

Private Client 2021

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Guernsey

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TAX

Residence and domicile

1 | How does an individual become taxable in your jurisdiction?

The principle form of taxation for individuals in Guernsey is income tax. Liability to income tax is determined by reference to residency.

An individual is treated as being 'resident' in Guernsey in any particular calendar year if they spend 91 days or more in Guernsey in that year or alternatively spend 35 days or more in Guernsey in that year and during the four preceding years of charge they have spent 365 days or more in Guernsey.

An individual is treated as being 'solely resident' in Guernsey in any particular calendar year if both resident in Guernsey and not resident in any other jurisdiction spending 91 days or more in that place in that year of charge.

An individual is treated as being 'principally resident' if they spend 182 days or more in Guernsey in that year of charge or they spend 91 days or more in Guernsey in that year of charge and, during the four preceding years of charge have spent 730 days or more in Guernsey or they take up permanent residence in Guernsey in a given year of charge.

An individual is deemed to be taking up permanent residence in Guernsey if they are resident in Guernsey (as defined above) in that year of charge and they are solely or principally resident in Guernsey in the following year of charge and they were not resident in Guernsey in the immediately preceding year of charge.

An individual solely or principally resident in Guernsey is liable to pay Guernsey tax on their total income wherever such income may arise or accrue.

Non-residents are liable to pay Guernsey income tax arising or accruing from business carried on in Guernsey, offices or employments held or exercised in Guernsey (except the emoluments of a company director), the ownership of land or business in Guernsey and any other source in Guernsey other than bank interest.

Income

2 | What, if any, taxes apply to an individual's income?

Income tax is levied on the worldwide income of Guernsey residents at a flat rate of 20 per cent subject to personal reliefs and deductions. Tax is capped at £130,000 on non-Guernsey sourced income (which would include Guernsey bank interest) and £260,000 on worldwide income (other than income generated as a result of the ownership of real property in Guernsey).

Individuals who are resident but not principally resident or solely resident can elect to pay either a standard charge of £30,000 or 20 per cent of their Guernsey source income. A person who elects to pay the standard charge will have no liability to tax on their non-Guernsey source of income but liability will arise on total Guernsey source income

(other than bank deposit interest). The amount of the standard charge paid can be set off against the tax due on Guernsey source income. A person electing to pay the standard charge will have no entitlement to any allowances, reliefs or deductions.

Individuals paying either the tax cap or the standard charge are able to file a simplified tax return. They are not obliged to declare all the details of their income although the Director of Income Tax retains the power to call for this information.

Personal allowances and other deductions are abated for individuals earning over £100,000 per annum.

A new resident to Guernsey (who has not been resident in Guernsey in the previous three years) may claim a tax cap of £50,000 for the year they arrive in Guernsey and for the following three years where that individual has paid £50,000 or more in document duty on the purchase of specific property made available for occupation by persons who are not locally qualified residents where that property is purchased within 12 months either before or after they take up permanent residency in Guernsey. This tax cap applies in respect of worldwide income.

A resident of Alderney (a separate jurisdiction but within the bailiwick of Guernsey) who has not previously been capped as above will be capped at £50,000 on their 'Alderney qualifying income' for each year from 2016 to 2025. 'Alderney qualifying income' is income from all sources regardless of where it is from except for any income arising from the ownership of real property in either Guernsey or Alderney.

Capital gains

3 | What, if any, taxes apply to an individual's capital gains?

There is no capital gains tax in Guernsey.

Lifetime gifts

4 | What, if any, taxes apply if an individual makes lifetime gifts?

There is no gift tax in Guernsey.

Inheritance

5 | What, if any, taxes apply to an individual's transfers on death and to his or her estate following death?

There is no inheritance tax in Guernsey. A fee is payable in order to obtain probate in respect of the personal estate of a deceased person in Guernsey, which is calculated by reference to the gross value of the estate. The fees approximate to 0.35 per cent of the gross value and the fees are capped at £100,000. This is not an estate tax and is only payable if a grant of representation is sought.

