

WHY GUERNSEY?

A global specialist finance centre of substance

INSURANCE

INVESTMENT FUNDS

TRUST & COMPANY

PENSIONS

INVESTMENT
MANAGEMENT

BANKING



WE ARE
GUERNSEY
WE ARE CONNECTED

ABOUT GUERNSEY

Guernsey has been a global finance centre for more than 50 years and there are five core pillars to its finance industry:



Insurance

Guernsey's specialist insurance sector is pioneering and innovative, providing alternative risk transfer solutions to sophisticated clients.



Investment funds

There are more than 800 funds domiciled or serviced in Guernsey, which at the end of March 2020 were valued at £233 billion. A Guernsey-domiciled fund provides access to institutional investors in more than 50 jurisdictions worldwide. Guernsey is Europe's leading private equity jurisdiction and has more entities listed on the London Stock Exchange than any other non-UK jurisdiction.



Trust and company

Guernsey has a long tradition of providing specialist private wealth management services to sophisticated private clients and their families. The island is also a centre of excellence for the provision and servicing of retirement benefits and savings plans for international businesses and their employees, as well as globally-mobile individuals.



Investment management

Guernsey boasts a broad spectrum of investment management providers, from subsidiaries of international investment houses to independent boutiques.



Banking

Guernsey is home to 22 international banks, providing a diverse range of services to meet the needs of individuals and businesses.



About Guernsey

Located in the Gulf of St Malo, around 50km west of France and 120km south of the UK, Guernsey is the largest island in the Bailiwick of Guernsey, which also includes the islands of Alderney, Sark and Herm.

As a British Crown Dependency, Guernsey has been independent for more than 800 years and its links to the UK are through the Crown rather than Parliament. As a result, Guernsey has its own legislature, the States of Guernsey, which determines local laws, including taxation.



States of Guernsey

Guernsey is neither a Member State nor an Associate Member of the European Union and has a special relationship providing free access to EU markets for physical exports (not services) under Protocol 3 of the 1983 Treaty of accession of the UK to the EEC.

Protocol 3 will cease under the terms of the UK Withdrawal Agreement on expiry of the transition period on 31 December 2020.

Guernsey has always been treated as a “third country” for the purposes of market access to the EU for financial services. Access to the EU is secured via third country provisions included within EU directives, granted after the island demonstrates equivalence to EU standards, a position that will not change post-Brexit.

Financial services (not including accountancy and legal services) is the largest sector in the Guernsey economy and comprises 19% of employment and 40% of GDP.

(Source: Guernsey Economic and Financial Stability Overview Jan 2020).



Green and Sustainable Finance



Guernsey is a leading centre of green and sustainable finance and at the forefront of developing world leading green products and services. Its dedicated green and sustainable finance initiative, Guernsey Green Finance, is a member of the UN Financial Centres for Sustainability.



GUERNSEY STRENGTHS



Home to more non-UK entities listed on the London Stock Exchange than any other jurisdiction



More than 800 funds domiciled or serviced in Guernsey



A force for global good – leading the way with Guernsey Green Finance initiative and Guernsey Green Fund - a world-first green regulated product.



Fund industry facilitates substantial investment into and from the UK and Europe



Reputation for innovation - pioneered protected cell legislation in 1997 and legal certainty for SMART contracts in 2019.



Largest captive insurance domicile in Europe



Conveniently located



Frequent air links to UK



English speaking



Convenient time zone for UK and Europe



British pound



Highest standards



Well respected regulatory standards

Compliant with 48/49 FATF recommendations



Global finance centre

Providing specialist solutions to sophisticated clients for more than 50 years.



Flexible, pragmatic financial regulator

The Guernsey Financial Services Commission, while robust, has a reputation for its flexible, pragmatic and open-door approach.



Secure, stable jurisdiction of substance

800 years of independence, political and economic stability and breadth and depth of finance centre expertise.



