Ogier

Treatment of companies managed outside Jersey

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Jersey tax treatment of companies resident outside Jersey

Jersey companies may (contrary to the default position) be treated as exclusively tax resident in jurisdictions other than Jersey pursuant to Article 123(1)(a) of the Income Tax (Jersey) Law 1961. The criteria for a Jersey incorporated company to be resident (for taxation purposes) in a jurisdiction other than Jersey are as follows:

- it is centrally managed and controlled in another jurisdiction, outside Jersey
- it is tax resident in that other jurisdiction; and
- the highest rate of corporation tax in that other jurisdiction is 10% or above

The legislation permits Jersey companies to become tax resident for bona fide commercial reasons in jurisdictions outside Jersey. This has permitted Jersey companies with tax residence elsewhere to be used in a wide range of transactions. This is particularly important in the funds, private equity and real estate investment sectors, where UK tax residency can be a decisive factor in being eligible for certain favourable UK tax treatments such as in relation to Real Estate Investment Trusts.

Jersey continues to be a preferred jurisdiction for facilitating international cross border transactions including real estate investments, holding companies, private equity structuring and joint ventures. Many of these companies are tax resident elsewhere and we expect this to continue.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most

demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

Disclaimer

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Regulatory information can be found under Legal Notice

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