

WHY GUERNSEY?

Key facts behind your leading international finance centre

INSURANCE

INVESTMENT FUNDS

TRUST & COMPANY

PENSIONS

INVESTMENT
MANAGEMENT

BANKING



WE ARE
GUERNSEY
WE ARE CONNECTED

ABOUT GUERNSEY

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



BANKING

Some 30 international banks are available to meet financing needs of individuals and businesses.



INSURANCE

Guernsey's insurance industry is renowned for its expertise and innovation in providing risk management solutions. Guernsey is the largest captive insurance domicile in Europe and an emerging centre for reinsurance business.



INVESTMENT MANAGEMENT

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



INVESTMENT FUNDS

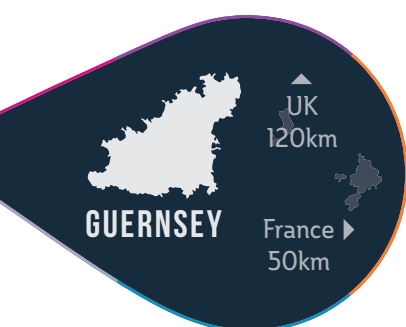
There are more than 1,000 funds domiciled or serviced in Guernsey, which at the end of March 2016, were valued at more than £235 billion. Guernsey domiciled funds are used for cross-border distribution into all corners of the globe, while Guernsey is also home to more non-UK entities listing on the London Stock Exchange than any other jurisdiction globally.



TRUST & COMPANY

Guernsey provides high-net-worth individuals and their families with legally robust and tax efficient structures for purposes of asset management, succession and tax planning. The island has also developed significant expertise in providing pension plans for international businesses and their employees, as well as globally mobile individuals.

THE ISLAND



Guernsey is part of the Bailiwick of Guernsey which incorporates the islands of Guernsey, Alderney, Sark and Herm. Guernsey is located in the Gulf of St Malo, 120 kilometres south of the UK and about 50 kilometres west of France.

As a British Crown Dependency, Guernsey celebrated 800 years of independence in 2004 which means the island's links to the UK are through the Crown rather than Parliament. As a result, Guernsey has its own legislature which allows it to determine its own local laws, including taxation.

Guernsey has a special relationship with the EU. Terms negotiated on the UK's accession to the European Economic Community

(EEC) in 1973 guaranteed Guernsey's agricultural and horticultural producers access to EEC. Guernsey still enjoys access to the European market for goods, though the island's people no longer rely on its rich soil and temperate climate for their livelihoods.

Today, the finance industry employs approximately 22% of the island's workforce and contributes directly to 34% of Guernsey's GDP, which currently stands at £2.4 billion, and contributes indirectly to all other sectors of the island's economy.

In terms of Guernsey's trading relationship with the EU for services (including financial services), the island secures access to the European single market via third country provisions included within European directives, granted after the island demonstrates equivalence to EU standards.

GUERNSEY'S STRENGTHS



**International finance centre
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.



Self-governing and self-funding
800 years of independence.



**AA- credit rating from
Standard & Poor's**

48/49

Highest regulatory standards
Compliant or largely compliant with 48/49 of the Financial Action Task Force (FATF) recommendations.



OECD endorsement
Member of the OECD's 'whitelist'.



**London
Stock Exchange**

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

x1000

More than 1000 funds domiciled or serviced in Guernsey



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



Guernsey is the largest captive insurance domicile in Europe



Worldwide reputation for financial services innovation (pioneer of the PCC concept / world-first image rights legislation etc.)

✚ 62 SQUARE KILOMETRES 👥 POPULATION 60,000+ ✈ FREQUENT AIR LINKS TO UK 🕒 SAME TIME ZONE AS UK 🗣 ENGLISH SPEAKING 🇬🇧 BRITISH POUND

HIGHEST REGULATORY STANDARDS

When capital can move easily between jurisdictions, best-in-class regulation is crucial in maintaining and attracting new business. In this respect, Guernsey's relatively small size allows for flexibility and speed in responding to changes in the global finance industry and ensures continued best-in-class regulation.

Indeed, Guernsey was one of the first places in the world to regulate trust providers. Since 2001, all those engaged in the provision of regulated fiduciary activities in Guernsey must be licensed. Other jurisdictions, including the United Kingdom, still do not have a regulatory regime for trust providers.

Guernsey's financial services regulator, the Guernsey Financial Services Commission (GFSC), while robust, has a reputation for its flexible, pragmatic and open-door approach placing it ahead of our competitors. The GFSC also offers guaranteed turnaround times for regulatory approvals and a fast-track service.



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.

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

JURISDICTION	COMPLIANT	LARGELY COMPLIANT	PARTIALLY COMPLIANT	NON-COMPLIANT
GUERNSEY	28	20	1	0
UK	24	12	10	3
BVI	18	15	15	1
JERSEY	16	32	1	0
UNITED STATES	15	28	2	4
CAYMAN ISLANDS	14	24	10	1
ISLE OF MAN	12	24	13	0
SINGAPORE	11	32	4	2
HONG KONG	10	20	15	4
BERMUDA	9	10	16	14
CHINA	8	16	16	9
UAE	3	17	18	11
LUXEMBOURG	1	9	30	9

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. Whilst 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 and Exchange Commission (SEC) and is signed up to the International Organisation of Securities Commissions (IOSCO) Multilateral Memorandum of Understanding (MMoU).

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.

“

Guernsey is in the leading group of jurisdictions who are active in the practical implementation of tax transparency and cooperation. Their adherence to the internationally accepted standards developed by the OECD means that there is clear and demonstrable criteria against which the OECD can consider them as a cooperative jurisdiction.








