

Offshore relocations

Moving your business to Jersey



Ogier

# Jersey is a beautiful and secure island offering an ideal base for international businesses and individuals

Contents	
Moving your business to Jersey	3
Establishing a Jersey workforce	4
Business moves to Jersey	6
Establishing a business	10
in Jersey	
Local taxes	12
Moving your family to Jersey	14
Contact us	15

## Moving your business to Jersey

An increasing number of businesses are relocating to Jersey, citing a business friendly environment and quality lifestyle as the motivating factors.

Organisations such as Locate Jersey and Digital Jersey facilitate inward investment and Jersey has welcomed many new businesses over the past few years from a range of sectors including mining and oil companies, fund managers, fintech, finance companies, retailers and hoteliers.

### **The key factors making Jersey so attractive include:**

- zero rate of corporate tax for foreign-owned businesses and low rates of personal taxation
- no capital gains or inheritance tax and no stamp duty other than on local real estate transactions
- ability to centralise management and control in one place
- ability to demonstrate real substance in the jurisdiction
- modern and flexible legislation
- good supply infrastructure resources including office space and support services

- a broad base of professional service providers with high levels of expertise
- a skilled local work force
- a government which is willing and keen to encourage inward investment and business relocation
- proximity to London and ability to deal with New York and Hong Kong in same business day
- economic and political stability
- strong transport links to London and other European centres

Both international businesses with a diverse geographical asset base and traditional London-based companies are realising that for both their management team and for the owners of the business it makes sense to relocate to a more attractive tax neutral jurisdiction which also offers a quality lifestyle close to the UK and France.

## Establishing a Jersey workforce

Jersey law does not prohibit foreign employees and owners from moving to and working in the island, or businesses setting up in Jersey.

Jersey is not a member of the European Union but it does apply equivalent principles of freedom of establishment and free movement of EU citizens, subject to some local licensing requirements in relation to housing and businesses with a local physical presence.

Non-EU citizens will have to apply for a work permit under Jersey's immigration laws, which operate on the same basis as the United Kingdom.

There are two ways overseas employees or owners can move to and reside in Jersey:

### 1. Essential employees

Where the required skill-set cannot be readily found in Jersey, an application can be made for the post to be filled by 'essentially employed' individuals, which permits the business to recruit the necessary professionals from outside Jersey.

Typically the government in Jersey is looking to balance the number of individuals relocating to Jersey with a commitment by the business to employ a certain number of local Jersey residents.

Individual employees residing in Jersey as a result of being 'essentially employed' do not have to satisfy a minimum local income tax contribution. The factors taken into account in granting 'essentially employed' status include the lack of suitably-available local employees, the expected economic contribution of the employer through the employment of the employee and otherwise, and the qualifications of the employee.

The Jersey authorities have demonstrated an increased willingness to grant 'essentially employed' status to employees of new businesses that meet the criteria for establishing a presence in the Island. These individuals are subject to local income tax on their worldwide income at a headline rate of 20%.

## 2. High Net Worth Individuals

For the high net worth individuals who are principals of the business, approval for residency can be granted based on the following criteria:

- likely contribution to Jersey tax revenues (in the region of £250,000 pa although the Population Office is also willing to take account of related employment creation opportunities)
- relevant business and social background
- the number of dependants and the extent to which these people may in time acquire local housing qualifications
- the total net worth of the application
- any other non-economic benefits for Jersey
- the associated establishment of a business in Jersey generating local tax revenues and providing employment while not adversely impacting on local resources.

The successful principal would generally be expected to purchase a Jersey property of at least £1,750,000 in value for an apartment and £3,500,000 in value for a house, although there are a limited number of houses and apartments available below this level that have appropriate status for occupation by such a person.

Whilst the general headline rate of Jersey income tax is 20%, banded headline rates apply for high net worth individuals under the present high value residency rules, as follows:

- Minimum tax payable for all new residents is £250,000 per year
- The first £1,250,000 is taxed at 20% on worldwide income and 1% on anything over that amount
- Income from land and buildings in Jersey is taxed at 20%

One key factor is to have certainty of breaking previous tax residency on relocating.

Principals should obtain specialist tax advice for detailed worldwide tax planning and Ogier are delighted to make introductions on request.

