

Intertrust Reads Private Clients Limited Emigration to Guernsey

Our clients know what they want to achieve. We know how to get there. Working with some of the sharpest minds in the business, we pull together the right blend of advice to suit each client's unique situation. With an international network of experts and a rich history in the financial world, we have the people and knowledge to help you succeed. Partnership, premium quality and personal attention. That's how we've remained a leader in Taxation Services for such a long time.

This leaflet is intended for private individuals moving to Guernsey.

Background

Guernsey is a long-established low tax area, situated in the English Channel. A dependency of the British Crown, but with its own legislature and its own stable Government it does not form part of the United Kingdom or the European Union. The Island's location close to the UK and mainland Europe, its relaxed life-style, the mild climate and a benign tax regime are just some of the factors that combine to make Guernsey an attractive jurisdiction for people looking to relocate.

Benefits

- ▶ A low tax area;
- ▶ Political and constitutional stability;
- ▶ A mature, well regulated financial centre;
- ▶ A high level of legal, accounting, banking and investment expertise;
- ▶ Good communications;
- ▶ High quality of life.

Guernsey's present tax system

The tax system in Guernsey is straightforward, the key features which apply to individuals are:

- ▶ Tax on income charged at a flat 20%;
- ▶ No Capital Gains Tax;

- ▶ No Inheritance Tax or death duties;
- ▶ No wealth taxes;
- ▶ No VAT or sales tax;
- ▶ Income Tax relief is available for interest paid on borrowings for main Guernsey residence on loans of up to £400,000.
- ▶ Tax liability capped at £250,000 or less in certain circumstances.

Guernsey residence

Individuals will generally be treated as solely or principally resident if they spend 182 days or more in Guernsey, have set up a permanent home here or spend 91 days or more in Guernsey but do not spend 91 days or more in any other single jurisdiction. Alternatively individuals may become "Resident Only" if they spend between 91 and 182 days in Guernsey and 91 days or more in one other jurisdiction. Individuals classed as Resident Only are subject to Guernsey income tax at 20% on Guernsey source income plus remittances of income to Guernsey and will be able to structure their affairs to mitigate tax liabilities accordingly.

Domicile

Domicile has different meanings in different jurisdictions, but in general a long-term permanent resident of Guernsey will be able to acquire a domicile of choice in Guernsey. Such status may facilitate planning to shelter their worldwide assets from UK Inheritance Tax.

Tax planning

Whilst it is relatively straightforward for new residents to fall within the scope of Guernsey taxation, it is important to consider the ongoing exposure to taxes levied by other jurisdictions. In particular real estate will cause additional liabilities for the unwary, but with careful planning overseas taxes may be reduced and in some circumstances avoided completely.

Company taxation

Guernsey companies are generally subject to tax at 0% unless they are regulated utility companies or receive income from property activities (20%) or engage in banking activities (10%). The definition of property activities generally includes investment in, or development of Guernsey property. There are complex distribution and deemed distribution rules for Guernsey residents who hold shares in Guernsey companies, and potentially non-Guernsey companies.

Services provided

Intertrust Reads Private Clients Limited is registered with the UK Chartered Institute of Taxation as a firm of Chartered Tax Advisers. In addition to the UK tax aspects, we are able to advise on the many Guernsey taxation and non-taxation aspects of emigration to Guernsey.

We deal with HM Revenue & Customs, the Guernsey Tax Office and other authorities to ensure a smooth transition between jurisdictions. We also advise on structuring, utilising trusts, partnerships and corporate vehicles for Guernsey residents and non-UK domiciled individuals investing in the UK and elsewhere through our international network.


Fees & charges

For general taxation and planning advice our fees are charged on a time spent basis. Certain structures arising from this will have standard set up costs – details are available on request.

Related/additional services

- ▶ Specialist taxation services encompassing a full range of Guernsey, UK and international tax planning and tax compliance services;
- ▶ Trust and company formation and administration services;
- ▶ Trust taxation;
- ▶ Fund administration.

Our clients come from every corner of the globe. Different countries, different cultures. Just like us. We have more than 1,000 professionals in more than 20 countries worldwide. So we have the local knowledge and sensitivity to see things from your point of view.

 Setting the standard since 1952

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