Real property

6 | What, if any, taxes apply to an individual's real property?

Document duty is charged on the acquisition of Guernsey real property at the following rates:

- 2.25 per cent of any part of the value of the transaction not exceeding £250,000;
- 3.5 per cent of any part of the value of the transaction exceeding £250,000 but not exceeding £400,000;
- 4 per cent of any part of the value of the transaction exceeding £400,000 but not exceeding £750,000;
- 4.25 per cent of any part of the value of the transaction exceeding £750,000 but not exceeding £1 million;
- 4.5 per cent of any part of the value of the transaction exceeding £1 million but not exceeding £2 million; and
- 5.5 per cent of any part of the value of the transaction exceeding £2 million.

In addition, an annual charge is levied on the value of real property. Furthermore owners of real estate in Guernsey are obliged to pay parish rates annually to the parochial authorities.

Non-cash assets

7 | What, if any, taxes apply on the import or export, for personal use and enjoyment, of assets other than cash by an individual to your jurisdiction?

No taxes apply in this regard.

Other taxes

8 | What, if any, other taxes may be particularly relevant to an individual?

Guernsey has no other substantive taxes such as value added tax or goods and services tax or wealth tax that may be particularly relevant. Aside from income tax, document duty and property taxes revenues are generated by social security contributions and excise duty.

Trusts and other holding vehicles

9 | What, if any, taxes apply to trusts or other asset-holding vehicles in your jurisdiction, and how are such taxes imposed?

Where the settlor of a trust is resident in Guernsey, unless that settlor and their spouse are excluded from all possible benefit, the income of the trust is taxed in the hands of the settlor.

Trustees of trusts with Guernsey resident beneficiaries may become subject to Guernsey income tax on the income of the trust.

Trusts with no Guernsey resident beneficiaries are only liable to tax on Guernsey source income.

Guernsey bank deposit interest is not treated as Guernsey source income when received by trustees of a trust with no Guernsey resident beneficiaries.

Distributions from trusts received by Guernsey residents are taxed in the hands of the beneficiary however credit is given for tax already paid by the trustees or the Guernsey resident settlor.

Guernsey law also recognises foundations and a foundation is taxed as if it were a company. The standard rate of income tax for companies is 0 per cent. Taxation rates of 10 per cent or 20 per cent applies to income from certain activities detailed in the Income Tax (Guernsey) Law, 1975. These are unlikely to apply to a foundation established for the preservation and management of private wealth.

Charities

10 | How are charities taxed in your jurisdiction?

Charities are exempt from Guernsey income tax pursuant to Section 40(k) of the Income (Guernsey) Law, 1975.

Where a Guernsey tax resident makes a donation to a Guernsey registered charity the Guernsey charity is able to claim a limited repayment of the tax paid by the donor. The amount of the donation must be in excess of £500 and the amount of the donation, when aggregated with the amount of any other payment made by the same resident individual to the same or any other Guernsey registered charity in the same year must not exceed £5,000.

Anti-avoidance and anti-abuse provisions

11 | What anti-avoidance and anti-abuse tax provisions apply in the context of private client wealth management?

Where the effect of a transaction of a series of transactions is avoidance reduction or deferral of the liability of any person to Guernsey tax the Director of Income Tax may, in his or her discretion, make such adjustments in respect of the liability of the person concerns tax as may in their opinion be appropriate to counteract the avoidance reduction or deferral of liability, which would otherwise be effected by or as a result of that transaction of a series of transactions. This wide general anti-avoidance rule is deployed sparingly.

TRUSTS AND FOUNDATIONS

Trusts

12 | Does your jurisdiction recognise trusts?

Guernsey is a leading jurisdiction for the establishment and administration of trusts. The Trusts (Guernsey) Law, 2007 is a modern statutory framework for the administration of trusts. The legislation is supported by an extensive body of local case law.

