



FINANCIAL CENTRES OF THE WORLD 2021: FOCUS ON GUERNSEY

Rupert Pleasant, Chief Executive Officer, Guernsey Finance

Webinar

Tuesday, 27 July 2021, 15:00 BST



The Z/en Group



A Word From Today's Chairman



Mike Wardle

Director & Head Of Indices

Z/Yen Group



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Today's Agenda



- 15:00 – 15:05 Chairman's Introduction
- 15:05 – 15:25 Keynote Presentation
 - Rupert Pleasant, Chief Executive Officer, Guernsey Finance
- 15:25 – 15:30 An External View
- 15:30 – 15:45 Question & Answer

Today's Speaker



Rupert Pleasant

Chief Executive Officer

Guernsey Finance

GUERNSEY: OUR PLACE IN THE WORLD

Guernsey Finance LBG



OUR PLACE IN THE WORLD



OUR PLACE IN THE WORLD

Relationship with the UK

800 years of constitutional autonomy



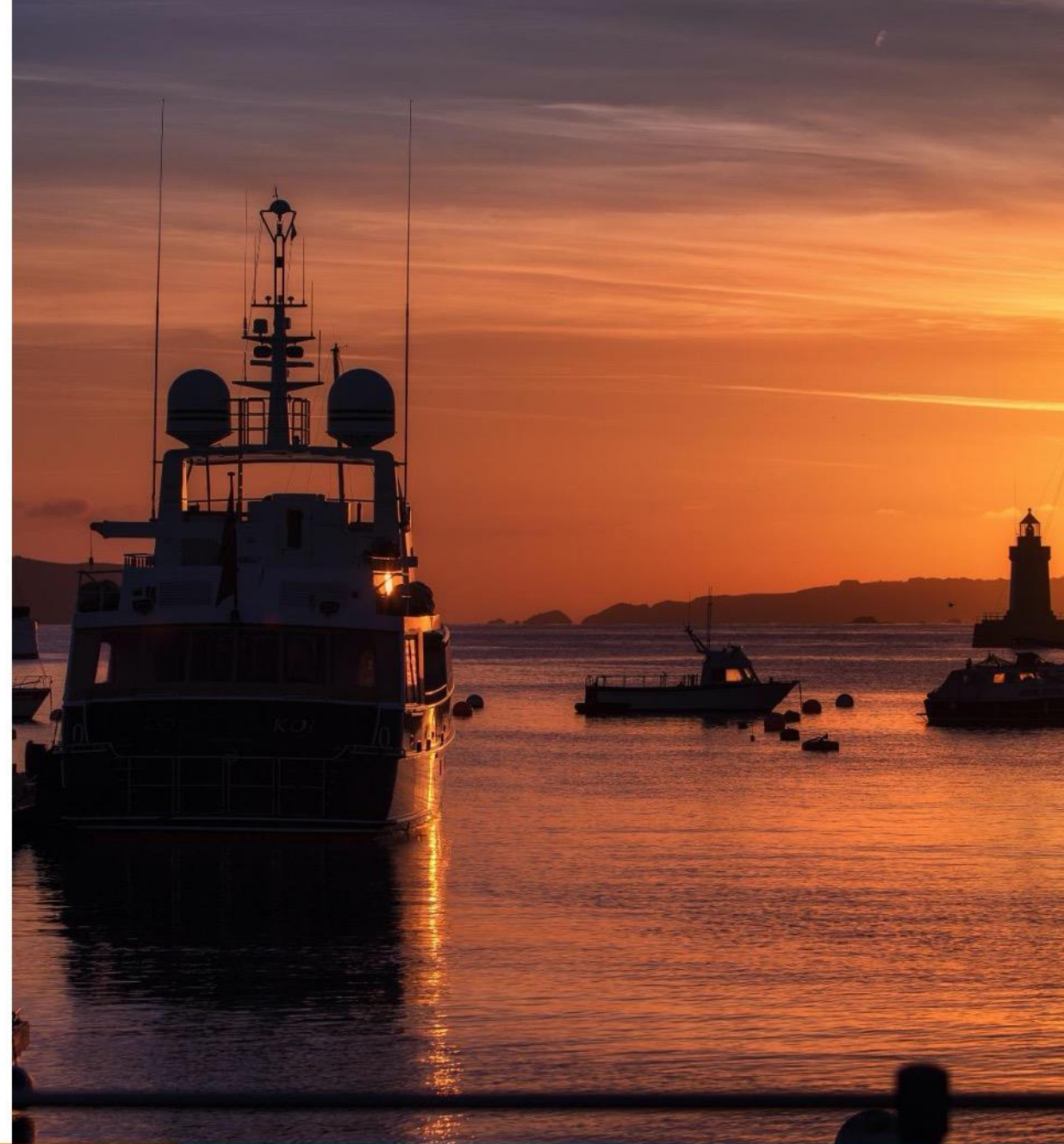
Guernsey has a historic relationship as a territory of the Crown, part of the British Isles, but outside the UK. This remains unchanged after the UK leaves the EU.

