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GUERNSEY: OVERVIEW

The Bailiwick of Guernsey includes the inhabited islands of Guernsey, Alderney, Sark & Brecqhou, Herm, Jethou, and Lihou. Guernsey is the second largest of the Channel Islands and is roughly triangular in shape. It is situated in the Gulf of St Malo, 130 km south of England and 48 kilometres west of Normandy, France. The island has a land area of 65 sq km.

English is the main and official language, although French is widely spoken, and a Norman patois is used in the countryside. Guernsey's economy is stable, with an expanding financial services sector that accounts for over half of the island's total income. Unemployment is very low.

Outside the financial arena, the main business sectors are manufacturing, tourism and agriculture. Income derived outside Guernsey by wealthy immigrants also makes a substantial contribution to the island's economy.

Guernsey has Europe's largest captive insurance sector, and also has strong banking, investment fund and trust sectors, with a very well developed advisory and financial infrastructure. The Channel Islands Stock Exchange is based in Guernsey. There are a number of low-tax business formats, including International Companies, Exempt Companies and Limited Partnerships.

Guernsey's political stability, consistently low tax status and international reputation as an important financial centre make it an attractive prospect to foreign investors and workers.

GUERNSEY LTD COMPANY: ADVANTAGES

- Guernsey company formation is a good way of booking international profits without paying corporation tax, if properly structured
- Flexibility - a minimum of one director is required, who need not be a resident of Guernsey
- Guernsey companies benefit from close proximity to mainland Europe and the UK
- Guernsey is not a member of the EU, so traders do not pay VAT

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GUERNSEY LTD COMPANIES: QUICK VIEW

Company law	Protected Cell Companies Ordinance, 1997, Incorporated Cell Companies Ordinance in 2006, consolidated into Companies (Guernsey) Law, 2008
Type of company	Exempt company
Standard capital	GBP 10,000 is the maximum figure for which minimum costs apply
Annual fees paid to authorities	GBP 100 filing fee plus GBP 600 exempt tax
Taxation rates applied to companies generally	20%, but flat annual rate of GBP 600 payable for exempt companies
Length of time to incorporate	5 days. Ready-made companies are available
Minimum members	One – individual or corporate
Registered office	Yes, must be maintained in Gibraltar at the address of a licensed management company or law firm. A local registered agent must also be appointed
Directors	Minimum one – individual or corporate. A register of directors must be filed with the Registrar and is open to public inspection. A Secretary is necessary
Must a Director/Secretary be resident?	No
Is an AGM required?	No
Need to file an annual return?	An annual return must be filed each year showing details of shareholders and directors. Since 2000 all Gibraltar have been obliged to file annual accounts with the Registrar
Annual return: need to prepare/audit financial statements?	These must be prepared and filed but most companies escape audit requirements
Is disclosure of profits required?	Yes, balance sheets must be filed with annual returns
Necessary to keep share register?	Yes, at registered office
Share register open to inspection by public?	No
Any exchange controls or other financial restraints imposed?	No
Is re-domiciliation into the jurisdiction allowed?	Yes
Confidentiality	No specific statutory provisions governing confidentiality in relation to companies, but English law, which applies within the jurisdiction, imposes a common law duty on professionals to keep the affairs of their clients confidential
Language of incorporation	English
Are bearer shares allowed?	No