OECD endorsement

Member of the OECD "whitelist" of offshore jurisdictions



AA- credit rating from Standard & Poor's



S&P Global

RESPECTED REGULATORY STANDARDS



Guernsey is a responsible and well-respected global citizen, with a proven track record of international engagement and the application of international standards. Guernsey was one of the first jurisdictions in the world to regulate trustees, introducing legislation in 2000 requiring the licensing and regulation of fiduciaries, administration businesses and company directors.



Guernsey Financial
Services Commission

Flexible, pragmatic, responsive regulation.

The Guernsey Financial Services Commission (GFSC) is renowned for its personal, flexible and pragmatic approach to regulation and offers guaranteed turnaround times for regulatory approvals, including a suite of fast-track application regimes for private and registered funds.

In June 2020, the GFSC acted swiftly to introduce a fast-track system for migration of overseas investment funds and their managers to Guernsey in response to demand from industry, following a significant number of enquiries from competitor jurisdictions.



48/49



Meeting international standards

Guernsey's high standards of regulation were reconfirmed at the beginning of 2016 when MONEYVAL reported the island as being compliant or largely compliant with 48 out of 49 of the Financial Action Task Force (FATF) recommendations on Anti-money laundering (AML) and countering the financing of terrorism (CFT) - the highest standard of any jurisdiction so far assessed.

Guernsey's corporate tax regime has been given a seal of approval and fully ratified as compliant by the EU Code of Conduct Group on Business Taxation. Guernsey's insurance regulation fulfils its commitments to the International Association of Insurance Supervisors. While aligned with Solvency II, the rules ensure proportional treatment of both captive and commercial insurers.

In July 2016, Guernsey was recommended for a 'third country' passport under the Alternative Investment Fund Managers Directive (AIFMD) by the European Securities and Markets Authority. Out of the 12 non-EU jurisdictions reviewed, Guernsey was one of only five to be given an unqualified and positive assessment by the regulator.

The Channel Islands Financial Ombudsman (CIFO) was established in 2015 to provide an independent dispute-resolution service to customers of Guernsey's financial services businesses. Guernsey is also recognised for its well-regulated environment by the Securities Commission (SEC) and is signed up to the International Organisation of Securities Commissions (IOSCO) Multilateral Memorandum of Understanding (MMoU).

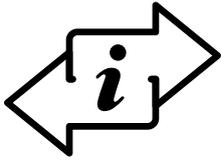
Compliance with FATF standards based upon the most recent reviews of each jurisdiction

Jurisdiction	Guernsey	UK	BVI	Jersey	United States	Cayman Islands	Isle of Man	Singapore	Hong Kong	Bermuda	China	UAE	Luxembourg	Malta	Switzerland	Mauritius
Non-Compliant	0	0	1	0	4	1	0	0	0	0	6	0	9	0	0	1
Partially Compliant	1	2	15	1	5	10	13	3	4	1	12	6	18	9	5	4
Largely Compliant	20	12	15	32	22	24	24	17	25	12	15	23	20	21	27	9
Compliant	28	23	18	16	9	14	12	20	11	28	7	11	1	10	8	26