Relations with the EU

Third country status to remain unchanged



Guernsey has never been, and is unlikely to ever be, a member of the EU. The island's third-country status remains unchanged. This includes unchanged access for services.



OUR PLACE IN THE WORLD

Membership of the WTO

UK membership extends to Guernsey



As a Crown Dependency, in 2019 Guernsey gained membership of the WTO through the UK.

Commitment to the OECD

Since 1990 the convention applies to Guernsey



Guernsey plays its part in the OECD's success against tax evasion. Guernsey's government was an early adopter of the OECD's Common Reporting Standard (CRS).



OUR ROLE IN THE WORLD



OUR ROLE IN THE WORLD

Facilitator of British and European investment

Guernsey routes capital into the UK and EU



According to 2020 research commissioned by Guernsey's government, in mid-2019 Guernsey-domiciled funds enabled a capital flow of £41.6bn into the UK and £77.1bn into Europe.

Major investor in the American economy

Guernsey funnels wealth into the US



According to recently published research by Frontier Economics, Guernsey-domiciled funds enabled a capital flow of £43 billion into the USA in mid-2019.



OUR ROLE IN THE WORLD

Enabler of greater returns



Guernsey tax neutrality improves economic efficiency

Tax neutrality improves the welfare loss of taxation, and so the degree of economic efficiency. The greater the economic efficiency, the greater the returns.

Proven economic efficiency



Tax neutrality has proven advantages

Tax neutrality has been proven, by the likes of Dr Jason Sharma of Cambridge University, to improve the welfare loss of taxation by erasing the deadweight loss derived from a higher tax rate.



CONTINUING PROVEN MARKET ACCESS



BRIDGING UK, EU & US MARKETS FOR FUNDS



Access to UK

Guernsey has unchanged access to the UK following Brexit. Guernsey is home to more non-UK entities listed on the LSE markets than any other jurisdiction globally.



Access to EU

Guernsey has unchanged access to the EU following Brexit. Guernsey is the specialist leader of the European private equities market.



Access to US

Guernsey's access to the US also remains unchanged. The island has the highest number of funds sold in the nation, through Regulation D Private Placement.



A LEADING CENTRE OF SUBSTANCE



COMMITMENT TO ECONOMIC SUBSTANCE



OECD Whitelist

Whitelisted in 2009.



EU Whitelist

Whitelisted by the EU review process in 2019.



Substance legislation

Guernsey introduced Economic Substance legislation in 2019.



COMMITMENT TO THE BEPS AGENDA AND AML



OECD MLI/MCAA

Guernsey signed the OECD's Multilateral Instrument to implement tax treaty related measures and is a signatory of the Multilateral Competent Authority Agreement to share relevant information in relation to Country-by-Country Reporting.



Other BEPS actions

Guernsey continues a programme of alignment with future BEPS initiatives.



FATF

Compliant or largely compliant with 48/49 Financial Action Task Force recommendations on AML and CFT.



COMMITMENT TO TAX TRANSPARENCY



OECD CRS

Guernsey was an early adopter of the OECD Common Reporting Standard for the automatic exchange of information in 2014.



US FATCA

In 2013 Guernsey signed a Model I agreement with the United States to implement Foreign Account Tax Compliance Act based reporting.



OECD

Whitelisted in 2009 and branded a co-operative jurisdiction in 2015.



A LEADING GLOBAL FINANCE CENTRE



A LEADING GLOBAL FINANCE CENTRE

Global funds leader



#1 leader in the European private equities market.

