



Offshore corporate structures – a comparison

This matrix has been prepared to provide a comparison of the laws of the British Virgin Islands (**BVI**), the Cayman Islands, Guernsey and Jersey as at its date of publication. It is for general information only and is not intended to, and does not, constitute legal, financial or other advice upon which you may act or rely and does not constitute an offer to provide such advice. This matrix does not consider any economic substance requirements (if applicable)

	BVI	Cayman¹	Guernsey	Jersey
Principal legislation for companies	The BVI Business Companies Act, 2004 The BVI Business Companies Regulations 2012	The Companies Law (2020 Revision)	The Companies (Guernsey) Law, 2008	The Companies (Jersey) Law 1991
Companies registry	The Registrar of Corporate Affairs	The Registrar of Companies	The Guernsey Registry	The Companies Registry
Regulator	BVI Financial Services Commission (BVI FSC) (only for companies engaged in regulated activities)	Cayman Islands Monetary Authority (CIMA) (only for companies engaged in regulated activities)	Guernsey Financial Services Commission (GFSC) (only for companies engaged in regulated activities)	Jersey Financial Services Commission (JFSC) (only for companies engaged in regulated activities)
Incorporation	Shelf companies are not typically used Company names can be reserved Incorporation can take place within one day, if completed KYC is provided	Shelf companies are not typically used Company names can be reserved Companies can be incorporated within one day if express service is used and completed KYC is provided	Shelf companies are not available Company names can be reserved Incorporation can take place within one day (standard), or in some circumstances two hours (rapid) or, for a basic asset holding company with standard articles of incorporation, 15 minutes (special) provided that all requisite information, including KYC, is provided	A form of shelf company is available, but is not generally used in practice Company names can be reserved Companies can be incorporated on a same day basis if express service is used and completed KYC is provided
Public and private companies	The law does not distinguish between public and private companies			Public and private companies are available A company will be treated as public if it has more than 30 registered shareholders (excluding directors and employees) ²

¹ This matrix refers to Cayman Islands exempted companies limited by shares

² The remainder of this matrix refers to Jersey private companies only. A limited number of additional requirements apply to public companies, such as the requirement to have accounts audited and for accounts to be filed. Further details are available on request

	BVI	Cayman ¹	Guernsey	Jersey
What is it?	A limited liability company, ie a body corporate with separate legal personality where its shareholders benefit from limited liability			
Constitutional documents	<p>Memorandum and articles of association</p> <p>The memorandum and articles of association can be amended by a shareholder resolution</p> <p>This resolution requires the approval of a simple majority (or such higher percentage as is specified in the memorandum and articles of association) of shareholders who, being entitled to do so, vote in person or by proxy at a general meeting of the company</p> <p>Directors also have certain rights to amend the memorandum and articles of association</p>	<p>Memorandum and articles of association</p> <p>The memorandum and articles of association can be amended by a special resolution</p> <p>This resolution requires the approval of a two thirds majority (or such higher majority as is specified in the articles of association) of shareholders who, being entitled to do so, vote in person or by proxy at a general meeting of the company</p>	<p>Memorandum and articles of incorporation</p> <p>The memorandum and articles of incorporation can be amended by a special resolution</p> <p>This resolution requires the approval of a 75 per cent of shareholders with voting rights (or such higher majority as is specified in the articles of incorporation)</p>	<p>Memorandum and articles of association</p> <p>The memorandum and articles of association can be amended by a special resolution</p> <p>This resolution requires the approval of a two thirds majority of shareholders with voting rights (or such higher majority as is specified in the articles of association)</p>
Must key contracts be governed by local law?	<p>No</p> <p>The memorandum and articles of association/incorporation will be governed by the local law</p> <p>Other key contracts (investment and shareholders' agreements, share purchase agreements, facility and bond documentation) can (and usually will) be governed by foreign law (typically English or New York law)</p>			
Which documents are publicly available?	<p>Certificate of incorporation, memorandum and articles of association, the date of incorporation, the identity and address of its registered agent, the address of its registered office, any public security filings, plus a few other documents that may be elected or required to be filed in specific circumstances</p> <p>The identity of shareholders is not a matter of public record, unless the company voluntarily elects to file its register of shareholders with the BVI Registrar of Corporate Affairs (which it must then keep up to date at the Registry)</p> <p>The register of directors is required to be filed with the BVI Registrar of Corporate Affairs</p> <p>This is kept confidential, save where the company elects to make this public or where disclosure is required by court order or during investigation by a competent government authority</p>	<p>The only information that is publicly available is the name of the company, its registration number, its entity type, the place and date of its incorporation, the address of its registered office, whether the company is active and the names of its current directors (and, where applicable, current alternate directors)</p> <p>Effective 1 October 2020, the amount of capital of the company (and the number of shares into which it is divided), the name and address of each subscriber to its memorandum of association and the number of shares taken by each subscriber, the date of execution and filing of its memorandum of association, the nature of its business and the date of its financial year end will also be publicly available</p>	<p>Basic limited information is available from a public search (including registered office, date of incorporation, company status and economic activity code)</p> <p>Details of the directors and resident agent are available to purchase (statement of register) as are the certificate of incorporation, memorandum and articles of incorporation, special resolutions, annual validations plus a few other documents required to be filed in specific circumstances</p> <p>Confidential matters can be included in a shareholders' agreement, which should not need to be filed provided it is appropriately drafted</p>	<p>Certificate of incorporation, memorandum and articles of association, the date of incorporation, the address of its registered office, special resolutions, any public security filings, annual returns plus a few other documents required to be filed in specific circumstances</p> <p>Confidential matters can be included in a shareholders agreement, which should not need to be filed provided it is appropriately drafted</p>

