

UPDATE

Guernsey Listed Funds

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Using Guernsey companies for stock exchange listings

Guernsey – simple and well respected

Guernsey is home to more non-UK entities listed on the LSE markets than any other jurisdiction globally. LSE data shows that at the end of October 2022 there were 105 Guernsey-incorporated entities listed across its various markets.

Companies incorporated in Guernsey can also list on other markets, including the Hong Kong Stock Exchange, the New York Stock Exchange, Euronext, together with many other jurisdictions, including Guernsey-based The International Stock Exchange and exchanges in Australia, Johannesburg, Toronto and Frankfurt.

This means that Guernsey provides an ideal gateway to global capital markets, and is testament to the flexibility of Guernsey law, and the nature of the jurisdiction as a well-respected offshore financial centre.

Key advantages of Guernsey

Key advantages of using a Guernsey issuer are:

- Exchanges are open to, and in most cases familiar with, the use of Guernsey issuer entities.
- Guernsey is in the same time zone as London with a business day that begins before Hong Kong closes and continues well into New York trading time – perfect if the intention is for securities to be listed on more than one exchange.
- Guernsey companies provide tax neutrality at the holding company level, which is a key advantage for any listing targeting multiple jurisdictions for investment. Guernsey investment fund vehicles are eligible for tax exempt status such that they will not be considered resident in Guernsey for Guernsey income tax purposes. Alternatively, Guernsey companies can elect to become tax resident in another jurisdiction, such as the UK, which makes Guernsey ideal for structures which require UK tax residency, such as UK Real Estate Investment Trusts, whilst retaining all the other benefits of a Guernsey structure.
- Guernsey's companies law includes many English companies law principles, but offers more flexibility. For example, any form of distribution can be made by a company to its investors, subject to a solvency requirement being met and without the need to have distributable reserves.
- The Takeover Code automatically applies to Guernsey companies which have any of their securities admitted to trading on a regulated market in the UK or on any exchange in the Channel Islands or the Isle of Man.
- Shares in Guernsey companies may be held and traded in uncertificated form and are able to be settled through CREST, without the need for depositary receipts. There is no UK SDRT on the sale of Guernsey shares (provided the share register is maintained outside of the UK) and there are no capital gains or stamp duty in Guernsey on the issue, transfer, switching or redemption of shares in a Guernsey company.

- Guernsey offers a range of different fund products, offering different levels of regulation to suit the targeted investor group.
- Investors are familiar with Guernsey as a well-regulated international finance centre, with an outstanding reputation and which has been whitelisted by the EU and the OECD.
- Guernsey has a wide selection of world class company and fund administrators which are experienced in dealing with listed vehicles.
- Guernsey regulated funds are required to have only one Guernsey resident director as a regulatory matter, enabling flexibility around board composition.

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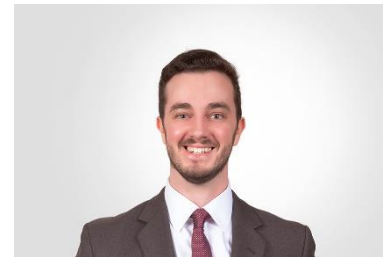
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