## Business moves to Jersey

Examples of business relocating to Jersey include:

### **Brevan Howard**

Brevan Howard, one of the largest hedge fund managers in the world with approximately US\$40bn under management (and the largest in Europe) relocated its head office to Jersey together with a number of its senior management.

### **BlueCrest Capital Management**

BlueCrest relocated its head office to Jersey, together with a number of its senior management. Prior to closing to outside investment, BlueCrest was Europe's third largest hedge fund manager.

### **Systematica Investments**

Systematica Investments spun out of BlueCrest in 2015 and established an office in Jersey.

### **Randgold Resources plc**

This FTSE 100 Jersey-incorporated, African focused gold mining company opened an office in Jersey and relocated its senior management from London and elsewhere.

### **Consolidated Minerals**

Consolidated Minerals is a private global mining business which relocated key personnel from Australia and South Africa.

### **Altis Partners**

A top 20 hedge fund manager, Altis Partners relocated all its principals and operations to Jersey.

### **Heritage Oil plc**

Heritage Oil plc is a FTSE 100 oil company which has its main office in Jersey, where its chief executive also lives.

### **Waitrose**

Waitrose acquired the Checkers supermarket business in Jersey and Guernsey, which included the relocation of key Waitrose executives to Jersey and a new Jersey holding structure.

### **Centamin plc**

Centamin is a FTSE 250 Jersey incorporated gold mining company which opened an office in Jersey and relocated its senior management from elsewhere

### **Lydian International**

This Toronto listed mining company which has relocated key executives and employed local geologists and administration staff.

### **Ocean Rig**

Ocean Rig is a deep water drilling operation currently in the Falklands and Brazil which operates its administration and contracts business out of Jersey.

### **E-Gaming**

Jersey has recently amended its gambling legislation to permit and encourage e-gaming businesses to set up in Jersey. Jersey is now an attractive alternative to places like Gibraltar and businesses can benefit from better infrastructure and expertise along with the credibility associated with being in a well regulated jurisdiction.

### **Strada**

Strada Energy is a geothermal drilling company headquartered in Jersey, Channel Islands, with subsidiaries in the United Kingdom, Germany, Australia, Indonesia, Malaysia, Chile, and North America.



## Case Study

### Jersey – the new home for Hedge Fund Managers

Jersey has long been an active player in private equity and real estate funds

A current trend is an inflow of hedge fund managers establishing a physical presence on the island. A number of household name hedge fund managers now call Jersey home, including Brevan Howard and Blue Crest.

The drivers are both economic and regulatory. Jersey's established and sophisticated funds services offering also provides operational advantages for relocating hedge fund managers. Underscoring this has been a political desire to diversify Jersey's economy, resulting in tax regimes and policies that have encouraged high value industries, such as fund management, into the island.

As the UK represents the largest European base for the hedge fund sector, possible UK tax changes are undoubtedly contributing to the growing interest among hedge fund managers to domicile outside the UK.

Jersey residents are subject to personal income tax at a maximum rate of 20% on worldwide income. Certain high net worth investment managers who become resident in Jersey may (subject to a number of conditions) have a significant proportion of their non-Jersey income taxed at a rate as low as 1%. Having introduced the "zero-ten" tax regime, the profits of a Jersey based and regulated investment manager may be taxed at a rate of 0%.

Jersey's strong transport links to Europe, with regular direct daily flights available to, among other places, London and Geneva, also offer business convenience.

For hedge fund managers wanting to access European investor capital, the fact that Jersey does not form part of the EU, and Jersey-based hedge fund managers are permitted to continue to access EU private placement regimes, is an attractive proposition. This enables a Jersey-based hedge fund manager to benefit from a reduced AIFMD disclosure and transparency burden, in particular avoiding being bound by the remuneration disclosure rules applicable to EU fund managers. At the point at which the AIFMD passport becomes available to non-EU funds, the existing availability of fully AIFMD-compliant regulations for those funds "opting-in" to AIFMD means that Jersey will be ideally placed to benefit from this marketing passport.

Jersey is taking steps to adapt its regulatory and legal framework to enhance its attractiveness to hedge funds managers, most recently by the introduction of a new exemption from the requirements of Jersey's Financial Services (Jersey) Law 1998 to enable Jersey-regulated hedge fund managers to service qualifying segregated managed accounts (QSMAs) without the need to seek regulation for the conduct of investment business under the law, while continuing to benefit from Jersey's 0% corporate income tax rate.