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	BVI	Cayman ¹	Guernsey	Jersey
Which documents are publicly available? <i>continued</i>	Changes to the register of directors are also required to be filed within 30 days of occurrence			
Which documents are not publicly available?	The register of directors (and any changes to the register) must be filed with the BVI Registrar of Corporate Affairs but it is not publicly available unless the company voluntarily elects to make it so		The register of beneficial ownership which can only be accessed by specified individuals from the GFSC, Guernsey's Financial Intelligence Service and the Guernsey Registry for the purposes of discharging their statutory duties Shareholder information is not kept by the Guernsey Registry	
What other types of holding vehicle are available?	A wide variety of different types of company are available, including companies limited by guarantee, unlimited companies, restricted purpose companies and segregated portfolio companies In addition, other types of vehicle are available, including a partnership, limited partnerships, unit trusts and trusts It is also possible to have a limited liability company and a limited liability partnership in the Cayman Islands		A wide variety of different types of company are available, including no par value companies, guarantee companies, unlimited liability companies, limited life companies, protected cell companies and incorporated cell companies In addition other types of vehicle are available, including partnerships, various types of limited partnership, limited liability partnerships, unit trusts, trusts and foundations	
Registered office	Must be in the jurisdiction of incorporation (or continuation)			
Annual returns	No annual returns Annual government fees must be paid to the Registrar of Corporate Affairs in order to remain in good standing	An annual return must be filed with the Registrar of Companies (together with an annual fee – see below)	Annual validations must be filed with the Guernsey Registry (together with an annual fee – see below)	An annual return must be filed with the Registrar of Companies (together with an annual fee – see below)
Government fees	Incorporation and annual BVI government fees of US\$450 (if authorised to issue 50,000 shares or fewer) or US\$1,200 (if authorised to issue more than 50,000 shares) Additional fees may be charged in relation to applications to set up funds, carry out regulated activities etc	Minimum incorporation fee of US\$733 (scaled by reference to authorised share capital) Minimum annual fee of US\$854 (scaled by reference to authorised share capital) Additional fees may be charged, depending on nature of company and set up arrangements	Incorporation fee of £100 (within 24 hours), £350 (within two hours) or £750 (within 15 minutes) Annual validation fee starting at £250 Additional fees may be charged in relation to changes to company particulars, company document filing and applications to set up funds, carry out regulated activities etc	Incorporation fee of £165 (within five business days), £220 (within three business days), £275 (within two business days), £385 (within one business day) and £605 within two hours Annual return filing fee of £225 for online filing and £235 for paper filing Additional fees may be charged in relation to applications to set up funds, carry out regulated activities etc.
Service provider fees	Additional one-off incorporation fees and annual fees will be payable to the registered agent/registered office provider, which will be subject to commercial negotiation			
Directors	Minimum of one director No nationality restrictions or local residency requirements Corporate directors are permitted	Minimum of one director No nationality restrictions or local residency requirements Corporate directors are permitted	Minimum of one director No nationality restrictions or local residency requirements (assuming the entity is not regulated), though local directors are	Minimum of one director No nationality restrictions or local residency requirements (assuming the entity is not regulated), though local directors are

