000, or on their worldwide income capped at £300,000.
  
- The Companies (Guernsey) Law 2008, the Trusts (Guernsey) Law 2007 and the Foundations (Guernsey) Law 2012, reflect Guernsey's commitment to providing a modern statutory basis and increased flexibility for companies and individuals using the jurisdiction of Guernsey. The laws also reflect the importance placed on corporate

governance.

- Guernsey's Economic Substance regime was approved by the EU Code of Conduct Group and endorsed by the OECD Forum on Harmful Tax Practices in 2019
  
- Guernsey is home to more non-UK entities listed on the London Stock Exchange (LSE) markets than any other jurisdiction globally. LSE data shows that at the end of December 2022 there were 105 Guernsey-incorporated entities listed across its various markets.
  
- Legislative and fiscal independence mean that the Island responds quickly to the needs of business. In addition the continuity achieved through the democratically elected parliament, without political parties, helps deliver political and economic stability.
  
- A wide range of internationally respected business sectors: banking, fund management and administration, investment, insurance and fiduciary. To meet the needs of these professional sectors, a highly skilled workforce has developed in Guernsey.

## FORMATION OF COMPANIES IN GUERNSEY

General information is detailed below outlining the formation and regulation of companies in Guernsey, as embodied in the Companies (Guernsey) Law 2008, as amended.

### **1. Incorporation**

Incorporation can normally be effected within twenty four hours.

### **2. Minimum Capitalisation**

There are no minimum or maximum capital requirements. Bearer shares are not permitted.

### **3. Directors/Company Secretary**

The minimum number of directors is one. There are no residency requirements for either directors or secretaries, but substance requirements should be considered.

### **4. Registered Office/Registered Agent**

The registered office must be in Guernsey. A registered agent needs to be appointed, and must be licensed by the Guernsey Financial Services Commission, or there must be a Guernsey resident director.

### **5. Annual General Meeting**

Members can elect not to hold an Annual General Meeting by Waiver Resolution (requiring a 90% majority).

### **6. Annual Validation**

Each Guernsey company must complete an Annual Validation, disclosing information as at 31<sup>st</sup> December of each year. The Annual Validation must be delivered to the Registry by 31<sup>st</sup> January of the following year.

### **7. Audit**

Members can elect for the company to be exempt from the obligation to have an audit by Waiver Resolution (requiring a 90% majority).

### **8. Accounts**

There is *no requirement to publicly file accounts*, although they are required to be filed with the Guernsey corporate tax return. Proper books of account must be maintained and sufficient records must be kept in Guernsey to ascertain the financial position of the company at no greater than six monthly intervals.

### **9. Taxation**

Resident corporations are liable to tax on their worldwide income. Non-resident corporations are subject to Guernsey tax on their Guernsey-source income.

Companies pay Guernsey corporate tax at the current standard rate of 0%. Income derived from certain Guernsey based businesses, such as utilities and financial services, may be taxable at a 10% or 20% rate.

#### **Additional Information**

If you would like additional information regarding the formation of companies in Guernsey and the fees that Dixcart charge, please contact: [advice.guernsey@dixcart.com](mailto:advice.guernsey@dixcart.com)

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