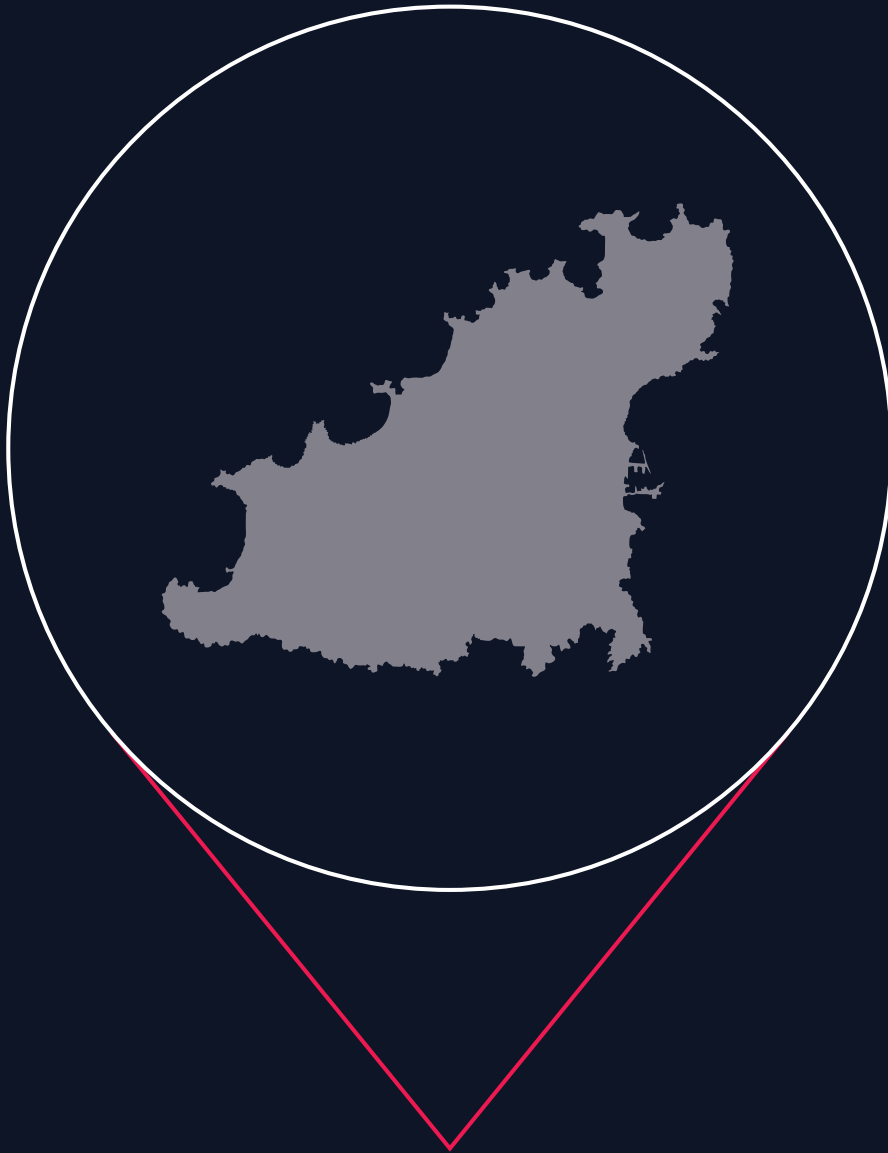


Offshore relocations

Moving your business to Guernsey



Ogier

Guernsey is a beautiful and secure island offering an ideal base for international businesses and individuals.

Contents

Moving your business to Guernsey	3
Why businesses choose Guernsey	4
Establishing a Guernsey workforce	6
Establishing a business in Guernsey	7
Understanding the local tax system	8
Moving Your Family to Guernsey	10
Contact us	11

Moving your business to Guernsey

With an environment that helps business to flourish and a lifestyle that helps you reconnect with the good things in life, Guernsey is the small Island that has so much to offer.

