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The trusted solution in wealth structuring

Why base a company in Guernsey?

Guernsey is recognized as one of the leading offshore international finance centres, with a history of introducing innovative, business friendly and commercial legislation. This factsheet focuses on the benefits of using a Guernsey company.

Benefits of using a Guernsey company

- separate legal personality
- single member/director companies are permitted
- corporate directors and shareholders are allowed
- incorporation is very quick (24 hours standard, 15 minutes or 2 hours using a fast-track route)
- no regulatory consent is required to issue shares
- governed by comprehensive and flexible modern legislation
- unrestricted company objects
- flexibility to incorporate cellular or non-cellular companies, and companies where shareholder liability can be limited (by shares or guarantee) and/or unlimited
- ability to transfer the registration of a company in and out of Guernsey, with compatible jurisdictions
- shares are easily transferable and can be held by nominee shareholders (e.g. for succession planning)
- different classes of shares may be issued, including redeemable shares (though bearer shares are not permitted)
- flexible distribution regime, whereby dividends and distributions can be paid from any account, subject to meeting a statutory solvency test
- state of the art companies registry providing a full on-line service for incorporation, searches, filing, information management, document requests, dissolutions and changes to company particulars
- ability to waive the requirement to hold AGMs and conduct audits, leading to cost savings
- ability to strike dormant companies off the register of companies without a formal and costly liquidation process
- simple integration with other entities within wider structures e.g. trusts, foundations, limited partnerships and limited liability partnerships (all of which can be Guernsey based)

Tax

A Guernsey company is generally subject to Guernsey income tax at the rate of 0%. 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.

Advantages of Guernsey

Advantages include:

- Guernsey is serviced by high quality service providers (such as lawyers, company/trust administrators and accountants)
- experience in administering a wide range of corporate structures and asset types
- high quality judicial system
- geographical proximity to the UK and Europe
- London time-zone (so service providers are ideally placed to service clients based in, or with assets in, Europe, Asia and the US)
- frequent air links with major UK airports
- high quality communication links
- Guernsey has adopted the highest standards of compliance and transparency, which is reflected by its place on the OECD white list
- political independence
- low tax jurisdiction.

Company types

A Guernsey company may be incorporated with the liability of its shareholders being:

- limited by shares (the most common company type) – limited to the amount unpaid (if any) on the shares held by them
- limited by guarantee – limited to the amount guaranteed to be paid in the event the company is wound up while he is a member or within one year of ceasing to be a member
- unlimited – unlimited while they are shareholders, or within one year of ceasing to be shareholders
- mixed – a combination of the above

Most Guernsey companies are non-cellular (i.e. all the assets of the company are available to creditors to satisfy debts). However, it is possible to incorporate cellular companies to provide an additional level of creditor protection. A cellular company may be either a protected cell company (a PCC) or an incorporated cell company (an ICC). A PCC is a single legal entity and assets can be segregated into separate cells which are generally protected from the creditors of other cells. An ICC takes this segregation concept one step further as each cell is a separately incorporated entity, distinct from the ICC itself. Cellular companies are very popular in the captive insurance and funds industries.

The incorporation process in Guernsey

The incorporation process is a straightforward electronic registration. This can be completed in a day, provided that the prerequisite director registrations and anti-money laundering formalities have been completed.

Incorporation must be carried out by a local corporate service provider. As a licensed fiduciary, Nerine Trust Company Limited (Nerine) is a fully authorised corporate service provider registered with the Guernsey Registry.

Companies must maintain a registered office in Guernsey and complete an annual validation filing. Again these services can be provided by Nerine as a Guernsey corporate services provider.

Information required to incorporate a Guernsey company

If you would like Nerine to incorporate a company, please ask us for an application form. We will need to know:

- Company name
- Director(s) names and details
- Shareholder(s) names and details, and intended shareholding. Please note that Guernsey companies no longer have an authorised share capital
- Currency of shares to be issued. By default shares will be issued in pounds sterling, but can be in another currency if required

We are also required by our regulatory obligations to verify the identity of all directors, shareholders and beneficial owners of the company and confirm the source of wealth and source of funds of our clients. This information is not a matter of public record, except the names and addresses of the directors and resident agent.

Public information filed at the company registry

It should be noted that any member of the public can visit the company registry (on-line or in person) and obtain the following information on any Guernsey company:

- the name of the company
- the registered number of the company
- the registered office address

In addition, for the payment of a small fee, any member of the public will have access to the names and addresses of the resident agent and directors and will be able to download publicly filed documents.

Nerine corporate services

Nerine provides the following corporate services in respect of Guernsey companies:

- company incorporation, including providing the company's memorandum and articles of incorporation
- acting as resident agent (required to keep a register of the company's beneficial owners, which is not publicly available and is only disclosable to certain regulatory authorities in very limited circumstances)
- providing a registered office address
- providing company directors and nominee shareholders
- making all required public filings e.g. annual validations, changes in directors, member resolutions etc.
- day to day administration of the company's affairs e.g. carrying out transactions, organising payments, drafting shareholder/director minutes and resolutions, liaising with shareholders and directors in respect of meetings etc
- bookkeeping and accounts preparation

Summary

Guernsey companies are very popular vehicles for structuring transactions, with over 60,000 companies having been registered in Guernsey to date.

Due to Guernsey's competitive tax regime, the extensive professional expertise of Guernsey service providers and the flexibility that Guernsey companies provide, Guernsey companies should be at the top of your list when considering your structuring requirements.