

Why Use A Guernsey Company?

Guernsey companies can be used for a wide range of transactions, such as investment funds, private equity, structured finance and securitisation

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Guernsey – an International Financial Centre

Guernsey is a premier international financial centre with an enviable reputation and excellent standards. The Island has developed as a base from which internationally mobile individuals can organise their worldwide affairs.

Guernsey is a popular jurisdiction in which to incorporate companies, which are regularly listed on the London Stock Exchange (Main Market and AIM Market), the New York Stock Exchange, The International Stock Exchange (previously the Channel Islands Securities Exchange) and many others.

The Law

The Companies (Guernsey) Law 2008, reflects Guernsey's commitment to providing a modern statutory base and flexibility for companies using the jurisdiction of Guernsey. The Law also reflects the importance placed on corporate governance.

Types of Guernsey Company

A company may be formed as a standard company or as a cellular company. A cellular company may either be a protected cell company or an incorporated cell company.

The liability of all or any of the members of an incorporated Guernsey company can be:

- limited by shares;
- limited by guarantee;
- unlimited; or
- mixed liability.

Companies formed as one type of company, may convert into a different type of company at a later date.

Tax Status of Guernsey Companies

- Generally, the rate of corporation tax payable by a Guernsey company is 0%.

There are certain limited exceptions when a 10% or 20% rate of tax apply. Please contact the Dixcart office in Guernsey, for further details: advice.guernsey@dixcart.com.

In addition, there are no capital gains taxes, capital transfer taxes, inheritance taxes, gift duties or VAT payable by, or applicable to, a company in Guernsey. No stamp duty is payable in Guernsey on the issue, transfer or redemption of shares.

Guernsey resident companies may be subject to economic substance requirements, depending on their activities. Again, the Dixcart Guernsey office can provide full details.

Additional Advantages Offered by Guernsey Companies

In addition to the zero tax rate benefit available to the majority of Guernsey companies, they are also popular corporate entities for a number of other reasons, including:

- Single member/director companies are allowed, as well as corporate directors and corporate shareholders.

- Incorporation is very quick (24 hours standard, 2 hours or 15 minutes using the fast-track route).
- 'State of the art' companies registry providing a range of full on-line services for incorporation, searches, filing, information management, document requests, dissolutions and changes to company particulars.
- Integration with other entities within wider structures, such as; trusts, foundations, limited partnerships and limited liability partnerships, is relatively easy.
- The Guernsey Company Registry is confidential with limited information available to the general public. Full information on all officers and shareholders is maintained, and is available to the relevant authorities

Additional Factors to Consider Regarding Guernsey

The jurisdiction of Guernsey has extensive experience in administering a wide variety of corporate structures and asset types.

It has a well-respected judicial system, political independence and high standards of compliance and transparency. It offers a pool of experienced professionals with the appropriate legal, accounting and company administration expertise.

Geographically it is close to the UK and to Europe and is in the same time zone as the former.

New Guernsey residents who purchase 'open market' property, can enjoy a tax cap of £50,000 per annum on Guernsey source income in the year of arrival and the subsequent three years. This is provided that the Document Duty paid, in relation to the house purchase, is at least £50,000.

Additional Information

Should you require additional information regarding Guernsey companies please speak to Steven de Jersey or John Nelson: advice.guernsey@dixcart.com.