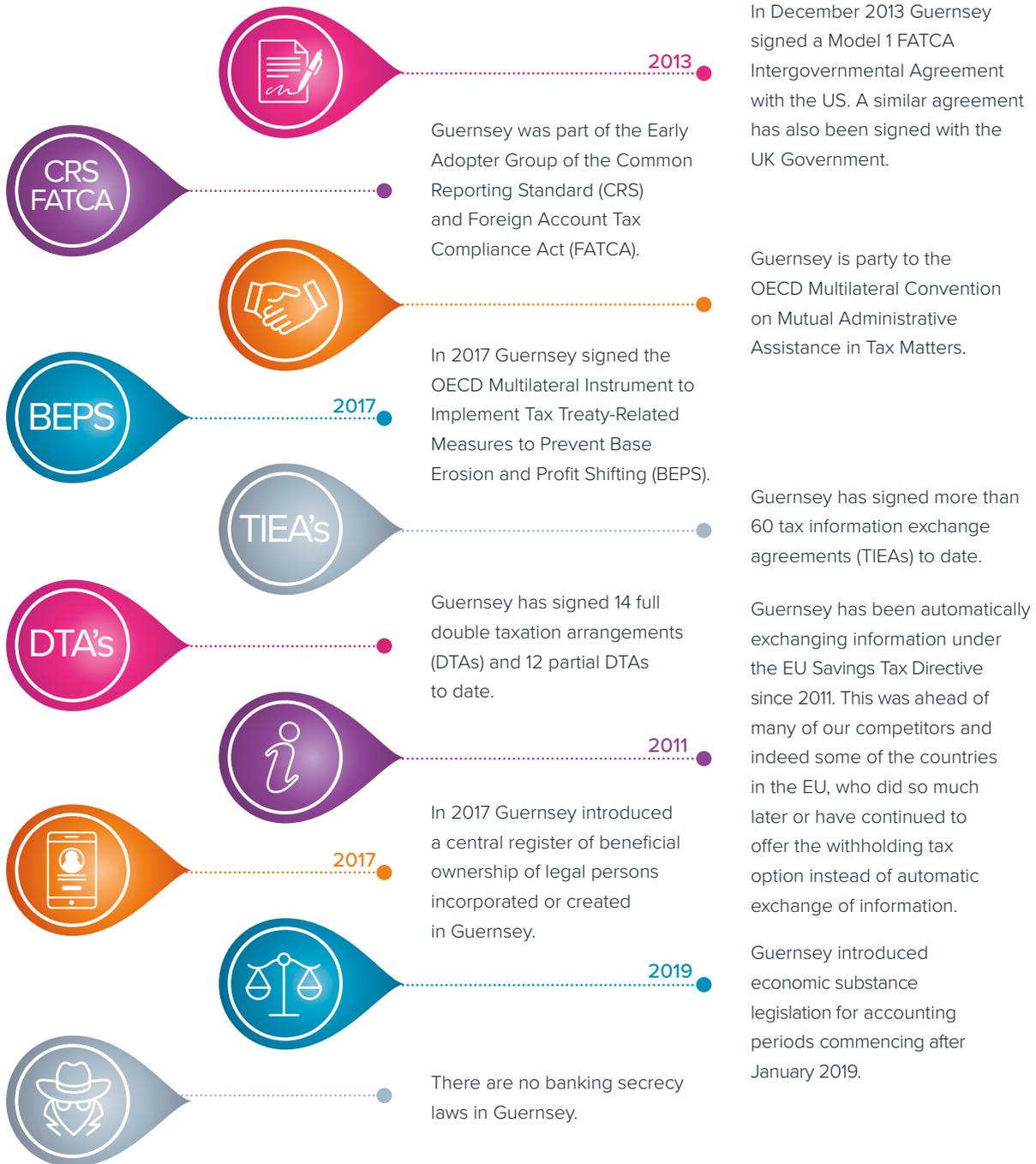
Image: St Peter Port, Guernsey

COMPLIANT AND TRANSPARENT



Guernsey is at the forefront of standards on tax transparency and information exchange and will continue to monitor developments in order to maintain its position.

As a responsible and well-respected global citizen, Guernsey has a proven track record of international engagement and application of international standards.



Guernsey is a member of the OECD's 'whitelist' established in 2009, making it one of only 40 jurisdictions placed on the original list. Guernsey has also been assessed by the OECD's Global Forum on Tax Transparency and Exchange of Information for Tax Purposes as compliant with the international standards on exchange of information on request.

Guernsey's continued success is due to the cultivation of a conducive legal, regulatory and tax environment in which innovation can thrive. Examples of the island's innovation are summarised below:

PCC/ICC hybrid (1997/2019)

Guernsey pioneered the protected cell company (PCC) in 1997 for the captive insurance industry. These structures are now also widely used in the investment fund and fiduciary sectors. In 2006, incorporated cell companies (ICC) were introduced. The Guernsey Hybrid PCC or ICC, the world's first mixed purpose cell company, which is both a licensed insurance company and a regulated investment fund, was introduced in 2019 and brings a whole new level of simplicity and efficiency for ILS managers.

Electronic transactions (2000)

The introduction of far-sighted electronic transactions legislation in 2000 provides certainty of legal effect, validity and enforceability of contracts executed electronically.

