

Jersey

Jersey is located in the English Channel, near the Cherbourg Peninsula just 14 miles off the northwest coast of France and some 70 miles south of the United Kingdom. Jersey is the largest of the Channel Islands, which consist of Jersey, Guernsey, Sark, Herm, Alderney, Jehou, and Lithou. The population of Jersey is approximately 90,000. There are many immigrants to the Island originally from the United Kingdom, Ireland, France, Spain, Italy and Portugal. The Finance Industry accounts for over 50% of the Island's GDP.

The Island of Jersey is self-governing, having its own Assembly known as the States of Jersey. Although it has close economic and social ties with England, Jersey is not part of the United Kingdom but holds instead a special relationship with the UK, which has been continuing for the last 900 years. The ancient privileges given to the Island to control their own domestic affairs and their careful attitude towards public spending, have meant that they have been able to produce healthy budget surpluses while maintaining low levels of taxation. Jersey has a stable political environment, high quality professional services, and excellent worldwide communication, which have meant that more and more informational business has flowed into the Island.

The Jersey government maintains an efficient control of the financial activities, which ensure the maintenance of the highest possible standards. The general level and depth of expertise is rarely found elsewhere. There is complete freedom of investment and currency business in the Islands. The complex range of services available in Jersey has not been created overnight, but is a direct result of the Islands desire to create an experienced well-balanced financial community. In addition to its economic stability, Jersey offers an integrity and professionalism that should ensure its continued growth long into the future.

In 1972 and again in 1989, Jersey negotiated a unique position with regard to the European Union (EU). It holds EU Treaty Status only as regards to the free movement of goods.

SALIENT FEATURES

The incorporation of limited companies in Jersey is dealt with by the Registrar of Companies, an officer within the Jersey Financial Services Commission of the States of Jersey and is subject to the provisions of the Companies (Jersey) Law 1991, a new Company Law replacing the previous 1861 legislation. Companies can be incorporated for trading, investment and all other activities, which can be carried out by a natural person. Once incorporated, a Jersey company has all the powers of a natural person but the directors may be subject to any restrictions in its Articles of Association.

The Companies (Jersey) Law 1991 provides for Public Companies (which have more than 30 members) or Private Companies and, will be subject to Jersey tax unless they make a claim for Exempt Company status. If a Company applies for Exempt Status, then it must pay at the beginning of each calendar year, an annual Exempt Company fee of £600.00. It is also a requirement that non-of the shareholders of the Company is resident in Jersey.

CORPORATE REQUIREMENTS

Name: Company names must end with "Limited", the abbreviation "Ltd.", "avec responsabilité limitée", or the abbreviation "a.r.l.". Application should be made to the Registrar, prior to incorporation, for the company's proposed name to be reserved. The Registrar, even after incorporation, has power to require a change of name in certain circumstances subject to a Right of Appeal to the Royal Court. Names must not be undesirable or misleading.

Shareholders: Two shareholders are required and details appear on the public file but anonymity can be retained by the use of nominee shareholders. Details of the beneficial owner of the company must be communicated to the Jersey authorities but that information is protected by secrecy provision. Bearer shares are not permitted.

Subscribers: Advocates and Solicitors of the Royal Court of Jersey, Chartered or Certified Accountants who are practicing in Jersey as a Principal or a Partner of a Jersey firm are the qualified subscribers permitted to sign the application form C2 for consent to issue shares under the Jersey Borrowing Law 1947 as amended.

Capital / Shares: Authorized share capital may be divided into shares of different classes with different voting, dividend, and other rights. The capital may be expressed in any currency, the shares in any amount, but each must have a par value. Only registered shares are permitted. A Company should have at least two members. The minimum authorized capital is of £10,000 or the equivalent in any other currency.

Registered Office / Agent: Jersey companies must have a Registered Office in Jersey.

Directors / Officers: At least one Director and one Secretary, who should not be the same person, are required. Corporate Directors are prohibited. However, a Corporate Secretary may be appointed. Details of shareholders (which may be Corporate Nominees) but not Directors are available for Public Inspection. Alternate Directors may also be appointed.

Annual General Meetings of both Private and Public Companies can be held anywhere in the world. However, if all members of a Private Company agree in writing that an Annual General Meeting shall be dispensed with, then so long as the agreement has effect, it shall not be necessary for that company to hold an annual general Meeting.

Registers: A register of all directors/officers and members must be kept at the Registered Office of the company.

Books, Records, and Seal: The Statutory books, records and minutes of the company must be kept at the Registered Office of the company. A Jersey company should have a company seal, which may be kept at such place as the Directors determine. Documents and contracts are usually executed by the use of the company seal.



CONFIDENTIALITY

The ultimate beneficial ownership of all Jersey companies is disclosed to the Financial Services Commission at the time of incorporation. The reason the information is required by the Financial Services Commission is to ensure that Companies are not being incorporated for bankrupts or those who have perpetrated serious crimes. Beneficial Owners holding greater than 10% interest in a Jersey Company must disclose this to the Registrar.

TAXATION & ANNUAL REQUIREMENTS

In Jersey, Income tax is charged at 2% and is levied on individuals, companies, and partnerships resident in Jersey, however there is no corporation, capital gains, inheritance, transfer, wealth, or gift tax, estate duty or value added tax. Jersey registered companies beneficially owned outside of Jersey may apply for Exempt Company Status and pay an annual Exempt Company fee of £600, rather than local Income Tax, regardless of their profits. There is an Annual Return of Share Capital that must be made by the end of February each year accompanied by a payment of £150. Accounts of Private companies do not have to be filed with the Company Registry.

Companies must file an Exempt Company election within 3 months of the date of formation with the Comptroller of Income Tax. In subsequent years, the election must be filed by March 31st of each year. Failure to file an Annual Exemption Claim may result in the Comptroller raising an estimated assessment to income tax.

TRANSFER OF FUNDS

There are no exchange controls in Jersey and corporations may transfer funds with complete freedom. Transactions may be carried out in any currency desired. Jersey issues its own currency and has retained the "pound note". The British and the Jersey pound are at par. There is no fee for exchanging them, and English, Scottish, Northern Irish, and Guernsey notes are frequently circulating along with Jersey notes.