The majority of trusts established in Guernsey are established as wholly discretionary trusts, meaning that no one beneficiary has any identifiable part of the trust fund until the trustees, exercising their discretion, decide to appoint a specified interest in the trust assets to any one or more beneficiary. However, the legislation also envisages the establishment of fixed interest trusts such as life interest trusts, purpose trusts (charitable and non-charitable) and reserved power trusts (where the settlor reserves himself or herself for grants to a third party certain powers and functions in connection with the trust).

Guernsey trusts are capable of perpetual existence although the draftsman of a Guernsey law trust can also create trusts of limited duration. Revocable and irrevocable trusts are permitted.

The use of protectors in Guernsey trusts is common. A protector is a person (other than the trustee) who has some formal role or function in relation to the trust, whether it is the power of appointing new trustees and dismissing trustees from office or having the power to consent to certain actions being taken by the trustees.

Guernsey law has robust firewall provisions which means that Guernsey law is applied to determine most questions relating to the validity of administration of a Guernsey law trust and foreign judgments are only enforced to the extent that it is in the interests of the beneficiaries to do so.

Quite apart from a large number of trusts governed by the law of Guernsey, professional trustees in Guernsey also administer trusts established elsewhere and governed by foreign law. The Royal Court of Guernsey has non-exclusive jurisdiction in respect of all such trusts.

Private foundations

13 | Does your jurisdiction recognise private foundations?

The Foundations (Guernsey) Law, 2012 came into effect on 8 January 2013 and provides for the establishment of Guernsey foundations from that date. Guernsey foundations are intended to appeal to those from a civil law background for whom the division between legal and beneficial ownership of an asset which underpins a trust is not understood. A foundation is registered in a similar way as is a company and, unlike a trust, is, upon establishment, a legal person with its own personality independent from that of the Founder and of the Board, which control the foundation. The assets of a foundation belong to the foundation itself and not its Board. Just as a company has a memorandum of incorporation, which explains what the company is established for and articles of incorporation, which set out the internal rules for the running of the company, a foundation has a charter and rules. The charter must set out the name and purpose of the foundation, a description of its initial endowment and its duration. It must include a statutory declaration from the founder that they wish the councillors to comply with the terms of the charter. The rules set out the operative provisions of the foundation. A foundation may have beneficiaries or a purpose. Foundations cannot be used to carry out a commercial activity. Foundations are typically used for philanthropic purposes, as an alternative to a trust or indeed to serve as a trustee of a trust.

A unique feature of Guernsey foundations is the distinction drawn between enfranchised and disenfranchised beneficiaries. Enfranchised beneficiaries are entitled to information on the foundation are entitled to apply to the Royal Court of Guernsey to make certain applications in respect of the foundation. Disenfranchised beneficiaries are not entitled to any information and have no standing before the Court. Where there are disenfranchised beneficiaries or purposes the foundation must have a guardian who has a fiduciary duty to enforce the terms of the foundation. A foundation is run by a board of councillors.

SAME-SEX MARRIAGES AND CIVIL UNIONS

Same-sex relationships

14 | Does your jurisdiction have any form of legally recognised same-sex relationship?

Pursuant to the Same-Sex Marriage (Guernsey) Law, 2006, individuals of the same gender may marry lawfully in Guernsey. Same-sex marriages and civil partnerships contracted in foreign jurisdictions will also be recognised. Individuals in same-sex marriages are taxed and treated for all purposes in exactly the same way as heterosexual married couples.

Heterosexual civil unions

15 | Does your jurisdiction recognise any form of legal relationship for heterosexual couples other than marriage?

There is no civil partnership regime in Guernsey. Proposals to introduce a regime in 2015 were rejected. Instead two people wishing to commit themselves to one another, regardless of gender, are entitled to marry.

SUCCESSION

Estate constitution

16 | What property constitutes an individual's estate for succession purposes?