Those setting up a company in the Island can do so quickly and with a minimum of fuss. It's all part of the Islands business culture which is based on the can-do approach. The States of Guernsey and the private sector both see enabling business to flourish as the key driver.

Rules, regulations, fees and licences to operate are in place only where strictly necessary. In fact for some businesses, all that is required is to register with Income Tax and Social Security. While most financial services businesses will need to be registered with the Guernsey Financial Services Commission, there is no automatic requirement for off-Island business to register with government in order to operate.

Organisations such as Locate Guernsey and Finance Guernsey aim to provide a service which can streamline the transition of your business to the Island, pointing you in the right direction in regards to key issues such as immigration, tax, and company registry, so that moving is easy and stress free.

Among the first steps to take will be:

- Registering your business with Income Tax
- registering your business and your staff with Social Security
- Employing staff
- Finding premises
- Participating in the Guernsey business community

Why businesses choose Guernsey

Guernsey offers a geographically convenient business centre close to many of the major European cities, but also a safe and friendly place in which to live.

The key factors making Guernsey so attractive include:

- Guernsey is self-governing and has its own system of taxation and a long-standing, fair and competitive tax regime that meets OECD standards of transparency and information exchange;
- Guernsey has a favourable personal and corporate tax regime with no capital gains, inheritance or value-added taxes
- Companies generally pay tax at 0% although financial services companies pay tax at 10% and utility companies at 20%
- Economic and political stability.
- Government which is willing and keen to encourage inward investment and business relocation
- Proximity to London and an ability to deal with New York and Hong Kong in the same business day
- Ability to demonstrate real substance in the jurisdiction
- The personal tax rate is a flat 20%, after deduction of personal allowances and reliefs – note there is the ability for those with high incomes to cap their liability. Additionally there is a special regime for those who are resident in Guernsey, but not solely or principally resident, where a single annual standard charge of £30,000 is paid. These residency definitions relate chiefly to the number of days spent in Guernsey during a tax year of charge and, in many cases, during a number of preceding years
- Modern and flexible legislation
- Good supply of infrastructure resources including office space and support services
- Skilled local workforce
- Government which is willing and keen to encourage inward investment and business relocation



I have found him very easy
to deal with - practical,
helpful and quick to react.
Chambers UK 2018



Establishing a Guernsey workforce

Guernsey law requires everyone who is working to obtain a document from the Housing Department to show that they are lawfully housed.

If businesses intend to employ nationals of countries outside the European Economic Area, then a work permit will be required for those people. This is separate to the matter of Right to Work licences administered by Guernsey's Housing Department. Work Permits in Guernsey are issued by the Guernsey Border Agency, part of the Home Department.

All Open Market housing is listed on a register, and the Housing Register can be searched on-line. Any housing not listed in the Housing Register is Local Market. There are a number of ways in which people living in Guernsey can be housed lawfully and full details can be found on the Housing Department's website.

There are no controls over who can own a property on the Island. However, there are controls on who can occupy the property – the housing market is split into two sectors:

- Local Market – where there are controls on who can live in the accommodation and for how long;
- Open Market – whilst there are some controls for Open Market accommodation, all Open Market Part A properties can be owned and lived in by anyone for any length of time.

If you need to bring over certain key essential staff with your business then the Housing Department can grant Employment Related Housing Licences, (also known as Right to Work documents) as these enable employers to recruit staff who are not resident in Guernsey. The Department, when granting these licences, will always have regard to whether the skills you need are already available on the Island.

There are different types of employment-related licences:

- Short term – these are granted for periods of up to 9 months or up to a maximum of 3 years.
- Essential – these are issued for up to 15 years but the vast majority are granted for 5 years.

Depending on the nature of the role that requires an employment related licence, there will be some restrictions on the type and size of accommodation that these licence holders can occupy, based on the size of the property.