Leader in captive insurance



Home to specialist insurance sector, providing alternative risk transfer solutions to sophisticated clients.

Jurisdiction of choice for family office



50 years experience in the servicing of private wealth.

Global pensions specialist



Guernsey is home to legal, tax and actuarial advisers who specialise in international retirement benefit schemes.



COMMITMENT TO SUSTAINABILITY



International engagement

Member of several United Nations initiatives e.g. Financial Centres for Sustainability, the Sustainable Insurance Forum, the Sustainable Stock Exchanges, and the Network for Greening the Financial System.

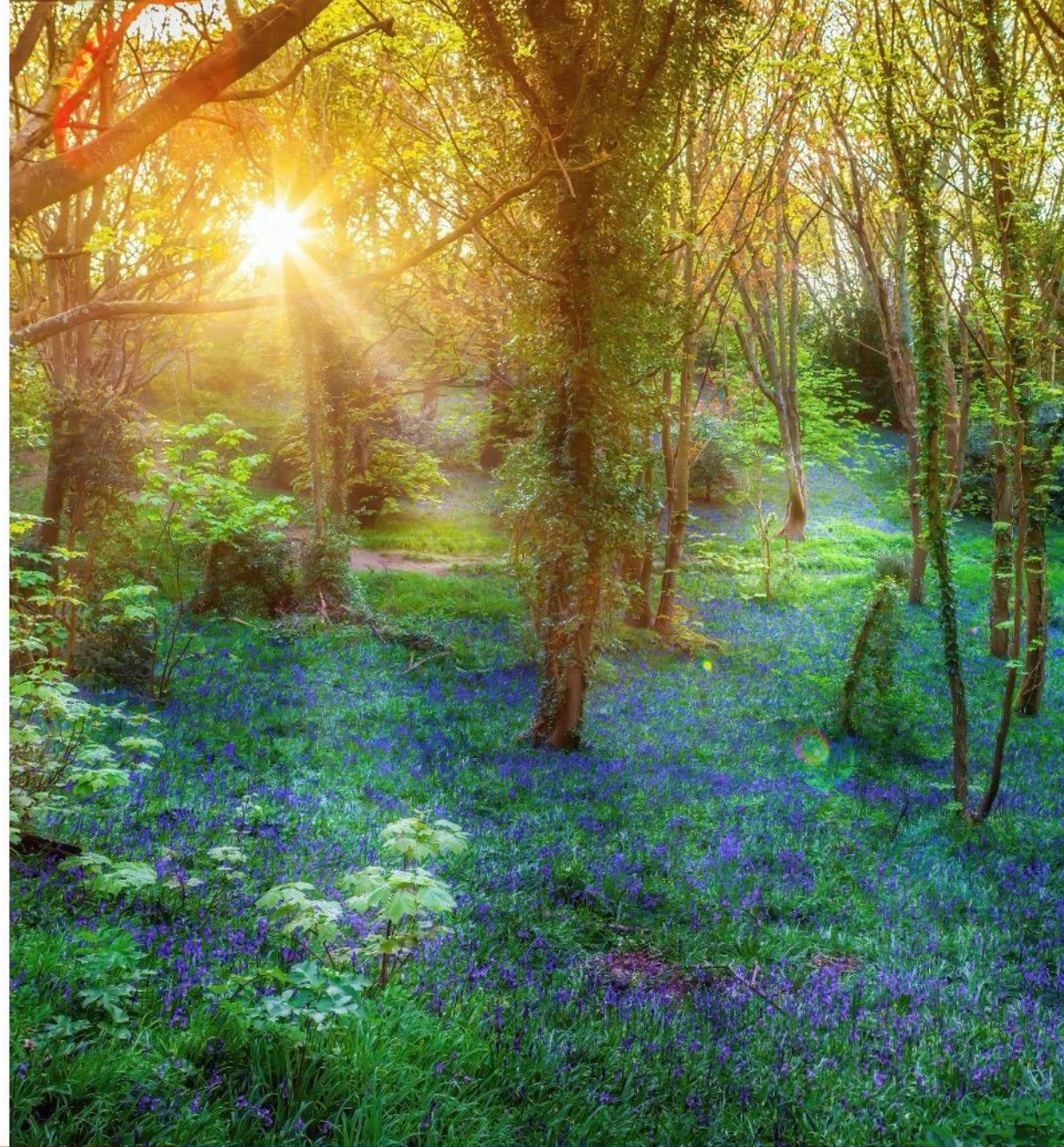
World leaders

The Guernsey Green Fund, the world's first regulated green fund regime

TISE Sustainable, Europe's most comprehensive sustainable market segment

World's first ESG framework for insurers launched in 2021

Leaders in private wealth, publishing a suite of sustainable educational reports for family offices





