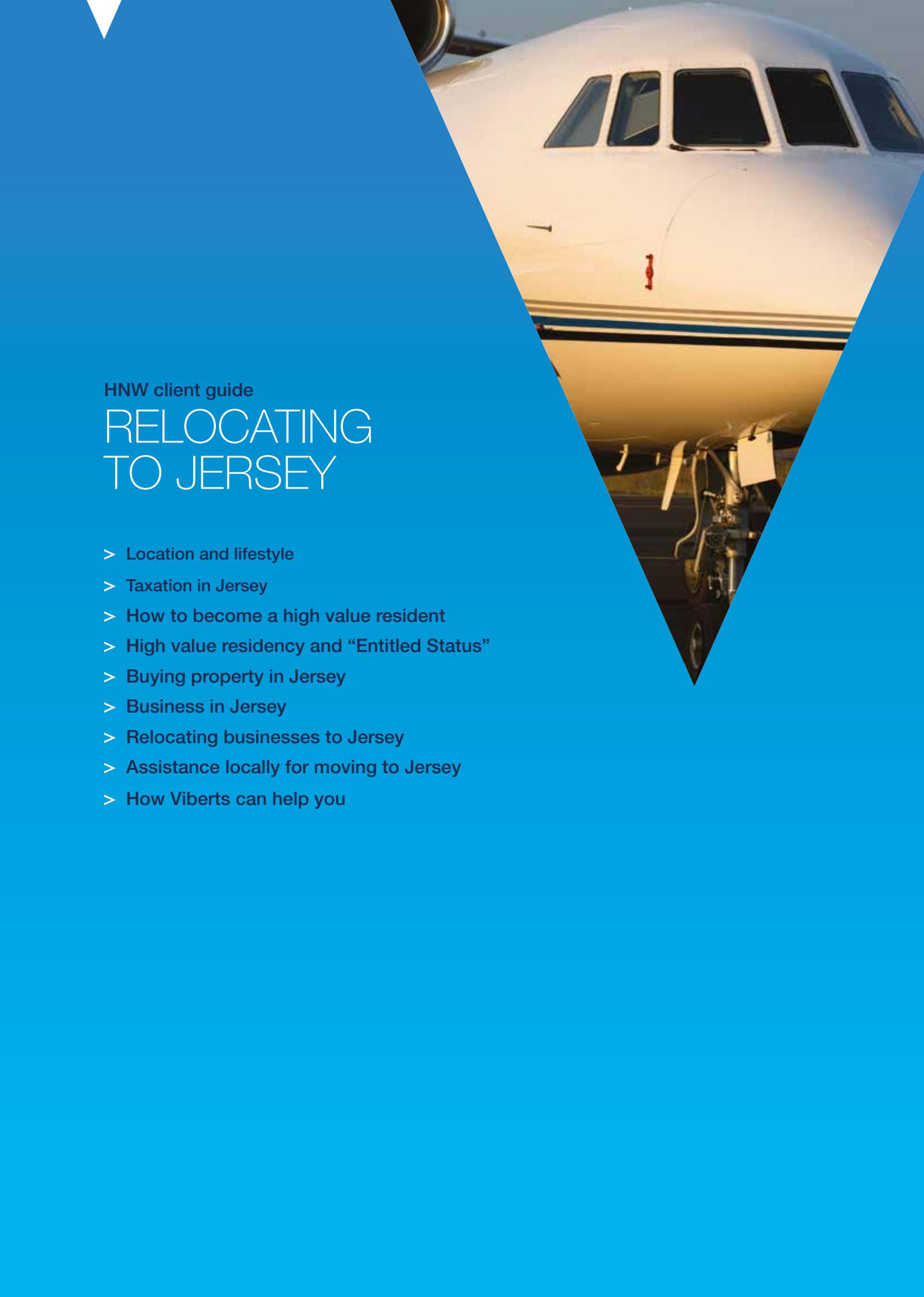




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**Relocating to Jersey**  
HNW client guide



HNW client guide

# RELOCATING TO JERSEY

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## Relocating to Jersey

### Location and lifestyle

Jersey is the largest of the Channel Islands. At 45 square miles it is bigger than Anguilla, but smaller than St Kitts, and has a population of about 100,000, or about the same as that of Worcester. Jersey boasts well established air and sea connections for both business and leisure purposes. Located at the most southerly point of the British Isles but less than an hour's flight from London, Jersey is only 14 miles from the coast of France, giving a continental flavour to island life.

Islanders enjoy an enviable lifestyle. Jersey offers a selection of Michelin starred restaurants, first class health and education systems and high levels of safety and privacy. You are never more than a 10 minute drive from one of its beautiful beaches. However, because of the island's strong and diverse economy, it is also possible to pursue a rewarding career, making it an excellent place of residence for families and individuals alike.

### Taxation in Jersey

Jersey's personal tax rate has been set since June 1940 at a maximum of 20%.

For high value residents choosing to move to the island, preferential tax arrangements are available under the High Value Residency Regime. For such residents:

- > 20% tax is charged on the first £625,000 of annual worldwide income;
- > 1% is then charged on all income over the first £625,000; and
- > 20% is charged on income derived from Jersey property.