Guernsey law draws a distinction between an individual's personal estate and their real estate. There are different rules and procedures with regard to the succession of the two different types of estate. There

is no community of property in Guernsey, meaning that assets in the sole name of a deceased whether they are real or personal will form part of that person's estate for succession purposes.

Assets that are in joint names will typically pass to the surviving co-owners by operation of law without forming part of the estate but the Royal Court of Guernsey is empowered to make orders pursuant to the Inheritance (Guernsey) Law, 2011 to vary the distribution of an estate where certain eligible persons are not provided with reasonable provision either under the will or the rules of intestacy of the deceased. The Royal Court is empowered to make orders that include assets that were jointly held with another.

Disposition

17 | To what extent do individuals have freedom of disposition over their estate during their lifetime?

Guernsey places no restriction on lifetime giving. Dispositions of property made with an intention to defeat a claim for financial provision under the Inheritance (Guernsey) Law, 2011 that are made in the six years prior to the date of an individual's death may be set aside by the Royal Court. Gifts made with the intention of defeating the claims of creditors may also, in certain circumstances, be set aside.

18 | To what extent do individuals have freedom of disposition over their estate on death?

Guernsey's laws of succession were substantially amended by the Inheritance (Guernsey) Law, 2011. This legislation came into force on 2 April 2012 and swept away Guernsey's traditional rules, which limited a testator's ability to dispose of their assets as they saw fit and introduced a regime of freedom of testamentary disposition but coupled with a power for the Royal Court of Guernsey to vary any testamentary disposition (or rule of intestacy) that did not make reasonable financial provision for persons within a certain class. Guernsey domiciliaries or persons having a will relating to Guernsey real estate that pre-dates 2 April 2012 will have their estate governed by the previous regime.

To summarise the previous rules with regard to personal estate if a deceased left a surviving spouse and issue then the spouse would receive one-third of the personal estate, the issue would, between them, and on a per stirpes basis receive one-third of the personal estate and the remaining one-third could pass in accordance with the will of the deceased. If there was only a surviving spouse or surviving issue then such spouse or issue, between them, receive one-half of the removable estate and the remaining one-half would be freely disposable. If there was neither spouse nor issue then the whole of the personal estate would be freely disposable. With regard to real estate regardless of whether the deceased left a will a surviving spouse was entitled to a right of enjoyment over one-half of the deceased's real property and if the deceased had issue surviving them then real property could only be left to any one or more of a surviving spouse, his or her descendants (legitimate and illegitimate) and their descendants, step-children and their descendants and the illegitimate children of their descendants, their illegitimate children or their step-children.

If someone passes away having executed a will after 2 April 2012 they have absolute freedom of testamentary disposition. However, this is subject to the power of certain family members and persons and other specified categories to apply to the Royal Court of Guernsey for a share (or an increased share) of the deceased's person's estate on the basis that the provision made for them by the deceased's will or as a result of the law relating to intestacy is not such as to have made 'reasonable financial provision' for them. Such applications should be brought within six months of the date of death although the court is reposed with a discretion to extend this time. The persons who can

apply include the deceased's spouse or civil partner, a former spouse or civil partner who has not formed a subsequent marriage or civil partnership, a person who during the whole of the period of two years ending immediately before the date of death of the deceased was living in the same household as the deceased and as the spouse or civil partner of the deceased, a child of the deceased, any person (not being a child of the deceased) who in the case of marriage, civil partnership to which the deceased was at any time a party was treated as a child of that marriage or civil partnership and, finally, any person who immediately before the death of the deceased was being maintained wholly or partly by the deceased.

Intestacy

19 | If an individual dies in your jurisdiction without leaving valid instructions for the disposition of the estate, to whom does the estate pass and in what shares?

In the case of a person dying intestate on or after 2 April 2012 we need to consider the following situations, namely where the deceased is survived by:

- surviving spouse or civil partner only;
- surviving spouse, civil partner and descendants;
- descendants only; or
- no spouse or civil partner and no descendants.