PRIVATE WEALTH



INVESTMENT FUNDS



INSURANCE



PRIVATE WEALTH IN GUERNSEY



Foremost in Family Office

Guernsey has a long tradition of providing specialist private wealth management to sophisticated private clients and their families



Guernsey provides a secure and safe environment for the management of private wealth structures



The breadth and depth of experienced professionals including fiduciary, investment management, tax and legal advisers make Guernsey a true jurisdiction of economic substance



Guernsey's regulatory environment is responsible and flexible promoting honesty, competence and financial soundness



PRIVATE WEALTH KEY STRENGTHS



Strengths of Guernsey as a trust jurisdiction

Right of appeal to Privy Council



Modern trust legislation



Effective judicial system



Respected regulation and supervision
of financial services industry



Long established and well qualified
professional trust sector



Tax neutral for trusts established for non-
Guernsey resident beneficiaries



Trust may be for an unlimited period



PRIVATE WEALTH KEY STRENGTHS



Strengths of Guernsey as a company jurisdiction

Modern company legislation



Mature financial services sector



Experienced professional, legal and
accounting infrastructure



Flexible, pragmatic regulation



Tax neutral environment for companies



PRIVATE WEALTH SOLUTIONS



Private Trust Company

Incorporated company specifically to act as trustee of a single or group of trusts for a family



Private Trust Foundation

Foundation established specifically to act as trustee of a single or group of trusts for a family



Purpose Trust

A trust established for a purpose i.e. to hold shares in a family trading company





PRIVATE WEALTH SOLUTIONS

- 1. Employee Benefit Trust**
Assets settled in trust by an employee to provide benefits or to house pension funds for the benefit of its employees
- 2. Successor Trustee Arrangements**
Acceptance of trusteeship from previous trustee
- 3. Guernsey Foundation**
As a stand alone private wealth management vehicle



INVESTMENT FUNDS IN GUERNSEY GLOBAL FUNDS SPECIALIST

- 1. Global funds leader**
\$400 billion of AUM are administered in Guernsey and has the highest number of LSE listings of any non-UK jurisdiction
- 2. Simple, flexible funds regime**
Authorised, registered, private funds cover all requirements

INVESTMENT FUNDS SOLUTIONS



Fund Structures

Authorised and registered (open-ended/closed-ended)