Image rights (2012)

In 2012, Guernsey became the first jurisdiction in the world to introduce image rights legislation and establish an image rights register. Being able to register image rights in a jurisdiction which recognises them by statute provides a higher degree of protection from unauthorised use than is offered elsewhere.

Aviation registry (2013)

In December 2013, Guernsey launched its aviation registry, known as 2-REG. The aviation registry complements Guernsey's other 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 within more complex private wealth management or corporate arrangements.

LLP law (2014)

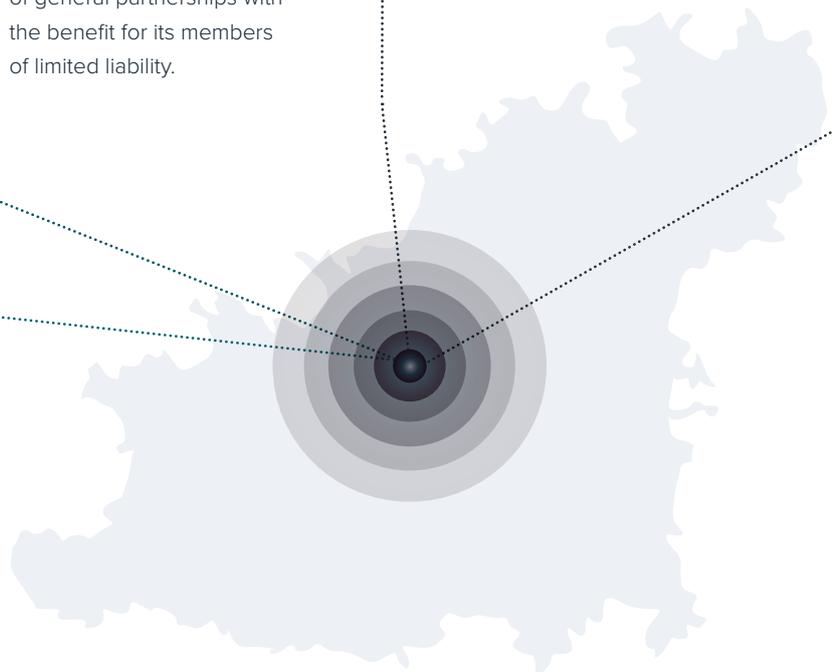
In May 2014, Guernsey enhanced its partnerships proposition with the introduction of its Limited Liability Partnerships (LLP) Law. LLPs combine the flexible features of general partnerships with the benefit for its members of limited liability.

Guernsey Green Fund (2018)

In 2018, Guernsey established the Guernsey Green Fund, a world-first regulated green investment fund product which provides the certainty of a trusted, transparent product to inspire investor confidence.

Electronic agents (2019)

In 2019, revision of the existing electronic transactions legislation broadened the scope of certainty of legal effect, validity and enforceability of contracts and documents devised or signed by an electronic agent, setting a global standard for legal clarity on the use of electronic agents in contract formation.



Guernsey has extensive experience of servicing private and corporate clients from around the world and has long acted as a gateway to European, UK and US markets and liquidity. Guernsey is not a member of the European Union but has elected in certain circumstances to comply with EU directives, such as the Alternative Investment Fund Managers Directive (AIFMD), as a third country. Guernsey's tax neutrality encourages investment into and from the UK and Europe. This was evidenced in a 2020 report commissioned by Guernsey's government which revealed that Guernsey's funds industry provides a clear benefit to the UK, Europe and the United States:



£43 billion of investment

Guernsey domiciled funds routed £43 billion into the US in 2019.



£42 billion investment

Guernsey domiciled funds routed £42 billion of investment into the UK in 2019.



£77 billion of investment

Guernsey domiciled funds enabled capital flow of £77 billion into Europe in 2019.

This inward and outward investment to and from the UK and Europe is facilitated by a robust and internationally-recognised regulatory platform. Guernsey has a growing understanding of and business relationships with emerging markets and boasts representative offices in both Shanghai and Hong Kong, as well as a Middle East representative based in Dubai.

Image: Saints Bay, Guernsey





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