If there are no descendants and the deceased is survived by a spouse or civil partner then the surviving spouse or civil partner takes the entire estate of personalty and realty provided they survive the deceased for 28 days.

A person leaving a surviving spouse or civil partner and descendants will have their personal assets divided equally between the surviving spouse on the one hand and the descendants on the other. Real property will be similarly divided, however, the surviving spouse will take an undivided one-half of the matrimonial home absolutely and a usufruct of the remaining undivided share in the matrimonial home (which ceases on remarriage).

A person who only leaves descendants surviving them will have their estate both realty and personalty divided between their descendants per stirpes.

The estate of a person with no surviving spouse or civil partner and no surviving descendants will be the 'privileged collaterals' (being the brothers and sisters of the deceased and their nephews and nieces the closest in parity of degree taking equally if more than one) if there are no privileged collaterals then the deceased's ascendants will inherit. If there are no ascendants the heirs will be the remaining collateral heirs and in default of anyone within those classes the property will escheat to the crown.

Adopted and illegitimate children

20 | In relation to the disposition of an individual's estate, are adopted or illegitimate children treated the same as natural legitimate children and, if not, how may they inherit?

In relation to the disposition of an individual's estate adopted and (since 8 May 2008) illegitimate children are treated exactly the same as legitimate children.

Distribution

21 | What law governs the distribution of an individual's estate and does this depend on the type of property within it?

The succession to moveable property is governed by the law of the last domicile of the deceased. The succession to immoveable property is

governed by the law of the place where the real property is situated regardless of the domicile of the deceased.

Formalities

22 | What formalities are required for an individual to make a valid will in your jurisdiction?

Wills executed in Guernsey must now be in writing and signed by the testator or by some other person in his or her presence or by his or her direction. It must appear that the testator intended by his or her signature to give effect to the will. The signature of the testator must be made or acknowledged by the testator in the presence of two or more witnesses present at the same time and each witness must either attest and sign the will or acknowledge its signature in the presence of the testator (but not necessarily in the presence of any other witness). Witnesses need to be persons over the age of 18. A spouse or civil partner or a descendant of the testator or any person who is a beneficiary under the will cannot witness the will. An executor of the will may act as a valid witness. Wills that are entirely handwritten by the testator and signed by the testator will also be valid as regards personal property.

Foreign wills

23 | Are foreign wills recognised in your jurisdiction and how is this achieved?

The Execution of Wills (Bailiwick of Guernsey) Law 1994 governs validity of wills. Guernsey will recognise a will if its execution conforms to the internal law in force in

- the territory where it was executed;
- the territory where the deceased was domiciled or had habitual residence at the time of its execution or at the deceased's death;
- the state of which the deceased was a national at the time of its execution or of the deceased's deceased; and
- the territory where the property is situated if the will disposes of real property.

Administration

24 | Who has the right to administer an estate?

Administrators are only required in respect of personal property.

Where there is a will that names one or more executors then such persons are entitled to apply for a grant of probate.

Where there is a will which does not name an executor one of the residuary beneficiaries may apply for a Grant of Letters of Administration with the will annexed.

Where there is no will then the surviving spouse will be entitled to apply for a Grant of Letters of Administration. Absent a surviving spouse or if they do not wish to act then the children of the deceased in age order are entitled to apply.

25 | How does title to a deceased's assets pass to the heirs and successors? What are the rules for administration of the estate?

The heirs to Guernsey situs real property take the property by operation of law on the death of the deceased.

The heirs of personal property are also vested in the personalty of the deceased with effect from the death of the deceased but the actual administration of the estate will be undertaken by the executor or administrator as a form of mandatory attorney. The actual assets that any particular heir will receive cannot be determined until the estate has been administered, the liabilities settled and the legal formalities for the transfer of other assets satisfied.

Challenge

26 | Is there a procedure for disappointed heirs and/or beneficiaries to make a claim against an estate?

A will can be challenged before the Royal Court of Guernsey on the grounds that it is a forgery or was produced as a result of undue influence, mistake, or duress or if the testator lacked capacity to make a will.

