

## Guernsey companies listing in the UK

Service area / [Corporate](#)

Location / [Guernsey](#)

Date / [July 2015](#)

Guernsey has for some time been the domicile of choice for non-UK companies listing on the main market of the London Stock Exchange ("LSE") and the Alternative Investment Market ("AIM"). As at 31 January 2017, there were 32 Guernsey companies listed on AIM and 92 Guernsey companies listed on the LSE's main market (which now includes the Specialist Fund Segment) making Guernsey the most popular jurisdiction after the UK for companies listed. The Island has developed expertise in the set up and administration of a range of entities from major corporations to niche investment vehicles.

Carey Olsen has acted on a significant proportion of these listings and is ongoing legal adviser to many of the companies in question. Carey Olsen advises more LSE listed clients than any other offshore law firm and has the third largest number of AIM clients of any law firm, according to the Corporate Advisers Rankings Guide (November 2016). Over the last three years, Carey Olsen has advised on 67% of the IPOs of Guernsey listed funds on the LSE. This includes advising Apax Global Alpha Limited on its listing on the premium segment of the main market of the LSE in a transaction that involved the acquisition by the listed vehicle of more than €600 million in existing investments and the raising of €300 million in capital for new investments. We also advised on the main market IPO of Hadrian's Wall Secured Investments Limited and its admission to the premium segment of the Official List of the UK Listing Authority, as well as the main market IPO of Falcon Acquisitions Limited; a special purpose acquisition vehicle targeting businesses for acquisition in the mobile, online television and broadcasting sectors.

### Why Guernsey?

There are several key advantages of using a Guernsey company as the vehicle for an LSE listing:

#### Guernsey is a well-positioned and leading offshore financial centre

Guernsey provides top-tier financial services in a well-regulated, robust and stable environment. The island has high-quality service providers, including administrators, registrars, auditors and legal advisors.

The Island is located in the same time zone as London and is easily accessible from both the UK and the major European centres.

#### Guernsey is a "white list" jurisdiction

Guernsey was within the first wave of jurisdictions placed on the Organisation for Economic Co-operation and Development ("OECD") 'white list' in April 2009. In January 2011, IMF commended Guernsey's high standards of financial regulation, supervision, stability and criminal justice framework.

Guernsey is widely recognised as being a leading "tax transparent" jurisdiction. In addition to having tax information exchange agreements with 60 jurisdictions (and counting), Guernsey has implemented US FATCA and is an early adopter of the OECD's "common reporting standard" for automatic exchange of financial account information ("CRS"). Guernsey is also a participating jurisdiction in the OECD Multilateral

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Convention on Mutual Administrative Assistance in Tax Matters. Guernsey had also implemented CDOT FATCA reporting until it was superseded by the CRS. Further, Guernsey is committed to implementing the minimum standards arising from the OECD's Base Erosion and Profit Shifting project.

### Flexible corporate law

Guernsey company law offers a number of different corporate vehicles providing a flexible framework that enables capital structures to be tailored to the specific needs of investors.

Furthermore, Guernsey company law omits aspects of company laws from other jurisdictions that investors find problematic or restrictive. For example, financial assistance is allowed (provided that the company is solvent) and a company's ability to pay a dividend or other distribution (which can be paid out of share capital) is dependent on the company's solvency, rather than a need to have sufficient distributable profits.

### Ease of trading in shares

Shares in Guernsey companies can be traded in uncertificated form through CREST without the need for depositary receipts required for many non-UK shares in CREST.

### No UK stamp tax charges on trades

Unlike UK equities, shares in Guernsey companies can be traded through CREST without attracting UK stamp tax charges (as long as the company's shares register is maintained outside the UK).

### Tax neutrality

Guernsey holding companies typically pay income tax at 0% and are not subject to capital gains tax. Generally, collective investment vehicles can also benefit from income tax exemption. Guernsey does not levy withholding tax on dividends and other distribution paid to companies or non-Guernsey resident persons and does not levy withholding tax on interest. There is no Guernsey stamp tax on share transfers/sales.

### Subject to the UK Takeover Code

Guernsey companies listed in the UK are subject to the UK Takeover Code, so that investors can be assured that they receive the same level of protection that would have been afforded to them if investing in a UK company listed in the UK.

### Guernsey is not part of the EU

Guernsey companies are not directly subject to EU regulations and generally only need to comply with those that apply by virtue of the company's EU activities.



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### FIND US

PO Box 98  
Carey House  
Les Banques  
St Peter Port  
Guernsey GY1 4BZ  
Channel Islands

T +44 (0)1481 727272

F +44 (0)1481 711052

E [guernsey@careyolsen.com](mailto:guernsey@careyolsen.com)



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