



A guide to relocating
you and your
business to Jersey

CAREY OLSEN

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At Carey Olsen, we always look at the bigger picture. In the face of opportunities or challenges, our clients know that the advice and guidance they receive from us will be based on a complete understanding of their goals and objectives combined with outstanding client service, technical excellence and commercial insight.

BIGGER PICTURE

Introduction

For decades, Jersey has opened its doors to a limited number of new residents – individuals and businesses attracted not only by the island’s charm and beauty but also by the many advantages to be gained from living here. Jersey is a particularly attractive location for high net worth individuals and their families who benefit from the very highest standards of living and the fiscal autonomy Jersey enjoys from the United Kingdom. The island has close proximity to Europe but is not part of the European Union.

Sharing the same time zone as the UK, Jersey is within easy reach of mainland Britain and continental Europe by air and sea. From London there are at least 12 flights to the island every day, and with journey times of less than an hour it is easily possible to live in Jersey and attend morning meetings in the City. Scheduled flights also depart from more than 20 UK regional airports and major European centres. Regular ferry services operate from Poole and Portsmouth – by fast car ferry the journey time is around three and a half hours. Services also operate to France and the other Channel Islands, and these destinations can be reached in about an hour. At 45 square miles in size, most road journeys in Jersey take a matter of minutes.

The island offers the best of all worlds including Michelin-starred restaurants, beautiful beaches, open countryside and a warm micro-climate. Jersey represents an appealing blend of British home-from-home and continental sophistication. Its position as a world-class international finance centre should not be overlooked. It is the perfect place for families with excellent education and healthcare facilities and a low crime rate.

In recent years the number of wealthy individuals to be granted residence has increased owing to a new policy designed to attract, among others, entrepreneurs and principals of investment and funds businesses.

About Carey Olsen

Carey Olsen is a leading offshore law firm. We deliver exceptional services to our clients from the key offshore financial centres of the British Virgin Islands, the Cayman Islands, Guernsey and Jersey. We also have an established presence in Cape Town, Hong Kong, London and Singapore.

We are consistently the firm of choice for clients and advisers who refer work to our jurisdictions.

Our firm offers a partner-led service. We employ 380 people and our 48 partners head up a total complement of 200 fee earners. We provide legal services in relation to all aspects of corporate and finance law, trusts and private wealth, property law, investment funds and dispute resolution as well as to private clients.

Whether you are considering relocating as an individual or moving your business to Jersey, Carey Olsen has the local knowledge and transaction experience to provide clear and comprehensive advice on all aspects of relocation including:

- introductions to the key people involved in the residency application process
- assistance in putting together the information required by local authorities
- advice on property purchases
- advice on Jersey tax and the method and consequences of becoming a Jersey tax resident
- advice on the relocation of assets and investment, including trust and estate planning
- advice on the relocation of business interests to Jersey, including the relocation of employees.

“Quick, efficient and dynamic.”

Chambers and Partners

Your move to Jersey

There are no travel restrictions to Jersey for those holding a British passport or coming from a member state of the EU¹.

Owing to the number of potential immigrants, special housing rules have been introduced and developed to aid population control in the island and to maintain housing supply at affordable prices for current residents.

The legal framework which prescribes an individual's residential status is embodied within the Control of Housing and Work (Jersey) Law 2012 (the "CHW Law") and its associated regulations².

The authorities allow restricted housing access to people who are not otherwise entitled to live in the island by granting residential status to certain categories of people. The category which is available to prospective new residents, whose residence is justified on social or economic grounds, is known as the '2(1)(e)' status or 'high-value' residency³.

Immigration to Jersey on this basis is at the discretion of the Jersey Housing Minister and there is no prescribed limit on the number of high-value residency qualifications that the Minister may grant each year. Each application is considered on its own merits, with regard to factors such as:

- the applicant's likely contribution to tax revenues
- the business/social background of the applicant
- the applicant's likely business activities (if any) in Jersey
- any other non-economic factors from which the island may benefit if the qualification is granted.

Successful applicants retain their residential status as long as they remain resident in Jersey. The conditions of 2(1)(e) residential status may include a stipulation of minimum purchase price or rental, and a requirement that only one property be purchased and owned at any given time.

Carey Olsen has excellent relationships with the key individuals who are involved in processing an application for a high-value residency and can help to put together an application designed to give a client the strongest possible case.