Guernsey Green Fund

The world's first green fund solution



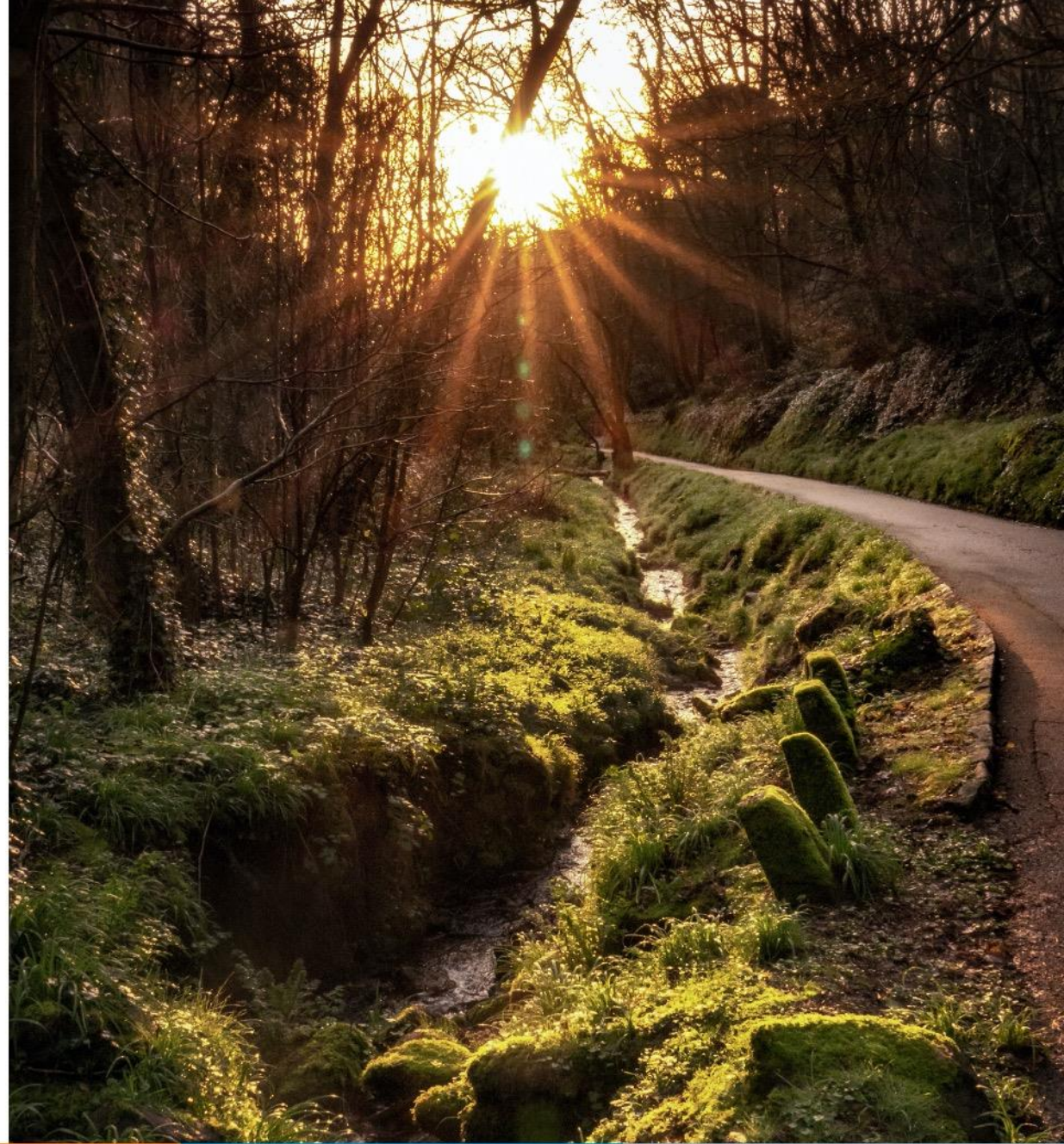
Private Investment Fund

Aimed at sophisticated investors with stream-lined regulation based upon a declaration to the GFSC made by the manager



Private Structures

A regulated structure aimed at single investors or families, providing a pooled, organised vehicle for structuring family investments