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Directors <i>continued</i>		Directors of investment funds or entities carrying out securities investment business must be CIMA licensed or registered	available, if required Corporate directors are permitted (except for companies engaged in regulated activities)	available, if required Corporate directors are permitted, but a corporate director must be regulated to act as a corporate director
Directors' duties	Directors' duties are owed to the company (though a director of a subsidiary may (if permitted by the memorandum and articles) act in the best interests of the holding company even if that is not in the interests of the subsidiary) Statutory duties are imposed requiring the director to act honestly and in good faith and in what the director believes to be in the best interests of the company Common law fiduciary duties are equally applicable	Directors' duties are owed to the company Statutory and common law fiduciary duties are imposed requiring the director to act in the best interests of the company, to avoid conflicts of interest etc		
Secretary	A company secretary is permitted but not required			A company secretary is required
Minimum number of shareholders	A company must have at least one shareholder			
Board meetings and resolutions in writing	Board meetings do not have to be held locally Directors' resolutions can be passed in writing if permitted by the articles of association/incorporation			
Location of shareholder meetings	Shareholder meetings do not have to be held in the jurisdiction of incorporation			
Annual meetings	No requirement to hold annual or other periodic shareholder meetings unless they are required by the articles of association		The requirement to hold an annual general meeting may be waived by a waiver resolution of the members of the company, ie a majority of not less than 90 per cent	No requirement to hold annual or other periodic shareholder meetings unless they are required by the articles of association
Shareholder resolutions in writing	Shareholder resolutions can be passed by written resolution unless prohibited by the memorandum and articles of association The majority required to pass a written resolution can be specified in the memorandum and articles of association but a simple majority is required where the memorandum and articles of association are silent	Shareholder resolutions can be passed by unanimous written resolution if authorised by the articles of association	Shareholder resolutions can be passed in writing The majority required to pass a resolution in writing is the same as is required at a meeting (a simple majority for an ordinary resolution, 75 per cent for a special resolution, 90 per cent for a waiver resolution and 100 per cent for a unanimous resolution)	Shareholder resolutions can be passed in writing unless prohibited by the articles of association The majority required to pass a resolution in writing is either all shareholders with voting rights or a lower majority specified in the articles of association (though the majority can be no lower than two thirds for a special resolution)

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Authorised share capital	No concept of authorised share capital applicable to BVI companies incorporated under the BVI Business Companies Act 2004 Instead a BVI business company is authorised to issue a maximum number of shares or an unlimited number of shares	No minimum or maximum authorised or paid up share capital		
Share classes	Any class of share may be issued (including ordinary, common, preference, preferred, convertible and deferred shares) The shares can have such economic, voting and other rights as are determined by the parties (with very few restrictions)			
Bearer shares	Unless expressly permitted by the memorandum and articles, a company shall not issue bearer shares	Bearer shares are not permitted		
Treasury shares	Treasury shares are permitted, subject to certain restrictions			
Employee share schemes	Companies are able to issue shares in accordance with any common form of employee share scheme The rules of the scheme need not be governed by local law Shares held by employees can either be held directly or indirectly via a company (often called a Manco) or an employee benefit trust The company may loan money to an employee or an employee benefit trust to assist them in acquiring shares (subject to any contractual restrictions or restrictions in the articles of association/incorporation)			
Financial assistance	No statutory restrictions on financial assistance			
How is a company funded?	The company can be funded by a variety of means including cash (where an investor will subscribe for shares using cash), assets (where an investor will contribute assets to the company in return for shares), loans and/or the provision of services			
How does a company return cash or assets to its investors?	A company can return cash or assets to its investors by a variety of means, including distributions, share redemptions, and repurchases Distributions may be paid from any source subject to satisfaction of a solvency test (both cash flow and balance sheet) Any additional requirements and/or restrictions can be built into the articles of association	A company can return cash or assets to its investors by a variety of means, including distributions, share redemptions, repurchases and court approved reductions of capital Distributions may be paid out of profits or share premium subject to a cash flow solvency test Subject to satisfying the cash flow solvency test, shares may be redeemed or repurchased out of share capital, profits, the share premium account or out of the proceeds of a fresh issue of shares made for the purposes of the repurchase or redemption Any additional requirements and/or restrictions can be built into the articles of	A company can return cash or assets to its investors by a variety of means, including distributions, share redemptions, share buy-backs and reductions of capital The directors will be required to resolve that the company satisfies a cash flow and balance sheet based solvency test (other than for a court sanctioned reduction of capital), but otherwise there are limited restrictions under Guernsey law Any requirements and/or restrictions can be built into the articles of incorporation	A company can return cash or assets to its investors by a variety of means, including distributions, share redemptions, share buy-backs and reductions of capital The directors will be required to make a cash flow based solvency statement (other than for a court sanctioned reduction of capital), but otherwise there are limited restrictions under Jersey law Any requirements and/or restrictions can be built into the articles of association

