

GUERNSEY

Located in the English Channel, 60 miles south west of mainland Britain and 30 miles from the coast of France, Guernsey is a British Crown dependency retaining constitutional rights of self-government and judicial independence and is not a member of the EU.

Among the world's leading jurisdictions for the provision of financial services, Guernsey is located in the favourable GMT zone meaning business can be conducted in most major financial centres with London only one hour away and most European cities within easy reach. Guernsey has an internationally endorsed regulatory framework with the International Monetary Fund placing Guernsey in the top division of international financial centres.

It has been found by the Financial Action Task Force to be compliant or largely compliant with 47 out of 49 of general recommendations (more than the UK or US) and is whitelisted by the OECD with 60 Tax Information Exchange Agreements and 25 double taxation agreements in place.

Guernsey is known for its innovation. The Protected Cell Company (PCC) concept was pioneered in Guernsey in 1997 specifically for the captive insurance industry but now has much wider use in investment fund and fiduciary structures. This innovative approach is a significant contributor to Guernsey's success to date as a captive domicile (1st in Europe and 4th in the world). Many other jurisdictions have since introduced similar legislation.

In 2012, Guernsey became the first jurisdiction in the world to introduce Image Rights Law and provide a public register for image rights. Being able to register commercially valuable image rights in an environment which recognises them by statute provides a higher degree of protection from unauthorised use by third parties than is currently on offer in any other jurisdiction.

Another recent innovation for the private wealth sector includes Guernsey Foundations which came into force in January 2013. It is possible to migrate foundations currently domiciled in other jurisdictions to benefit from the robust and flexible regime available in Guernsey.

In December 2013, Guernsey launched its Aviation Registry, known as 2-REG. Guernsey continues to meet the needs of international clients, some of whom have an increasing desire to register their aircraft and place their wider wealth management arrangements in a reputable and reliable domicile.

The aviation registry complements Guernsey's existing expertise gained in banking, wealth management, investment funds, insurance and wider financial services, all of which can be important in the structuring, financing and holding of an aircraft. Indeed, in practice, many aircraft transactions are one element held within more complex private wealth management or corporate structures.

In May 2014, Guernsey introduced its Limited Liability Partnerships (LLP) Law which offers a flexible method to organise certain business requirements over and above what existing Guernsey partnerships provide, as well as the ability to migrate LLPs in and out of Guernsey. Guernsey is tax neutral with a zero rate of corporation tax for companies incorporated in Guernsey owned by non-residents, it has no withholding tax on dividends paid, inheritance tax, sales or death duties, if assets are held in trust. Trusts established in Guernsey on behalf of non-resident beneficiaries are not subject to income or capital gains taxes in Guernsey.

Why ZEDRA?

Our Guernsey team comprises of over 45 individuals, the majority of which are professionally qualified including; accountants, chartered secretaries or trust and estate professionals. The Guernsey office provides bespoke wealth management services in the areas of Trust and Fiduciary Services, Employer Solutions ("ES"), UK Corporate Real Estate and a Funds Solutions business. Across multiple jurisdictions ZEDRA employs over 300 individuals.

Trust Services

ZEDRA's Guernsey office understands the importance of meeting clients' wealth management needs by providing bespoke trust and fiduciary services to preserve and protect their wealth for future generations.

Guernsey is a leading jurisdiction for the establishment of a wide range of bespoke trust structures and in the provision of trustee and fiduciary services including; Discretionary Trusts/Fixed Trusts, Life Interest or Interest in Possession Trusts, Asset Protection Trusts, Reserve Powers Trusts, Managed Trust Companies, Charitable Trusts, Special Purpose Trusts, Private Trust Companies ("PTC"), Family Offices and Escrow Arrangements.

Guernsey was one of the first places in the world to regulate trust providers. In 2007, Guernsey modernised its trust law based upon a vast body of case law to include the following benefits:

- | The Guernsey Court does not recognise foreign court judgements
- | The introduction of purpose trusts
- | No maximum duration for trusts (perpetual)
- | The abolition of director liability, facilitating the creation of Private Trust Companies
- | The introduction of reserved powers provisions.

Funds Services

Our ZEDRA Guernsey team can initiate and manage a multitude of fund schemes, specialising in complex governance solutions such as cross-border promotion and tax mitigation plans.

The local team have experience in both open and closed ended capital structures created as corporates, LPs, unit trusts or cellular companies and covering jurisdictions from the Channel Islands to Cayman. We can deliver bespoke solutions to both investment managers raising capital, as well as complex structuring to family offices and closely grouped private investors looking for tailored solutions like our Protective Cell Company. We offer a full service from directorships through to the accounting and reporting functions. The Guernsey office currently manages over \$2 billion of assets across varying fund structures.

Protected Cell Companies

A Protected Cell Company is a special type of company that offers different groups of shareholders wide investment flexibility, without sharing the risks. The PCC is divided into separate cells, with each cell owned by distinct groups of investors with their specific investment objectives and an individual share class structure.

The organisation of our ZEDRA PCC ensures that it is not considered a 'close company' for UK tax purposes which can bestow certain benefits.

Employer Solutions

ZEDRA understands that helping companies retain, motivate and reward employees is key to their long-term success.

Our multidisciplinary specialised Employer Solutions team of 17 specialists have extensive experience in the establishment and administration of a wide range of employee incentive arrangements including:

- | EBTs for share warehousing and hedging arrangements for listed company incentive and deferral plan arrangements
- | Acting as nominee, warehouse and facilitating internal market arrangements for private companies
- | Facilitation of joint/co-ownership arrangements and succession planning for private companies;
- | Provision of carry and co-investment arrangements
- | Provision of full administration services for private company incentive arrangements through our ZEDRA plan administration platform
- | Security Trust Arrangements as a form of collateral for the Captive and Insurance Linked Securities sector.

Contact Us

Brian Taylor | Managing Director

✉ brian.taylor@zedra.com | T: +44 1481 881413

Damien Fitzgerald | Head of Funds

✉ damien.fitzgerald@zedra.com | T: +44 1481 881433

John Hunter | Director - Business Development

✉ john.hunter@zedra.com | T: +44 1481 881427

Elaine Graham | Director- Employers Solutions

✉ elaine.graham@zedra.com | T: +44 1481 881409

Third Floor Cambridge House Le Truchot, St Peter Port Guernsey, GY1 3UW | T: +44 1481 881400