INVESTMENT FUNDS SOLUTIONS



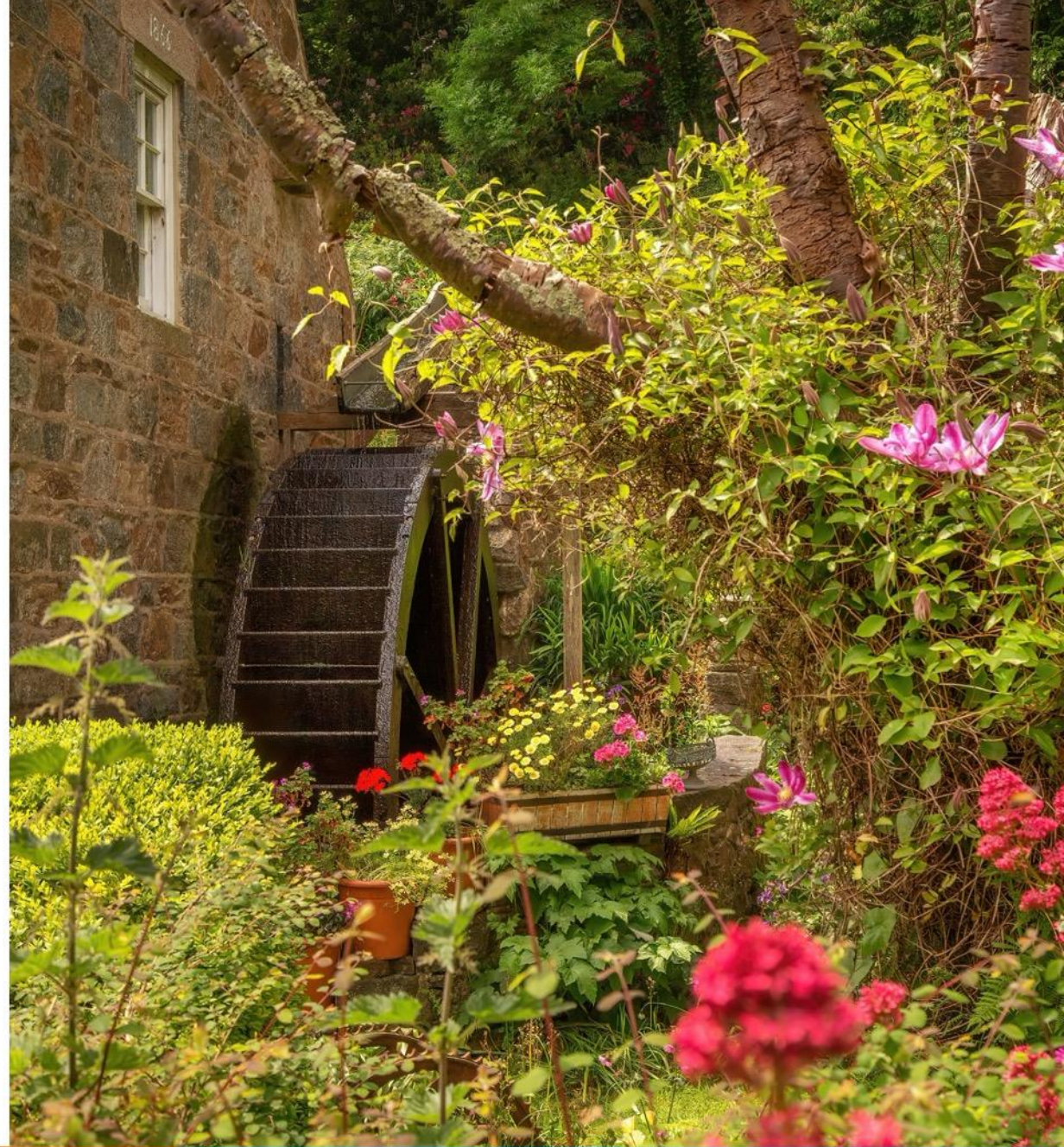
Fast-track Fund Manager Migration regime

A simple process combining consent to migrate and licensing for managers of overseas collective investment schemes



Limited Partnership Migration regime

A quick and simple regime enabling the migration of LPs to Guernsey



INSURANCE IN GUERNSEY



A global leader providing expert solutions

Guernsey is home to a specialist insurance sector, providing alternative risk transfer solutions to sophisticated clients



Guernsey's insurance sector is pioneering and innovative, boasting a position of leadership in the structuring and execution of alternative risk transfer



Guernsey provides a flexible, responsive regulatory regime outside of the EU



Guernsey is endorsed in all aspects of international regulation



INSURANCE KEY STRENGTHS



Guernsey is Europe's leading captive domicile



Proximity to London and European markets



Practical, flexible regulation



Risk based solvency approach outside solvency II which adheres to international standards



High quality infrastructure of professional services providers



Guernsey's insurance regulatory regime is rated as complying with global standards by the IMF and IAIS in their recent inspection in 2019



Commitment to sustainable finance – Guernsey's International Insurance Association is a member of the UN Sustainable Insurance Forum



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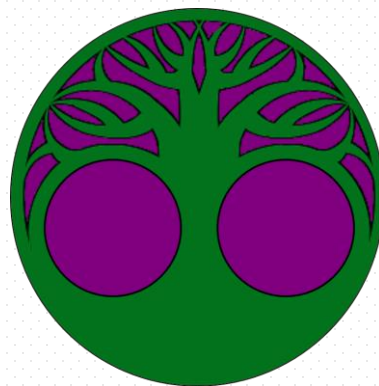