A will dated prior to 2 April 2012, which does not respect the forced heirship provisions then in force, can also be challenged by a disappointed heir.

Furthermore, in respect of wills executed on or after 2 April 2012 those persons within the class eligible to make an application under Part II of the Inheritance (Guernsey) Law, 2011 are able to vary the disposition of an estate if it fails to make reasonable financial provision for the application. The legislation is based upon the inheritance (Provision for Family and Dependents) Act, 1975 in the United Kingdom.

CAPACITY AND POWER OF ATTORNEY

Minors

27 | What are the rules for holding and managing the property of a minor in your jurisdiction?

Persons with parental responsibility for a child will be a child's natural guardian. A parent may appoint any individual to the guardian of a child in respect of whom the parent has parental responsibility. Such appointment must be in writing and be dated and signed or dated and signed by another in the presence of and acting under the direction of the appointor, in the presence of two witnesses who also attest the appointment. It is usual to appoint a guardian in a will.

Such guardianships terminate upon the minor attaining the age of 18 or marrying before that age.

Age of majority

28 | At what age does an individual attain legal capacity for the purposes of holding and managing property in your jurisdiction?

18 years of age.

Loss of capacity

29 | If someone loses capacity to manage their affairs in your jurisdiction, what is the procedure for managing them on their behalf?

Any person may apply to be appointed the curateur of a person who loses capacity. Such an application must be supported by a family council of the three closest family members or friends of the patient and be supported by appropriate medical evidence. The application is made to the Royal Court of Guernsey.

The Mental Health (Bailiwick of Guernsey) Law, 2010 also establishes a procedure for one-off decisions to be made regarding a person who lacks capacity.

IMMIGRATION

Visitors' visas

30 | Do foreign nationals require a visa to visit your jurisdiction?

British citizens or Irish citizens do not need any visa to visit Guernsey.

The right to enter the Bailiwick of Guernsey – for anyone who is not a British or Irish citizen – is governed by law in the form of various United Kingdom immigration acts that have been extended to the

Bailiwick of Guernsey by Order in Council. This, in effect, makes UK immigration acts Bailiwick of Guernsey law also. For these purposes 'British citizen' includes other Commonwealth citizens who have the Right of Abode in the UK. Immigration acts regulate the entry and stay of all foreign nationals.

At present citizens of the European Union or European Economic Area or Switzerland do not need permission to enter Guernsey.

EU, EEA or Swiss nationals resident in Guernsey prior to 31 December 2020 who want to remain in the Bailiwick of Guernsey, need to apply under the EU Settled Status Scheme (EU/EEA/Swiss Settled Status Scheme). The EU Settled Status Scheme is open until 20 June 2021.

Other foreign nationals may require permission to enter or stay, or both, in the Bailiwick of Guernsey. This is known as 'leave to enter' or 'leave to remain' and is granted to people who qualify under the Immigration Rules. The Rules set out the requirements for people seeking to enter or stay in the Bailiwick of Guernsey.

31 | How long can a foreign national spend in your jurisdiction on a visitors' visa?

A maximum of six months.

High net worth individuals

32 | Is there a visa programme targeted specifically at high net worth individuals?

The Guernsey housing market is divided between the open market and the local market. The open market comprises some 1,600 dwellings and is available for occupation by anyone with the right to remain in Guernsey. Local market properties are reserved for locally qualified residents and those with permits to occupy such properties.

At the time of writing EU, EEA and Swiss citizens are also entitled to remain in Guernsey. This will change in 2021.

Those who do not have the right to remain in the Bailiwick may be eligible to apply for Investor Visa or an Entrepreneur Visa.

In order to apply for Guernsey residency under the Investor Visa programme, the applicant must have £1 million available and under their control. They must make an investment of at least £750,000 for the benefit of the Bailiwick of Guernsey. There are three investment options offered:

- deposit in a Guernsey bank;
- purchase and maintenance of another open market property; and
- another opportunity approved by the states of Guernsey.