Establishing a business in Guernsey

Guernsey is open for business - the island has invested time and effort into making the relocation process seamless.

Foreign companies can conduct business in Guernsey and there is no requirement that a business be owned by a Guernsey company. However, many businesses do incorporate a new Guernsey company to hold or operate the business. Alternatively, it is often possible to migrate a foreign company to Guernsey via a de-registration and re-registration process.

It is often easier to relocate using an English scheme of arrangement or a straight forward share swap (where there are not many shareholders) and insert a Guernsey holding company. Ogier has expertise in all these areas and will work with your local advisers to implement such structuring.

Guernsey has many financial services industries. As an international finance centre, the island provides first-rate services in numerous fields such as banking, fund management and administration, private wealth and insurance, amongst others. For more than 50 years, Guernsey has been one of the world's best regarded and most successful international finance centres.

Across the various industries mentioned above, that strong reputation is based on five key strengths:

- Core services of a very high quality
- High regulatory standards
- compliant and transparent tax regime
- Innovation as a hallmark of problem-solving and creating new opportunities
- Guernsey's positive relationship with the UK

Understanding the local tax system

Income Tax in Guernsey is generally less than the UK with a flat rate of only 20%. The Island has no Capital Gains, Inheritance, Value Added or Withholding Taxes.

○ An individual who is resident in Guernsey may qualify for a tax cap of £110,000 a year in respect of world-wide income, or £220,000 a year in respect of world-wide and Guernsey derived income.

○ If those relocating to Guernsey and buying an open market property during the six-month period before or after they relocate pay Document Duty (a form of stamp duty) of at least £50,000 - meaning they pay at least £1.5m for an open market house - they will be entitled to a tax cap of £50,000 for their first four years of residency.

There are also a number of favourable tax allowances and the facility for those with high incomes, to "cap" their liability. Guernsey uses the pound sterling which makes banking easier when moving from the UK.

The tax regime in Guernsey is different to that elsewhere. For financial matters that may be complex, involve large sums or income from a variety of sources, discussions with expert local tax advisors are recommended. Ogier has expertise in all these areas and will work with your local advisers to provide you with seamless advice.


Income Tax in Guernsey is generally less than the UK with a flat rate of only 20%. There are also a number of favourable tax allowances and the facility for those with high incomes, to "cap" their liability. Guernsey uses the pound sterling which makes banking easier when moving from the UK.

The tax regime in Guernsey is different to that elsewhere. For financial matters that may be complex, involve large sums or income from a variety of sources, discussions with expert local tax advisors are recommended. Ogier has expertise in all these areas and will work with your local advisers to provide you with seamless advice.

In order to determine the method of assessment of an individual liable to pay Guernsey income tax, it is necessary first to consider that individual's residential status. For tax purposes, an individual will be resident, solely resident and/or principally resident in Guernsey.

The definitions relate chiefly to the number of days spent in Guernsey during a tax year and in many cases, during a number of preceding years. An individual who is resident but not principally resident in Guernsey can either elect to pay a standard charge of £27,500, or is liable to Guernsey income tax on their worldwide income. Special provisions are available for those who are in Guernsey solely for employment purposes. Ogier has expertise in all these areas and will work with your local advisers to provide you with seamless advice.



 Our services to relocating families, individuals and firms goes beyond basic conveyancing - we advise on finding a property, and work with clients to introduce them to our trusted networks of local suppliers and professionals.

Moving your family to Guernsey

Guernsey is a great place to live and do business, where people understand the need for a good work life balance.

With plenty of sports and leisure opportunities as well as stunning cliffs perfect for sunset walks, there's plenty to do to keep busy. If you prefer to relax in your free time, why not stretch out on one of Guernsey's 27 beaches, or visit some of Guernsey's many great restaurants and taste some fresh Guernsey produce?