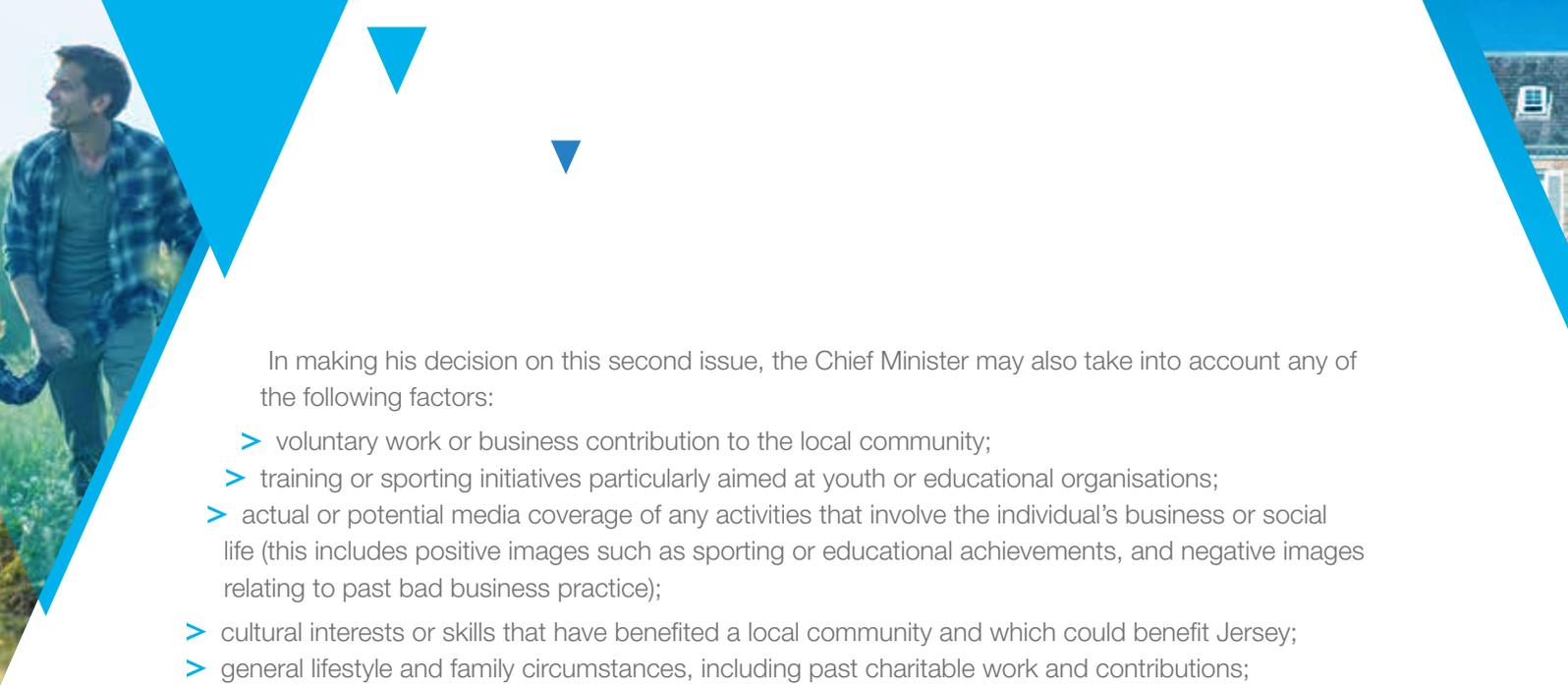
Jersey has no provisions to charge capital gains or inheritance taxes, and corporation tax is 0%, save for some financial services companies which are charged 10%.\* Jersey's Goods and Services Tax, which is comparable to VAT, is charged at 5%. Residential property transactions and the registration of wills attract a stamp duty on a sliding scale.

### How to become a high value resident

In order to qualify as a high value resident, it is necessary for the applicant to supply sound evidence to the office of the Chief Minister that their:

- > total annual worldwide earnings comfortably exceeds £625,000 per year, and that this is a sustainable income; and
- > residency in Jersey will benefit the island in some way (as explained more fully below).

\* For companies with Jersey resident shareholders, dividends will be deemed paid to them and taxed at 20%.



In making his decision on this second issue, the Chief Minister may also take into account any of the following factors:

- > voluntary work or business contribution to the local community;
- > training or sporting initiatives particularly aimed at youth or educational organisations;
- > actual or potential media coverage of any activities that involve the individual's business or social life (this includes positive images such as sporting or educational achievements, and negative images relating to past bad business practice);
- > cultural interests or skills that have benefited a local community and which could benefit Jersey;
- > general lifestyle and family circumstances, including past charitable work and contributions;
- > clearly undesirable factors such as a criminal record;
- > likely impact on local resources an individual will have on taking up residence in Jersey, such as demand for school places, medical needs etc.; and
- > plans an individual may have for further business activities in Jersey, creating local employment, offering training, promoting economic diversification and any potential tax revenues.

A lower tax contribution may be accepted if it is considered the individual will provide a compelling economic benefit for the island.