High-value residency – the tax criteria

In order to be granted high-value residency approval, there are certain requirements which applicants should meet, such as providing the Comptroller of Taxes in Jersey with evidence of a sustainable minimum annual income of not less than £625,000 per annum generating an annual tax contribution of not less than £125,000 at 20%. Additional income rate is 1%.

As part of the application process, a clearance is obtained from the Jersey tax authorities based on the disclosure of assets, income streams and structures. This clearance provides the applicant with certainty of their tax treatment.

Carey Olsen has a strong relationship with the Jersey tax authorities which means our clients benefit from our knowledge of the latest developments.

1. Other passport holders should check with the British Embassy or High Commission to determine whether they will need to obtain a visa or entry clearance prior to arriving in Jersey.

2. The CHW Law came into force in July 2013 and replaced the Housing (Jersey) Law 1949 and the Regulation of Undertakings and Development (Jersey) Law 1973.

3. Previously known as 1(1)(k) residency under the now repealed Housing (Jersey) Law 1949.

Tax in Jersey – you

The standard rate of income tax for individuals in Jersey is 20%. There is no capital gains tax, inheritance tax, gift tax or other ‘wealth’ taxes in Jersey.

Following amendments to the island’s tax legislation approved by the States of Jersey in July 2011, where a person has been granted 2(1)(e) status, the rate of tax applied to a person’s worldwide income is reduced once that income has reached a certain level. The first £625,000 of a qualified person’s income is taxed at 20%. This leads to a minimum tax contribution of £125,000. Any income above £625,000 is taxed at a rate of 1%. It may also be possible to manage a qualified person’s tax liability in excess of the required tax contribution.

It is important that tax advice is taken at an early stage in the process because once 2(1)(e) status has been granted it becomes more difficult to make arrangements to manage a qualified person’s tax liability. Our tax team will be happy to work with an applicant’s tax advisers to identify the most appropriate arrangements.

Tax in Jersey – your business

Most Jersey companies are subject to zero per cent tax on their world-wide income, although income accruing in respect of any land or building in Jersey is subject to tax at a rate of 20%.

A higher rate of 10%, however, applies to the income of a restricted sector of local financial services companies. Most financial services businesses moving to the island will not be taxed at this 10% rate.

There is no capital gains tax in Jersey.

Notwithstanding the general rate of 0% for Jersey companies, Jersey tax legislation previously contained certain look through and deemed distribution provisions. These provisions ceased to apply from 1 January 2012, however, it remains important to take advice on the tax position of a business before relocating to Jersey.

Our tax team is happy to work with appointed tax advisers to advise a business on the tax implications of relocating a business to Jersey or starting a new business in the island.

Moving your business to Jersey

The regulation of financial services business

Jersey is committed to the highest standards of financial regulation. It has been acknowledged following independent assessments by some of the world’s leading bodies including the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) and European Union (EU). The Council of Europe’s Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) concluded that Jersey was in the top tier of jurisdictions assessed under their criteria.

Jersey has been a ‘first wave’ signatory to all key international tax information exchange programmes, including the Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) and the Base Erosion and Profit Shifting project (BEPS). It is also unique in long maintaining a central (though not public) register of company ownership.

Regulated activities include investment business, funds services business and trust company business. As a leading offshore law firm and as a regular adviser to companies that are interested in relocating to Jersey, Carey Olsen provides clear and concise advice on the regulation applicable to any financial services business seeking to establish itself in Jersey. We offer step-by-step assistance throughout the application process for clients who wish to obtain regulated status.

Employing individuals in Jersey

All businesses require a licence before starting to trade or employing staff in Jersey. No work permit is required for British Citizens or nationals of Member States of the European Economic Area.

Once a staffing licence is granted, a company may manage staff numbers within the terms of that licence. Additional staff may be applied for at any time. The authorities may also request business plans and financial details to be submitted together with evidence that appropriate efforts have been made to identify suitable local candidates for vacancies.

Essentially employed individuals – ‘licensed’ status

In some circumstances, it is possible for a business operating in Jersey to apply to the Housing Minister for certain positions to be designated as ‘licensed’ positions. This enables a business to recruit individuals who may not otherwise have residential qualifications and are deemed to be ‘essentially employed’. Normally, this would apply to senior positions where the necessary expertise required by the business could not be found locally.

An employee having the benefit of licensed status is entitled to purchase or lease Jersey property.

