

Guernsey companies listing in the UK

Service area / [Corporate](#)

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Guernsey listed funds

Guernsey is one of the world's largest offshore finance centres, with a thriving funds industry. Almost 1,300 investment funds and sub-funds are currently administered in the island. The current value of funds under management and administration in Guernsey is £324 billion.

In addition, 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 December 2020, there were over 100 Guernsey companies listed on AIM and the LSE's main market (which now includes the Specialist Fund Segment), the majority of which are investment funds, making Guernsey the most popular jurisdiction after the UK for companies listed. Guernsey companies may also list on, and a number are listed on, stock markets in a large number of other financial centres around the world, including the New York Stock Exchange ("NYSE"), the Hong Kong Stock Exchange, the Tokyo Stock Exchange and exchanges in Toronto, Johannesburg, Australia and Frankfurt. The Island has developed expertise in the set up and administration of a range of entities from major corporations to niche investment vehicles.

Major domiciles of incorporation for LSE companies at 31 December 2020

Rank	Country of incorporation	No. of incorporated LSE companies
1	United Kingdom	1428
2	Guernsey	102
4	Ireland	49
6	Australia	26
9	Russian Federation	24
11	Canada	19
12	India	18
13	United States	18
14	Taiwan	13

Carey Olsen has acted on a significant proportion of these listings and is ongoing legal adviser to many of the funds in question. Carey Olsen advises more LSE listed clients than any other offshore law firm and the largest number of AIM clients of any offshore law firm, according to the Corporate Advisers Rankings Guide (2020). In recent years, Carey Olsen has also advised on many of the IPOs of Guernsey listed funds on the LSE. This includes advising Cordiant Digital Infrastructure Limited on its £370 million IPO, JP Morgan Global Core Real Assets Limited (JARA) on its successful £148.9 million IPO and Round Hill Music Royalty Fund Limited on its successful US\$282 million listing on the Specialist Fund Segment (SFS) of the Main Market.

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Market share of Guernsey Companies Listed on the LSE by Offshore Law Firm

Market cap of companies under advice at 25 February 2020



- Carey Olsen
- Other law firms

£35bn – 73%
£13bn – 27%

Why Guernsey?

There are several key advantages of using a Guernsey fund as the vehicle for a stock exchange 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.

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.

The regulatory regime

Guernsey maintains a proportionate, flexible and competitive funds regulatory regime, adopting a risk based approach to ensure that appropriate levels of investor protection are maintained, whilst at the same time avoiding unnecessarily complex or burdensome regulation (or granting waivers of certain regulatory requirements where considered appropriate).

Simplicity is also key: Guernsey fundamentally has only two fund types – registered or authorised – each of which has a small number of classes, aimed at various types of investors, either of which can be listed.

Guernsey's financial services regulator, the Guernsey Financial Services Commission ("GFSC") works closely with the funds industry to ensure that the regulatory regime continues to evolve and provide the kinds of structures required by today's investors. There is ongoing engagement between the GFSC and industry experts to further the island's interests.

International Cooperation

Guernsey adheres to the highest standards of international tax and regulatory principles and is committed to ensuring that this continues.

Guernsey has given its full support for the transparency principles central to the current G20, OECD and EU tax initiatives and is working as part of the wider international community in the development and effective implementation of internationally agreed standards, including those set by the Financial Action Task Force ("FATF") and the Organisation for Economic Co-operation and Development.

Guernsey has been assessed as being amongst the best quality financial centres in the world when measured against the rigorous international standards for tackling money laundering and terrorist financing set by the FATF.

Guernsey also participates fully in numerous international initiatives such as the OECD's base erosion and profit shifting project and developing the global "Common Reporting Standard" and the automatic exchange of information between tax authorities.

Further information on the [Guernsey and international tax and regulatory standards](#).

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.

Continued

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 distributions 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.

Our listed funds practice in Guernsey

Carey Olsen has an unrivalled practice for listed funds work in Guernsey, with Chambers and Partners describing our offshore funds practice as 'The Kings of Funds' due to our considerable industry experience, deep understanding of the listings process and long-established presence in the listed funds industry.

We advise on structuring, launches (including IPOs), tax, investment management agreements, disputes and regulatory issues including passporting, MiFID, FCA, AIFMD and FATCA. We also provide advice to our clients on convertible and exchangeable bonds issues, private placements, secondary offerings and other rights issues, as well as share buy-backs, scrip dividends, warrants and treasury share programmes and share option/employee benefit schemes and restructurings.



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