The authorities need to be satisfied that the applicant intends to settle in Guernsey and will be self-sufficient without having to have recourse to public funds.

Applicants for an entrepreneur visa must invest £200,000 in a new or existing Guernsey company. The funds must be in the applicant's name and ready to be invested. The applicant must manage the company themselves and be involved full-time. The applicant must have a controlling or equal interest in the business and will need to provide evidence that the business will create jobs and be economically beneficial for the bailiwick.

33 | If so, does this programme entitle individuals to bring their family members with them? Give details.

A person applying for a visa can include children under the age of 18 and their spouse on the application.

34 | Does such a programme give an individual a right to reside permanently or indefinitely in your jurisdiction and, if so, how?

Investor and entrepreneur visas are initially granted for two years and are subject to an extension for another three years, provided that certain requirements are met. Following five years' residency, investors and entrepreneurs can apply for indefinite leave to remain in Guernsey either in their investor capacity or in running their business, and by complying with all of the relevant requirements.

Applicants from 18 to 65 years of age must also pass the citizenship test to demonstrate that they have sufficient knowledge of English and of life in the UK and Guernsey.

Children under 18 may be included in the application but must apply individually.

British citizenship may also be applied for once a person has been living in Guernsey as a permanent resident for one year or more; however, he or she must have spent at least six years in Guernsey after first entry as an entrepreneur or investor.

Guernsey permits dual citizenship; thus, a person will not need to renounce his or her current nationality to apply for British citizenship locally.

35 | Does such a programme enable an individual to obtain citizenship or nationality in your jurisdiction and, if so, how?

It is not possible to obtain separate nationality in Guernsey. The British government is responsible for the laws covering British citizenship through the British Nationality Act 1981, which applies to Guernsey.

An individual can apply for naturalisation if he or she has lived in the United Kingdom or in Jersey or Guernsey for five years or more, or if he or she is married to a British citizen and has lived in the UK or Jersey or Guernsey for three years or more.

It is also necessary to pass the UK's citizenship test and meet the English language requirement.

UPDATE & TRENDS

Key developments

36 | Are there any proposals in your jurisdiction for new legislation or regulation, or to revise existing legislation or regulation, in areas of law relevant to high-net worth individuals, particularly those coming to or investing in your jurisdiction? Are there any other current developments or trends relevant to such individuals that should be noted?

The Capacity (Bailiwick of Guernsey) Law 2020 will come into force late in 2020 or early in 2021. The Guernsey law has been influenced by the provisions of the English Mental Capacity Act of 2005. Among other things the new law will introduce the concept of Lasting Powers of Attorney.

Coronavirus

37 | What emergency legislation, relief programmes and other initiatives specific to your practice area has your state implemented to address the pandemic? Have any existing government programmes, laws or regulations been amended to address these concerns? What best practices are advisable for clients?

Guernsey was fortunate in that a strict lockdown accompanied by a rigorous test and trace regime, mandatory quarantine for persons arriving from outside the bailiwick meant that covid-19 was to all intents

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and purposes eradicated from the bailiwick in June 2020. This allowed the domestic economy to re-open and flourish.

The States of Guernsey, the island's executive and legislative body, introduced a number of schemes to assist businesses impacted by the lockdown. These arrangements ended in the summer of 2020. However, a payroll co-funding scheme remains to assist those businesses in specific sectors that were adversely impacted by the lockdown. This regime is due to remain in place throughout 2020.

Businesses that provide visitor accommodation, who meet certain criteria, may claim a fixed monthly grant per bedroom or self-catering unit. Most eligible businesses qualify for a standard grant rate. However, a number of businesses may qualify for an enhanced grant rate. There are separate grant rates for hotels, guest accommodation and self-catering units.

Trading businesses are also able to apply to banks for a loan that is, within certain limits, guaranteed by the states of Guernsey.