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Director & Head Of Indices

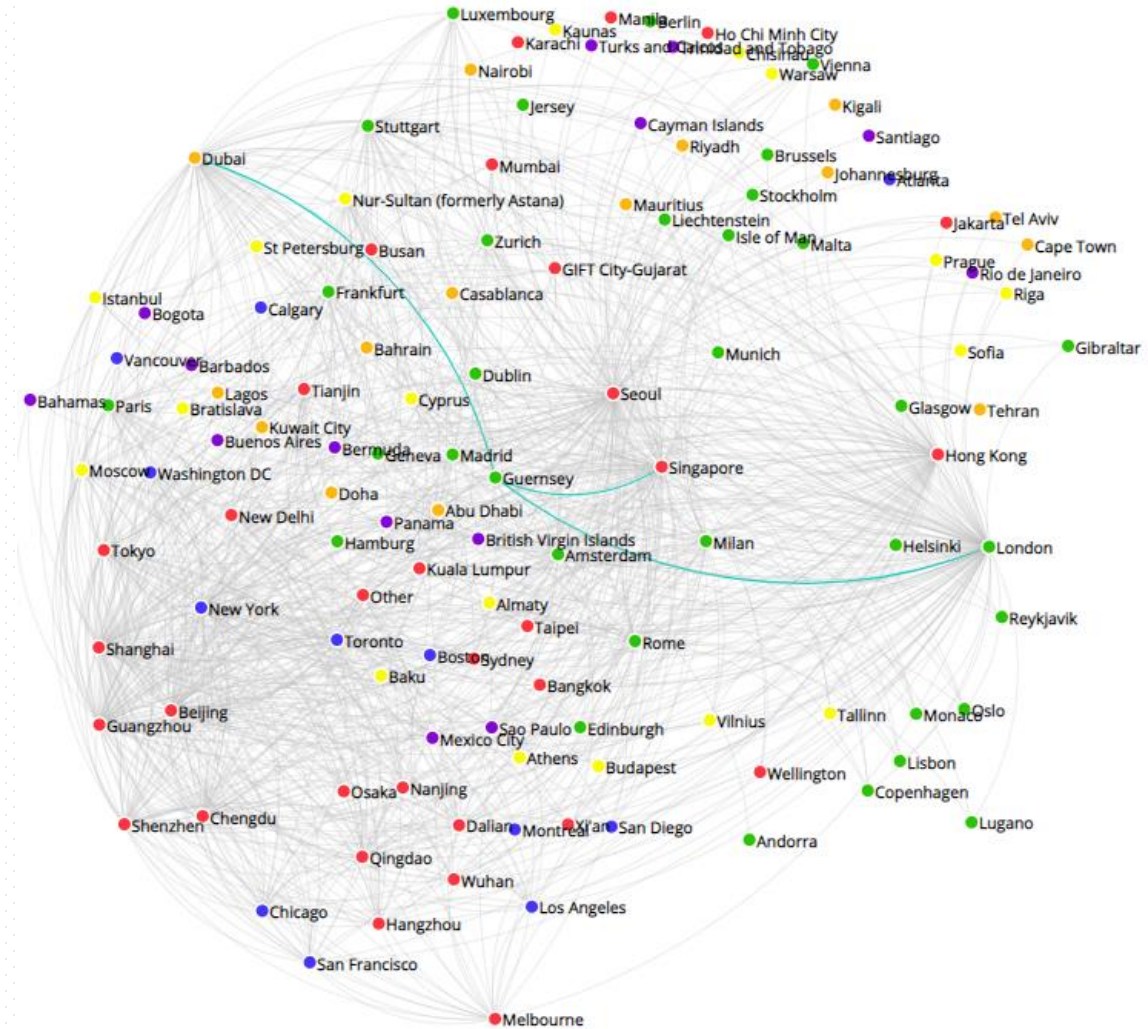
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- Along with other island centres, has been overtaken in the GFCI by upcoming generalist centres
- Still room for specialisation, whether in green or in serving particular markets
- Good reputation among those working in professional services and finance, who appreciate what Guernsey has to offer
- Quality of green finance strong as shown in the Global Green Finance Index



Connectivity

- Good connections to
 - Singapore
 - Dubai
 - London







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Forthcoming Events

- Wed, 28 Jul (15:00-15:45) Cryptocurrency - The Parallel Financial World
- Fri, 30 Jul (11:00-11:45) Privacy Enhancing Technologies & Their Potential For Global Impact
- Mon, 02 Aug (15:00-15:45) CCPs: You'll Never Walk Alone?

- Visit <https://fsclub.zyen.com/events/forthcoming-events/>