

## Guernsey

(Fees quoted are exclusive of VAT)

Guernsey is a self-governing dependency of the British Crown and does not form part of the United Kingdom. The island has complete autonomy in all matters of internal government, including taxation.

The Companies (Guernsey) Law 2008 effective from 1<sup>st</sup> July 2008 makes major changes to the procedure for forming Guernsey companies.

### Requirements:

- The chosen name must end with “Limited”, “with limited liability” or “avec responsabilite limitee”.
- The registered office must be at an address on the island of Guernsey.
- All companies must have a Resident Agent in Guernsey, who must either be a Corporate Service Provider (with License) or a locally resident director.
- There are no minimum or maximum capital requirements. Bearer shares are not permitted.
- Minimum of one director (corporate entity acceptable). The director(s) does not need to be resident in Guernsey. A sole director can also act as a secretary.
- Minimum of one shareholder is required. Details of beneficial owners will not be available for public inspection, but the Law officers, the Commission, the Police and Customs have the right to compel disclosure of information held in certain circumstances.
- A company secretary is optional in Guernsey, however please note that it is a required service where we are incorporating and providing ongoing services.
- A register of shareholders, directors and secretaries must be maintained at the registered office. The register of shareholders may be inspected by the public.
- Annual accounts do not have to be filed with the authorities and need not be audited. However, proper books of account must be maintained and sufficient records kept in Guernsey to ascertain the company’s position at no more than six monthly intervals.
- Annual General Meeting - the new Law retains the requirement for all companies to hold an Annual General Meeting each year. Additional flexibility is however provided by introducing the right for members to waive this requirement, either for specific years or for an indefinite period. To be effective a waiver must be approved by a majority of not less than 90% of the voting rights (total or represented at a meeting).
- Annual return to be filed each year by the end of January with a filing fee of £500. The annual return is available for inspection to the public. Late filing will incur penalties of £100 per month.

### Information required for registration:

- Proposed name(s) for approval. It is best to give several alternatives (there could be a difficulty with names including “international”, “Guernsey”, “Bank” or “Worldwide”).
- Names and addresses of beneficial owner(s). Please note that the beneficial ownership must be disclosed to the authorities, together with intended trading activities of the company.
- Amount and denomination of authorised capital.

Note: A Guernsey Questionnaire needs to be completed, a business plan and a curriculum vitae provided before incorporation.

## Time taken to incorporate:

The new Law introduces a modern company incorporation and registration system replacing the role that the Greffe and the judiciary played in the process of incorporation and maintenance of company records. The newly created Registry will now be overseen by a Registrar of Companies. Standard documents and forms relating to incorporation can be electronically filed and searches conducted on line.

New incorporations upon completion of all due diligence can take between 2 – 5 days.

## Tax Regime:

Guernsey companies carrying on business or holding assets outside of the Balliwick of Guernsey or where the beneficial owner is not resident in Guernsey will not be subject to Guernsey Taxation. The distinction between exempt or resident controlled companies is now removed and all Guernsey companies are now equal (EU Regulations (Zero-10)).

- New law from 1<sup>st</sup> January 2008, all companies are resident for corporation tax purposes at a rate of 0% unless their income consists of:
  - Specified banking activities (which would include money lending, lease purchase, hire purchase and similar franchising arrangement carried on in the island) in which case they would be taxable at 10%
  - Profits derived from activities that are regulated by the Office of Utility Regulation, in which case they will be taxed at 20%; and
  - Income derived from Guernsey land and buildings (whether from property development and exploitation of land or rental income) in which case tax will be charged at 20%.
- Guernsey does not levy Value Added Tax (VAT) on transactions
- There are no inheritance taxes
- A cap of £250,000 for Guernsey resident individual tax payers on the tax payable on their worldwide income

Fees	
<b>Initial/first year costs:</b>	
Incorporation cost (subject to all necessary due diligence documents being submitted)	£2,500
Registered office, registered agent and resident company secretary (note that these fees are per annum or part thereof i.e. the initial fees will be to the 31 <sup>st</sup> December of the year of commencement)	£11,500
<b>Total</b>	<b>£14,000</b>
Compliance fee upon incorporation or transfer of existing company Key individuals: The Ultimate Beneficial Owners of companies and other individuals who may be considered to be controllers, such as trustees, directors etc.	£500 per "key individual" minimum

<b>Annual costs thereafter include:</b>	
Annual return filing fee, per annum (to be filed each year, penalties will be levied for late filing)	£500 per annum
Registered office, registered agent and resident company secretary	£11,500
Statutory maintenance	Time spent basis
Annual compliance review	£100 Per annum

<b>Nominee services available:</b>	
Guernsey Resident Director	£2,000 per annum
Guernsey Non-Resident Director	£1,000 per annum
Shareholder	£250 per annum

<b>Other services:</b>	
Preparation of accounts	Time spent basis

PLEASE NOTE WE REQUIRE ALL CLIENTS TO SATISFACTORILY COMPLETE OUR DUE DILIGENCE REQUIREMENTS AND COMPLY WITH THE MONEY LAUNDERING REGULATIONS 2007.