Pascal Saint-Amans, the OECD's Head of Global Tax Policy (July 2015)

”



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 largely compliant with the international standards on exchange of information on request – a rating that is shared with the UK, Germany and the USA.

Guernsey's track record on cooperation and transparency also includes:

-  Government in December 2013 to report under a Model 1 FATCA Intergovernmental Agreement. A similar agreement has also been signed with the UK Government.
-  Guernsey was part of the Early Adopter Group of the Common Reporting Standard (CRS) on automatic exchange of information, after signing the Multilateral Competent Authority Agreement in October 2014.
-  Guernsey is party to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.
-  Guernsey has signed 60 tax information exchange agreements (TIEAs) to date.
-  Guernsey has signed 13 full double taxation arrangements (DTAs) and 12 partial DTAs to date.
-  Guernsey has been automatically exchanging information under the EU Savings Tax Directive since 2011. This was ahead of many of our competitors and indeed some of the countries of the EU, who did so much later or have continued to offer the withholding tax option instead of automatic exchange of information.
-  There are no banking secrecy laws in Guernsey.

INNOVATIVE

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:

PCCs

The protected cell company (PCC) concept was pioneered in Guernsey in 1997 for the captive insurance industry, but now has a much wider use in investment fund and fiduciary structures and has been widely adopted the world round.



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.



A recent innovation for the private wealth sector is the Guernsey Foundation, which came into force in January 2013. It is possible to migrate foundations currently domiciled in other jurisdictions to avail of the robust and flexible regime available in Guernsey.



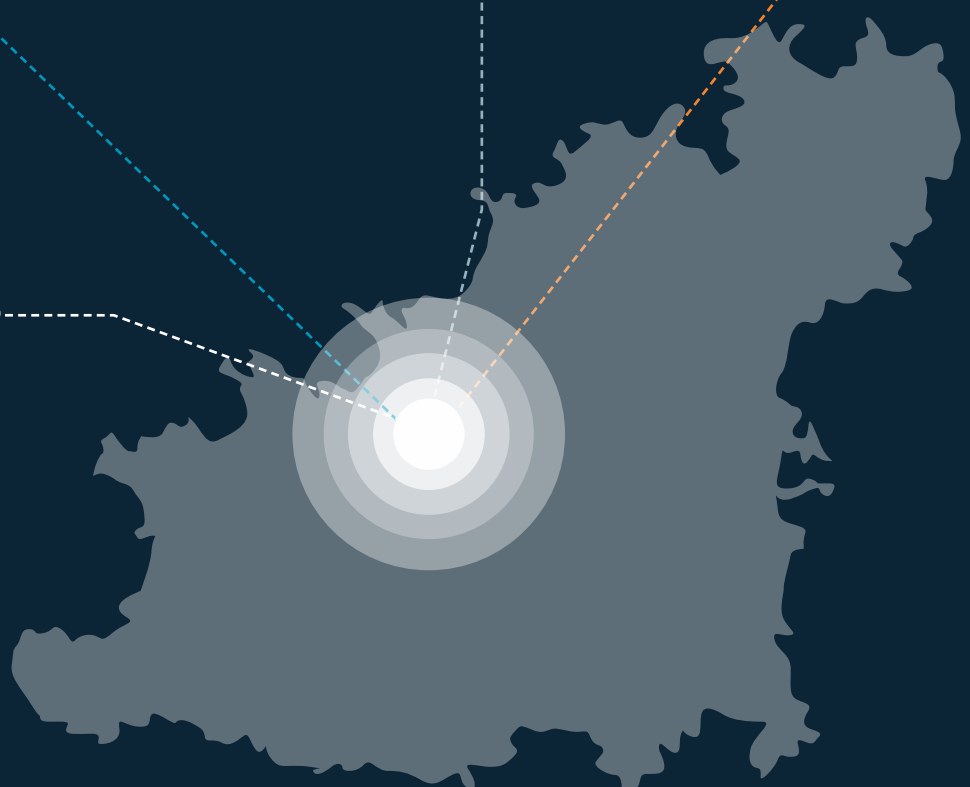
In December 2013, Guernsey launched its aviation registry, known as 2-REG. The aviation registry complements Guernsey's other financial services, all of which can be important in the structuring, financing and holding of an aircraft. Indeed, in practice, many aircraft transactions are one element within more complex private wealth management or corporate arrangements.



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

MLP

Introduced in May 2016, Guernsey's Manager Led Product (MLP) is aimed at alternative investment fund managers (AIFMs) seeking to market into one or more EU Member States. Under the MLP regime, all regulatory standards are borne by the AIFM and, by virtue of the AIFM's sponsorship, no alternative investment fund or underlying licensee will have rules imposed on it. The MLP regime avoids duplicating regulatory requirements over several entities.





Guernsey has extensive experience of servicing private and corporate clients from around the world and has long acted as a gateway to European and UK markets and liquidity.

Guernsey is not a member of the European Union but participates in 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 2015 report by KPMG, titled 'International Capital Flows', which revealed that Guernsey's funds industry provides a clear benefit to the UK and Europe:



£25 billion investment

A conduit for £25 billion of overseas investment into the UK from global investors.



Access for UK investors

Facilitates access for UK investors investing £27 billion into global assets.



£71 billion of investment


A conduit for a further £71 billion of investment into Europe, of which £51 billion is from global investors.


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.



WEAREGUERNSEY.COM

 +44(0) 1481 720 071

 info@weareguernsey.com

 Guernsey Finance, PO Box 655, St Peter Port, Guernsey, GY1 3PN



WE ARE
GUERNSEY
WE ARE CONNECTED