This exemption is available provided that the QMSA's strategies replicate or comprise elements of the strategies employed by one or more of the hedge fund manager's Jersey funds. This change has been welcomed by existing Jersey-based hedge fund managers and the wider Jersey funds industry and promises to ensure that this relocation trend island is likely to continue.





A world-class commercial environment in a relaxed, safe, holiday location – what more could you ask for?





## Establishing a business in Jersey

### Do I need a Jersey Company?

Foreign companies can conduct business in Jersey and there is no requirement that a business be owned by a Jersey company. However, many businesses do incorporate a new Jersey company to hold or operate the business.

Alternatively, it is often possible to migrate a foreign company to Jersey via a de-registration and re-registration process.

It is often easier to relocate using an English scheme of arrangement or a straight forward share swap (where there are not many shareholders) and insert a Jersey holding company. Ogier has expertise in all these areas and will work with your local advisers to implement such structuring.

### Does my business need any licences?

As well as a business having to obtain consent for relocating employees to reside in Jersey, the business will also have to obtain approval to set up operations and will be granted a business licence to operate, occupy office space and is required to employ up to a specific number of non locally qualified employees. Once the licence is granted, the business may employ as many or as few local employees as it wishes. Applications for new employees arriving from outside Jersey can be made at any time. The importance is to fulfil the criteria.

The Jersey authorities will be looking to ensure that as many local candidates are identified for jobs as possible but they recognise the need to bring in specific expertise from outside Jersey as well.

Other licences may also be required if your business is conducting any regulated activity, such as investment management or insurance business, and Ogier can advise on all aspects of these licences.

### **Intellectual Property**

Jersey has modern laws relating to registered rights such as patents and trademarks. A recent new law has updated older copyright and unregistered intellectual property rights such as database, publication and design rights. As one of the consequences for the new law being introduced, the government in Jersey hopes to encourage businesses to relocate key staff and actively manage their regional or worldwide intellectual property portfolios from Jersey. As one of the consequences for the new law being introduced, the government in Jersey hopes to encourage businesses to relocate key staff and actively manage their regional or worldwide intellectual property portfolios from Jersey.

### **Local resources**

Jersey has all the infrastructure and expertise most businesses require with new office space under construction to add to that already available. Back office functions, IT, banking, compliance and accounting functions are all readily available. Local professional advisers operate in a manner that would be familiar to anyone working in London and work to high standards of client delivery.

Various organisations and authorities continue to scrutinise international finance centres and there are an increasing number of challenges being made by governments and revenue authorities to the integrity of structures. Therefore, it is becoming increasingly important for businesses to demonstrate proper substance in the jurisdiction not just with management and control but also with office space and employees. This is often not possible in other jurisdictions but is very easy to achieve in Jersey.

## Local taxes

### Corporate Tax

The profits of most Jersey companies owned by non Jersey residents are subject to tax at a rate of 0% on their worldwide income. A higher rate of 10% applies to the income of a restricted sector of local financial services companies. This is known as the Zero Ten regime. There is no taxation of capital gains in Jersey.

In addition, should the Zero Ten regime be amended or not suitable for the business it may also be possible to structure arrangements in certain circumstances so that a tax ruling is obtained from the relevant authorities in Jersey to ensure minimal tax is paid in Jersey. However, the government in Jersey has stressed the importance of the Zero Ten regime and has publicly announced that it is seeking to amend the regime rather than change the regime by abolishing the zero rate of tax.

In contrast to other jurisdictions, Jersey social security contributions are capped for both employer and employee. Employer contributions are levied at 6.5% on the first £3,686 (per month) of salary and employee contributions are levied at 6% to the same salary level.

### Personal Tax

Jersey has a straight-forward personal tax regime. There are:

- no wealth taxes
- no capital gains taxes
- no gift taxes
- no inheritance taxes

Stamp duty is only payable on the acquisition and financing of Jersey property and a capped probate duty is payable on the registration of Jersey wills. There is no stamp duty generally in respect of the transfer of shares in a Jersey company (except local real estate transactions where property is owned through shares).

Jersey's fiscal stability and tax certainty is demonstrated by the headline rate of income tax having remained at 20% since circa 1940. However, as set out above a separate regime applies to high net worth individual immigrants.