## High value residency and “Entitled Status”

Since 1949 Jersey has managed pressure on its resources by controlling the right to rent or buy residential land in the island. More recently, economic control has been exercised by managing the creation of new business and the employment of staff.

Persons qualifying as high value residents are granted “entitled” status. Entitled status gives individuals the right to work in any position without the need for a licence, and also to buy, sell and lease property valued in excess of £1.75 million. Once entitled status is granted, a person retains that status unless they leave Jersey for a period of more than 5 years.

## Buying property in Jersey

Jersey has had its own register of land contracts since 24 July 1602. Purchasing property in Jersey is a different process from purchasing in the UK. Once permission to buy has been granted and a suitable property selected, it is necessary to appoint a lawyer to carry out the conveyancing work. He or she will be able to assist in calculating the relevant costs of the purchase, and also advise on financing options, secured loans and other issues which may be relevant to the purchase.

In addition to the purchase price of the property, legal fees and stamp duty will also be payable. The legal fee will not cover disbursements payable such as the enquiry letters that the appointed lawyer will need to send to the local statutory authorities and utility companies. The cost of these letters is fixed by the relevant body and these include letters to the Department of the Environment, Jersey Electricity, Jersey Water, Jersey Gas, Transport & Technical Services, the Population Office and the Parish in which the property is situated. Jersey's Goods and Services Tax is not payable on the property purchase price, but is payable on the costs of services connected to the purchase.

Unlike the UK, it is not customary for a deposit to be paid in Jersey although if circumstances dictate, a deposit may be paid by the buyer and held to the order of the seller's lawyer until completion. If the parties do agree to enter into a formal preliminary agreement of sale, a 10% deposit is usually required from the buyer.



Jersey's register of land contracts is not a registered land ownership system. The government does not guarantee title. It is the responsibility of the buyer's lawyer to investigate title and site visits are always carried out. Completion is effected by the passing of a contract between the contracting parties before the Royal Court of Jersey on a Friday afternoon. Attorneys may attend for parties unable to come to court.

Most conveyancing transactions, subject to any complications, will take approximately 6 weeks to complete, from instructing a lawyer to passing contract.

### **Business in Jersey**

Jersey is an internationally recognised financial services centre which prides itself on its adherence to international regulatory standards as laid down by the IMF and the OECD. Jersey is a centre of excellence, having over 13,000 resident professionals providing legal, accounting and financial services well placed to help individuals and businesses manage their assets.

The island's pro-business attitude is supported by an accessible, pro-active Government. Jersey regularly ranks as one of the top offshore finance centres in the world. Jersey attracts those who want to work in a thriving, international centre of excellence, but who demand more from life than just work; in this island a healthy work / life balance really is achievable.

### **Relocating businesses to Jersey**

You are required to have a licence to operate a business and employ staff in Jersey. To qualify for a business licence you must have been resident in Jersey for 5 years, unless you can demonstrate that the business is of high economic or social value to the island. Key factors include:

- > Corporation tax payable by the company (only payable by a financial services company)
- > If the business is non-regulated, and does not pay corporate tax, then a key factor would be tax payable in the island by owners and staff of the business
- > Creation of high value jobs for islanders
- > Training and development opportunities for islanders
- > Graduate and school leaver opportunities
- > Use of Jersey firms for work required locally (IT, legal, accountancy, HR etc.)
- > Corporate Social Responsibility (a commitment to the local community)

Business licence applications require a supporting business plan, which should include 3 years' audited accounts for an existing business and a 3 year financial forecast as well as details of staff for the Jersey business. Applications can be made for a Licenced permission which is a time-limited consent allowing specialist staff and/or the owner of the business to work in the island and lease or buy appropriate housing. The role must be a position that cannot be filled by someone already entitled to live and work in Jersey.

### **Assistance locally for moving to Jersey**

There is assistance for individuals and businesses looking to relocate to the island, provided by the Government organisation Locate Jersey. This offers free confidential advice and support. Locate Jersey forms part of the States of Jersey's Department of Economic Development and is responsible for attracting inward investment and high value immigration to Jersey. It has been highly praised for the quality of its work with prospective residents which is both confidential and free.

## How Viberts can help you

As a long established local law firm, Viberts offers the services of Jersey qualified lawyers with the skills and experience to help you navigate to making your move to Jersey. Our team has experience in and can advise you on land law, conveyancing, planning, financial services, business law, regulatory law, company law and business start-ups.

We advise on all aspects of residential property law and development work including buying and selling houses and apartments whether freehold, flying freehold or share transfer. We also provide advice on financing, building contracts, cohabitation and equity agreements, boundary queries and option agreements.

Our corporate team has experience in advising on corporate and trust structures, asset holding and management structures and we have a network of professionals on and off the island that can help you relocate your business to Jersey.

If you want advice in relation to relocating yourself or your business to Jersey, or occupying property in the island, whether residential or commercial, please contact us to explore what you aim to achieve and your options for accomplishing it as swiftly and efficiently as possible.

78 high value residents moved to the island in 2017. Perhaps it's time you considered joining them.



### Contact us:

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