Your free time doesn't have to be a rare treat. Forget motorways and long train journeys, at approximately nine miles long, and six miles wide, everything in Guernsey is just a short drive or even just a walk away, allowing you more time to spend with friends and family.

When nowhere is far why not spend your evenings, or even lunch break, on the beach soaking up the sun or at a waterside restaurant sampling some fresh seafood.

You're spoilt for choice in Guernsey, from the beautiful beaches of the west coast, stunning cliffs of the south and the charming cobbled streets of Town, ask anyone who lives here, there's a lot to see in Guernsey's 25 square miles.

Guernsey is also known for its safe and friendly environment, crime rates are very low and with a maximum speed limit of 35mph, road accidents are rare. Even Hedge Veg – a tradition where locals sell their produce on the roadside for others to buy via payment in an honesty box – shows what a trusting island Guernsey is.

The beauty of Guernsey isn't just in its scenery, it's in the lifestyle the Island offers as well. Whether you're enthusiastic about sports, interested in history and culture, passionate about food and drink, or just looking for somewhere quiet to relax, Guernsey is the place for you.

Contact us



Jonathan Hughes
Partner
T +44 1534 514336
M +44 7797 759977
jonathan.hughes@ogier.com



Marcus Leese
Partner
T +44 1481 737152
M +44 7797 819856
marcus.leese@ogier.com



Martyn Baudains
Partner
T +44 1481 752217
M +44 7797 711364
martyn.baudains@ogier.com



Christopher Jones
Partner
T +44 1481 752337
M +44 7797 819909
christopher.jones@ogier.com



Rachel Richardson
Counsel*
T +44 1481 752251
rachel.richardson@ogier.com



Piers Dereham
Senior Associate
T +44 1481 752343
piers.dereham@ogier.com

Contacts

British Virgin Islands

Ritter House
Wickhams Cay II
PO Box 3170
Road Town, Tortola
British Virgin Islands VG1110
T +1 284 852 7300
F +1 284 852 7450
E bvi@ogier.com

Cayman Islands

89 Nexus Way
Camana Bay
Grand Cayman
Cayman Islands KY1-9009
T +1 345 949 9876
F +1 345 949 9877
E cayman@ogier.com

Guernsey

Redwood House
St Julian's Avenue
St Peter Port
Guernsey GY1 1WA
T +44 1481 721672
F +44 1481 721575
E gsy@ogier.com

Hong Kong

11th Floor Central Tower
28 Queen's Road Central
Central
Hong Kong
T +852 3656 6000
F +852 3656 6001
E hk@ogier.com

Jersey

44 Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
T +44 1534 514000
F +44 1534 514444
E jsy@ogier.com

London

1st Floor
99 Bishopsgate
London EC2M 3XD
T +44 203 693 7178
F +44 1534 514444
E london@ogier.com

Luxembourg

2-4 rue Eugène Ruppert
PO Box 2078
L-1020 Luxembourg
T +352 2712 2000
F +352 2712 2001
E luxembourg@ogier.com

Shanghai

Room 3671
Level 36 Shanghai International
Finance Centre Tower II
No. 8 Century Avenue
Pudong New Area
Shanghai 200120
China
T +86 21 6062 6294
E shanghai@ogier.com

Tokyo

Nisso 23 Building
Suite 801
Toranomon 3-8-25, Minato-ku
Tokyo 105-0001
Japan
T +81 3 6430 9500
F +81 3 6430 9501
E tokyo@ogier.com

Ogier provides practical advice on British Virgin Islands, Cayman Islands, Guernsey, Jersey and Luxembourg law through our global network of offices. Ours is the only firm to advise on these five laws. We regularly win awards for the quality of our client service, our work and our people. Ogier Global is Ogier's corporate administration business. Ogier Global (Cayman) Limited and its subsidiaries are regulated by the Cayman Islands Monetary Authority. Ogier Global (Jersey) Limited and its subsidiaries are regulated by the Jersey Financial Services Commission. Regulatory information can be found at ogier.com