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How does a company return cash or assets to its investors? <i>continued</i>		association		
Can it borrow, give guarantees and provide security over its assets?	Yes Each of a BVI, Cayman, Guernsey and Jersey company has unlimited corporate capacity Restrictions can be incorporated in its articles of association/incorporation, if so desired			
Can an investor grant security over its shares?	Yes A shareholder can grant security over its shares subject to any contractual restrictions or restrictions in the company's articles of association/incorporation			
Registration of share security	It is possible to make public filings of annotated registers of shareholders with the Registrar of Corporate Affairs	There is no public register of security in the Cayman Islands	There is no register of security in Guernsey	Security granted under the Security Interests (Jersey) Law 2012 can be registered in Jersey
Does it have unlimited duration?	Yes Unless its memorandum or articles of association/incorporation provide otherwise			
Accounting and audit requirements	Companies must maintain accounting records Such accounting records need not be made publicly available Audited financial statements are not required unless the company is subject to regulation by the BVI FSC	Companies must maintain accounting records Such accounting records need not be made publicly available Audited financial statements are not required unless the company is subject to regulation by CIMA	Companies must maintain accounting records Such accounting records need not be made publicly available Financial statements must be produced, covering a maximum period of 18 months There is no requirement to file financial statements Audited financial statements are required unless the company is exempted by a waiver resolution of the members of the company, ie a majority of not less than 90 per cent	Companies must maintain accounting records Such accounting records need not be made publicly available Financial statements must be produced, covering a maximum period of 18 months Only public companies or those subject to regulation by the JFSC must file accounts Audited financial statements are not required unless the company is a public company or is regulated by the JFSC
Confidentiality	The identity of shareholders and directors is not a matter of public record, unless the company voluntarily elects to make a public filing	The identity of shareholders is not a matter of public record except that, effective 1 October 2020, the name and address of each subscriber to a company's memorandum of association and the number of shares taken by each subscriber will be publicly available In practice, the subscriber to a company's memorandum of association is typically a third party service provider Any person may, for a fee, inspect the list	The identity of registered shareholders is not publicly available A process, including a court application, may enable a person who has a proper purpose to inspect the register of members However, the register of members holding redeemable or non-voting shares is not subject to this application process Generally redeemable shares are used to preserve confidentiality though nominee shareholders may also be used	A company's annual return will disclose details of the registered shareholders of a company as at 1 January in each year, though nominee shareholders may be used to preserve confidentiality

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Confidentiality <i>continued</i>		of the names of a company's current directors (and, where applicable, current alternate directors) maintained by the Registrar of Companies		
Tax information exchange agreements	Our jurisdictions have entered into numerous tax information exchange agreements but they do not allow 'fishing expeditions'			
How is it wound up/dissolved?	Voluntary liquidation (if the company is solvent) This process must be conducted by a voluntary liquidator	Voluntary liquidation (if the company is solvent) The process must be conducted by a voluntary liquidator A voluntary strike off process is also available	Summary winding up (if the company is solvent) This process can be conducted by the directors or by a liquidator A voluntary strike off process is also available	Summary winding up (if the company is solvent) This process can be conducted by the directors or by a liquidator
Tax	The BVI and Cayman have no income tax, corporation tax, capital gains tax, inheritance tax, gift tax, wealth tax or any other form of direct taxation or withholding		Guernsey and Jersey have a standard zero per cent rate of corporate tax for companies that are tax resident in those jurisdictions (subject to limited exceptions) Guernsey and Jersey have no withholding tax, capital gains tax, inheritance tax, gift tax, or wealth tax	
Exchange controls	There are no currency exchange controls in our jurisdictions			
AML/CFT	Our jurisdictions have strict AML/CFT regulations and high regulatory standards Successive independent reports, including by the IMF, have recognised our jurisdictions as leaders in the field of compliance and governance			
Quality of legal profession, service providers and the courts	Very high Most lawyers have practised in London or another major international finance centre and many are dual- or multi-qualified The local courts commonly preside over large and complex international disputes The Judicial Committee of the Privy Council in London is the court of final appeal			
What are the benefits of this particular jurisdiction?	The company law regimes in each of the BVI, Cayman, Guernsey and Jersey are materially the same, with the result that the choice of jurisdiction is unlikely to be driven by particular laws The choice of jurisdiction will generally come down to other factors such as: <ul style="list-style-type: none"> • Investor preference - investors will often prefer to invest via certain jurisdictions, due to perceptions of and/or existing relationships within certain jurisdictions (eg Asian and Russian investors will often be more familiar with BVI, US investors will often be more familiar with BVI and Cayman; European investors will often be more familiar with Jersey and Guernsey) • Sponsor preference - if a sponsor has existing operations and/or relationships in a particular jurisdiction • Sector - certain jurisdictions are more closely associated with certain sectors (such as Guernsey with gaming and Jersey with UK real estate) • Tax - each jurisdiction is tax neutral so they should all offer the same benefit in this respect 			

Contacts

To find out more, please get in touch with your usual Mourant contact, or alternatively, a full list of contacts can be found [here](#)

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