

## Swapping skyscrapers for sea and sand

Insights - 26/05/2015

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*This article first appeared in Abode 2*

David Cooney and Jonathan Hughes, Partners at Ogier, assess the new trend in tax efficient and lifestyle motivated relocations.

There was a time when a company in a high tax jurisdiction could switch its legal headquarters to a low tax jurisdiction and, in doing so, cut its tax bill. Changes to the domestic tax regimes of most developed economies have reduced these opportunities, so what has taken the place of this planning? Over the last decade there has been a surge in tax efficient and lifestyle motivated relocations. Whilst domestic tax laws often remove the tax advantages of switching the location of a company, there are still significant benefits to be obtained where the ultimate owner of a company, particularly one operating internationally, physically relocates from a high tax jurisdiction to a tax efficient jurisdiction.

International law firm Ogier, with offices in the British Virgin Islands, the Cayman Islands, Guernsey, Hong Kong, Jersey, Luxembourg, Shanghai and Tokyo, is active in this growing field. The company has seen a lot of movement from the high tax European countries to the Caribbean, and particularly to the Cayman Islands. When clients realise that they can move to a well-developed island with beautiful sandy beaches, year round sun, and good daily connections to the US, and save a considerable amount of tax in the process, they're usually sold on the idea.

The process of internationally relocating starts with an assessment of where to go. This deceptively simple question requires detailed consideration. It's vital to know where you can potentially go, and how you might acquire rights to live and/or work there. If relocating with family, it's important to understand how easy it is for them to accompany you. Once you arrive in your new home, how easy is it to buy a house, or start a business? What is the education system like? How's the healthcare? On the tax front, you will need to understand how the move

impacts on your overall tax and reporting obligations. Are there any local taxes that you need to consider?

Ogier's Jersey office helps ultra-high net worth clients relocate to Jersey. Aside from the application process to secure residency in Jersey, one of the first steps is often finding and buying the right house. Everything else follows suit. Ogier can help with the property purchase process, and is well placed to advise on the wider personal and business legal implications of the move, including helping clients to make those essential 'settling-in' connections.

If the idea of swapping skyscrapers for sea and sand appeals to you, now could be time to start looking at options.

### **What to look for when relocating**

- What tax rates apply?
- Are there any restrictions on property ownership?
- What are the options for residence?
- Can dependent relatives relocate?
- How long do you need to spend there each year to retain the rights of residence?

Finding a location that offers the very best tax advantages might be your driving force, but choosing a jurisdiction that is to become your home is about much more. The key is to settle somewhere that works for your wealth but, first and foremost, works for you and your family too.

The British Virgin Islands, Cayman Islands, Guernsey and Jersey are independent, low or no tax jurisdictions. They are cosmopolitan islands that offer a beautiful, secure place to live with traditional values sitting at the very heart of our contemporary lifestyles. Respect and privacy are enjoyed. Business and leisure opportunities abound, the schools are superb and the health services on these islands are first class.

### **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.

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