It should be remembered that the role of the Jersey authorities is to regulate and manage the demands made upon the resources of the island, as well as to protect Jersey’s commercial integrity. The principal factor they will consider is the staffing level required by the new business and the extent to which the new business will try to source its staff from within the island.

Carey Olsen’s team has considerable experience in making such applications on behalf of clients. We advise on the necessary documentation required for licence applications and advise on compliance with the terms of licences issued.

Property in Jersey

Buying your house in Jersey

Only certain properties in Jersey meet the criteria for being available for purchase by people approved for high-value residency. These homes include many of the finest properties in the island. Most local property agents offer a discreet and confidential service to assist in finding the perfect home for new residents. Carey Olsen can assist in providing introductions.

Once a suitable property has been identified, Carey Olsen’s property team will give clear and comprehensive advice on the acquisition process, from start to finish.

Jersey has a unique conveyancing system which finds its roots in Norman law. Whether a property is acquired directly or through a holding company, a significant amount of research and drafting is required to ensure that a client’s position is protected.

Carey Olsen’s property team in Jersey includes three partners and several experienced senior associates and conveyancers. With considerable experience in Jersey property negotiations, we have a particularly strong record in assisting successful 2(1)(e)/ high-value residency applicants in their property purchases.

Buying or leasing property for your business in Jersey

Our commercial property team advises an international and Channel Islands client base on a broad range of commercial and development real estate projects.

Our clients include the major developers and lenders in the islands. The team is recognised for its considerable experience in dealing with all aspects of commercial property work and gives priority to speed, efficiency and excellent service standards. We assist in providing introductions to the key commercial agents in Jersey and advise on all aspects of your commercial lease arrangements.

“They provide strong, proactive management and problem resolution.”

Chambers and Partners

Lifestyle – quality of life and other considerations

Jersey offers an outstanding high quality of life in terms of lifestyle, leisure, safety and accessibility.

Well served for schools, with modern facilities and low pupil-teacher ratios, Jersey students consistently outperform their mainland counterparts with higher than average results at GCSE and A-level. There is excellent provision for children and young adults with special needs. There are three systems: the free States schools, the fee-paying States schools and the private fee-paying schools.

The island boasts a comprehensive range of health and social services. Health professionals provide the highest standards of modern medicine and expertise. Jersey has over 150 general practitioners and dentists.

With countless clean, sandy beaches and numerous smaller bays, there are 50 miles of Jersey coastline to explore. Harbours and inlets punctuate the coast and the bathing waters are among the cleanest in Europe. The north coast rises to steep cliffs; the south coast has sandy expanses. The reefs off the west coast create excellent surfing and windsurfing. There is something for everyone.

Sport plays a huge part in island life, and the high quality facilities include:

- six golf courses, including three 18 hole championship courses and three 9 hole courses
- an array of water sports including sailing, surfing, wakeboarding, scuba diving, windsurfing, kayaking, swimming and jet skiing
- 96 miles of cycling network and all types of walking terrain – coastal paths, cliff paths, woodland, valley, beach and reservoir walks, suitable for every age and ability
- football and rugby clubs, a number of equestrian centres and a world class shooting range

The island is a yachtsman's paradise, offering some of the best cruising waters in the world with secret anchorages, modern marinas, traditional harbours and many bays. Jersey Marinas offers a variety of berthing options within its three marinas for which it holds the coveted five gold anchors award from the Yacht Harbour Association.

For those with their own aircraft, Jersey Aeroclub provides a warm welcome and courteous service. The club house has recently been refurbished and the fully equipped airfield has VOR/ILS, NDB, radar and customs available from 7.00am until 9.30pm daily. Landing fees are very reasonable. Jersey based Gama Aviation provides services to business and private customers looking to charter a flight or requiring handling or aircraft management.

“They offer considered opinions in a timely fashion that are both commercially correct and technically accurate.”

Chambers and Partners

Key contacts

For further information or professional advice please contact our relocations team.

Our experts advise on all lines of enquiry, from property to tax issues, fund management, regulation and employment. We have relationships with other professional advisers in Jersey and can also put you in touch with accountancy experts and

individual contacts within the States of Jersey government for guidance in education, housing, income tax or health matters.

In the first instance and for all general enquiries, please send an email to relocation@careyolsen.com

You may also wish to contact one of the experts in our team directly:



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Please note that this guide is only intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied on as such. © Carey Olsen 2017

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