

A Guide To Jersey Companies

This note is designed to provide you with some basic information about Jersey companies, the types of companies available in Jersey and some key advantages of using Jersey companies.

Overview

A Jersey company is commonly used for investing in property, securities and other assets and acting as a group holding company.

Jersey is a tax neutral jurisdiction and the use of a Jersey company as part of an investment opportunity or for the structuring or restructuring of financial transactions or assets has proven to be very popular. In the majority of cases a Jersey company is subject to tax in Jersey at the rate of 0% (zero).

The main legislation by which a Jersey company is governed is the Companies (Jersey) Law 1991 (the “Law”). The Law covers all aspects of the formation and administration of companies in Jersey. The Jersey Financial Services Commission is the regulator responsible for the regulation of all Jersey registered companies.

From December 2018 it has been possible to establish a US-style Limited Liability Company. They have legal personality but are not bodies corporate created present to the Limited Liability Companies (Jersey) Law 2018, and so are not dealt with further in this guide.

Form Of Jersey Company

- **Company Limited by Shares**
This is the most popular form of company in Jersey and can be set up as a public, private, par value, or no par value company. A member’s liability is limited to the amount unpaid on his shares.
- **Company Limited by Guarantee**
A company where the liability of a member is determined by the guarantee provided by such member.
- **Unlimited Liability Company**
For the members of an unlimited liability company, the liability of each member when the company is wound up is unlimited.
- **Limited Life Company**
A limited life company has a set period of existence. The end of the company’s life is usually triggered by a “specified external event”, such as the death of a shareholder. However, the company’s articles of association may also (but do not have to) refer to a fixed period of time after which the company shall be wound up.
- **Limited Duration Company**
Like a limited life company, a company incorporated as a limited duration company shall have a set period of existence. After a specified fixed period of time the company is wound up.
- **Incorporated Cell Company**
A company incorporated as a cell company has the ability to create cells separately from itself, in which each may hold its own separate assets and be responsible for its own liabilities. A cell company may take the form

of any of the above mentioned types.

■ **Protected Cell Company**

The protected cells of the protected cell company do not have a separate legal personality. Protected cells are registered in Jersey whereas cells of an incorporated cell company are incorporated in their own right.

Formalities Of A Jersey Company

■ **Directors**

A private company must have one director, and a public company two. There is also the possibility for a Jersey company to appoint corporate directors, subject to certain conditions.

There is no formal requirement for the directors of a Jersey company to be resident in Jersey. Furthermore, directors' meetings do not need to be held in Jersey.

■ **Shareholders**

A private Jersey company is allowed a single shareholder, whereas a public company should have at least two.

■ **Registered Office**

The registered office of a Jersey company must be located in Jersey.

■ **Annual Filing costs**

The minimum annual government fees for a Jersey company are £200. There is also an additional £200 payable for each cell of an incorporated cell company.

The company's annual return must be submitted prior to the end of February each year, and must provide details of its share capital, and in the case of a public company its directors.

■ **Auditors**

An auditor must be appointed if the company is a public company.

■ **Share Capital**

Can be in any denomination and the details of the shareholders may be available for public review. Confidentially can be assured through the use of nominees.

■ **Types of Shares**

A Jersey company can be incorporated with a wide variety of shares, including registered shares, ordinary shares, preference shares, redeemable shares, non-redeemable shares and shares with or without voting rights.

■ **Tax**

A Jersey company is either treated as tax resident in Jersey and usually subject to a general zero rate of corporate tax, or treated as not tax resident in Jersey (and therefore not subject to Jersey income tax at all). The latter applies if it is centrally managed and controlled outside Jersey, in a country or territory where the highest rate of tax on any part of its income is 20% or more, and the company is resident for tax purposes in that country or territory.

Key Advantages Of A Jersey Company

- A Jersey company provides tax neutrality at a holding company level.
- No stamp duty is payable on the transfer of shares in Jersey companies.
- The Law is based on English companies law, but tends to be more flexible.
- Shares in a Jersey company may be held and traded in an uncertificated form.
- The cost of incorporation, depends on how quickly it is required. Fees start at £150 for a 5 business day service with various "fast-track" options available on payment of an additional fee.
- Worldwide investors consider Jersey as a well-regulated international finance centre.

- The City Code of Takeovers and Mergers (the “Code”) applies in Jersey. This is advantageous because the code helps to ensure that shareholders in target companies are treated fairly and are not denied an opportunity to decide on the merits of a takeover.

Why choose Jersey?

Some of the main advantages for choosing Jersey to incorporate a company are:

- A flexible, independently endorsed regulatory framework.
- Long term economic and political stability.
- Tax neutrality.
- Reputation - A highly respected reputation and recognised by both the IMF and OECD, Jersey regularly ranks as one of the top offshore finance centres in the world.
- Integrity

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Our philosophy revolves around a Partner-led client service.

We believe that the right people will attract the best work and we have put in place a first class team to assist you. The team has been carefully chosen to ensure that there is experience and strength-in-depth.

- **Partner-led:** Our Partners each have a wealth of experience in banking and finance, the establishment and maintenance of investment funds, corporate and commercial, acquisitions and mergers, private equity and venture capital, structured finance, financial services and regulatory law, trusts and foundations. We believe

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