### Goods and Services Tax

In addition to income tax there is a goods and services tax of 5% on all goods and services supplied in Jersey although some services are either zero rated (eg. International services) or exempt (eg. financial services or medical supplies). We would recommend that specific tax advice is taken prior to relocation as regards any liability to GST on services provided from outside Jersey to any Jersey business or where goods or services are being provided by the Jersey business to outside of Jersey. Further detail is available at [www.gov.je/taxesmoney/gst](http://www.gov.je/taxesmoney/gst).



 Our services to relocating families, individuals and firms goes beyond basic conveyancing - we advise on finding a property, and work with clients to introduce them to our trusted networks of local suppliers and professionals.



## Moving your family to Jersey

Finding a location that offers the very best tax advantages might be your driving force, but choosing a jurisdiction that is to become your home is about much more. The key is to settle somewhere that works for your wealth but, first and foremost, works for you and your family too.

The international relocation process starts with an assessment of where to move. This deceptively simple question requires detailed consideration. It's vital to know where you can potentially go, and how you might acquire rights to live and/or work there. If relocating with family, it's important to understand how easy it is for them to accompany you. Once you arrive in your new home, how easy is it to buy a house, or start a business? What is the education system like? How's the healthcare? On the tax front, you will need to understand how the move impacts on your overall tax and reporting obligations. Are there any local taxes that you need to consider?

Jersey, like the BVI, Cayman Islands and Guernsey, is an independent, low (or no) tax jurisdiction. It is a cosmopolitan island that offers a beautiful, secure place to live with traditional values sitting at the very heart of a contemporary lifestyle. Respect and privacy are enjoyed. Business and leisure opportunities abound, the schools are superb and the health services on the Island are first class.

### Ogier's relocation services include

- Advice on personal and business legal implications of relocation
- Applications to secure residence
- Helping make 'settling in' connections
- Local tax guidance
- Options for residence

- Property purchases
- Relocation of dependent relatives
- Retaining rights of residence
- Restrictions on property ownership

Jersey has a very good healthcare system with a wealth of doctors, dentists and other medical practitioners. Crime is low and the streets are much safer than in the UK and other parts of the world.

The quality of the Island's schools is very good and pupil/teacher ratios are low. The performance of pupils at Jersey schools is generally higher for GCSE and A-Level results than in the UK.

Quality of life is enhanced by beautiful, clean beaches and countryside and all the sports facilities you would expect with a particular focus on watersports as well as on mainstream sports such as football, rugby, cricket and golf.

Jersey has excellent transport connections to the UK, Switzerland and France with regular daily flights and ferry services offering a wide number of routes. There are also flights to other European destinations. Flights by jet to London take 40 minutes and on average there are at least 12 flights to the Island every day from London (including London City) and also flights to other UK hubs such as Stansted, Birmingham, Edinburgh and Manchester. At 45 square miles, Jersey also eliminates long commuting journeys with everything being no more than half an hour away

## Contact us



**Jonathan Hughes**  
Head of Offshore Relocations  
+44 1534 514336  
jonathan.hughes@ogier.com



**Helen Ruelle**  
Director of Local Legal Services  
+44 1534 514417  
helen.ruelle@ogier.com



**James Campbell**  
Partner  
+44 1534 514230  
james.campbell@ogier.com



**Emily Haithwaite**  
Group Partner, Ogier Legal L.P  
+44 1534 514072  
emily.haithwaite@ogier.com



**Katharine Marshall**  
Partner  
+44 1534 514304  
katharine.marshall@ogier.com



**Matthew Shaxson**  
Group Partner, Ogier Legal L.P  
+44 1534 514064  
matthew.shaxson@ogier.com

**Legal  
Corporate and Fiduciary  
Consulting**

Beijing  
British Virgin Islands  
Cayman Islands  
Dubai  
Hong Kong  
Guernsey  
Ireland  
Jersey  
London  
Luxembourg  
Shanghai  
Singapore  
Tokyo

Ogier is a professional services firm. We have three divisions:

Legal: practical advice on BVI, Cayman, Guernsey, Irish, Jersey and Luxembourg law.

Corporate and Fiduciary: corporate administration services with a strong reputation in governance and regulatory compliance.

Consulting: independent guidance on sustainable investing, regulatory compliance and tech.

Our network of locations also includes Beijing, Dubai, Hong Kong, London, Shanghai, Singapore and Tokyo. Regulatory information can be found at [ogier.com](https://ogier.com).