

A world-class Banking centre

Around 40 major global banks provide products from retail and savings through international wealth management to institutional business and specialist lending



Guernsey's mature banking sector is central to its reputation as a leading international finance centre

International banking groups with head offices in Switzerland, Europe, USA, the United Kingdom and a number of other international locations have established subsidiaries on the Island. Some of the most highly respected names in international finance have chosen to place their operations in Guernsey alongside independent, boutique providers.

The sector provides products ranging from retail banking and savings through international wealth management to institutional business and specialist lending. Importantly it services the other financial services sectors (investment funds, asset management, fiduciary and insurance) on the Island.

The first bank to be established on the Island was the Guernsey Savings Bank, which was founded in 1822. However, banking in Guernsey was purely domestic and largely conducted by the major British high street clearing banks until the mid-1960s when a clutch of merchant banks established subsidiary operations on the Island to relay the benefits of offshore banking to their international clients.



Today, specialised banking is a developing feature of the banking sector. UK building societies and international banks have been assisted in setting up operations by having their entities administered by an already established bank. While maintaining a managerial presence these banks make use of the experienced staff, premises and IT systems of a managing bank while maintaining their own individual identity.

Financial services businesses, corporations, trusts and funds as well as individual savers from around the world have chosen to place their money and confidence in the many banking services the Island's sector has to offer:

- **Savings** – Guernsey banks offer a variety of savings options with competitive offshore rates
- **Credit services** – a growing feature of wealth management by private banks has been bespoke and tax efficient lending for property finance, venture capital and investment
- **Treasury services** – specialised money market and foreign exchange services are provided by a number of highly experienced and financially innovative teams
- **Custody services** – confidential and efficient asset management has been a mainstay of Guernsey's banking reputation
- **Specialist advice and services** – as part of the sector's complementary role to other businesses within Guernsey's financial services industry, banks offer advice in respect of the formation and management of various types of Guernsey companies, mutual funds, captive insurance companies and acquiring listings on the Channel Islands Stock Exchange (CISX)



Why use Guernsey?

Our track record

Continued success Guernsey's banking sector has successfully grown during the past 50 years. This has developed experience, infrastructure and accumulated intellectual capital which ensures the Island remains at the forefront of the international banking industry.

The highest reputation and standards Banking business can be transacted with confidence in Guernsey as the Island has been scrutinised and endorsed by the International Monetary Fund and the Financial Action Task Force.

A positive environment for banking

Pragmatic regulation The Guernsey Financial Services Commission promotes a robust yet pragmatic regulatory regime.

Strong corporate governance Guernsey has an experienced and qualified pool of non-executive directors.

Deposit Compensation Scheme Guernsey has introduced a Deposit Compensation Scheme (DCS). For more information visit the specific DCS website www.dcs.gg

Competitive tax environment In Guernsey there is no withholding tax on dividends, no capital gains tax, no inheritance tax, no VAT and no income tax to pay on non Guernsey income accruing to trusts that have no Guernsey resident beneficiaries. There is a zero rate of income tax for corporate entities except banks, which are levied at a 10% rate on their regulated business.

Banks do not deduct interest at source so taxpayers can defer their tax payable on interest earned until they declare it at the end of the year. Interest earned on Guernsey accounts should be declared to the tax authorities where the depositor is resident for tax purposes.

Innovative legislation Modern legislation remains advanced through continuous improvement, allowing practitioners access to the most comprehensive range of products when offering client solutions.

Conveniently located The Island's location between Europe and the UK places it in a time zone between the US and the Far East. This makes Guernsey a convenient place to carry out business with many different countries. Travelling to the Island is also quick and easy as there are frequent air and sea links to both Europe and the UK, with a flight time from London taking less than an hour.

A 'one day business solution' Guernsey has a broad-based financial services industry (including support services) and all of the Island's businesses and key institutions are in close proximity to each other so an extensive array and high volume of business can be carried out face-to-face and in a short amount of time.

Highly developed business support infrastructure Carrying out business in Guernsey is quick and easy because the Island has a high quality infrastructure, including a newly upgraded first class telecommunications network that is unsurpassed offshore.

Special relationship with the EU Businesses based on the Island have the advantages of being in a jurisdiction that is within the Common Customs Area and Common External Tariff without all the implications of operating from a full member of the EU. For example, directives such as those on fiscal harmonisation, financial services and company law do not have effect in Guernsey.

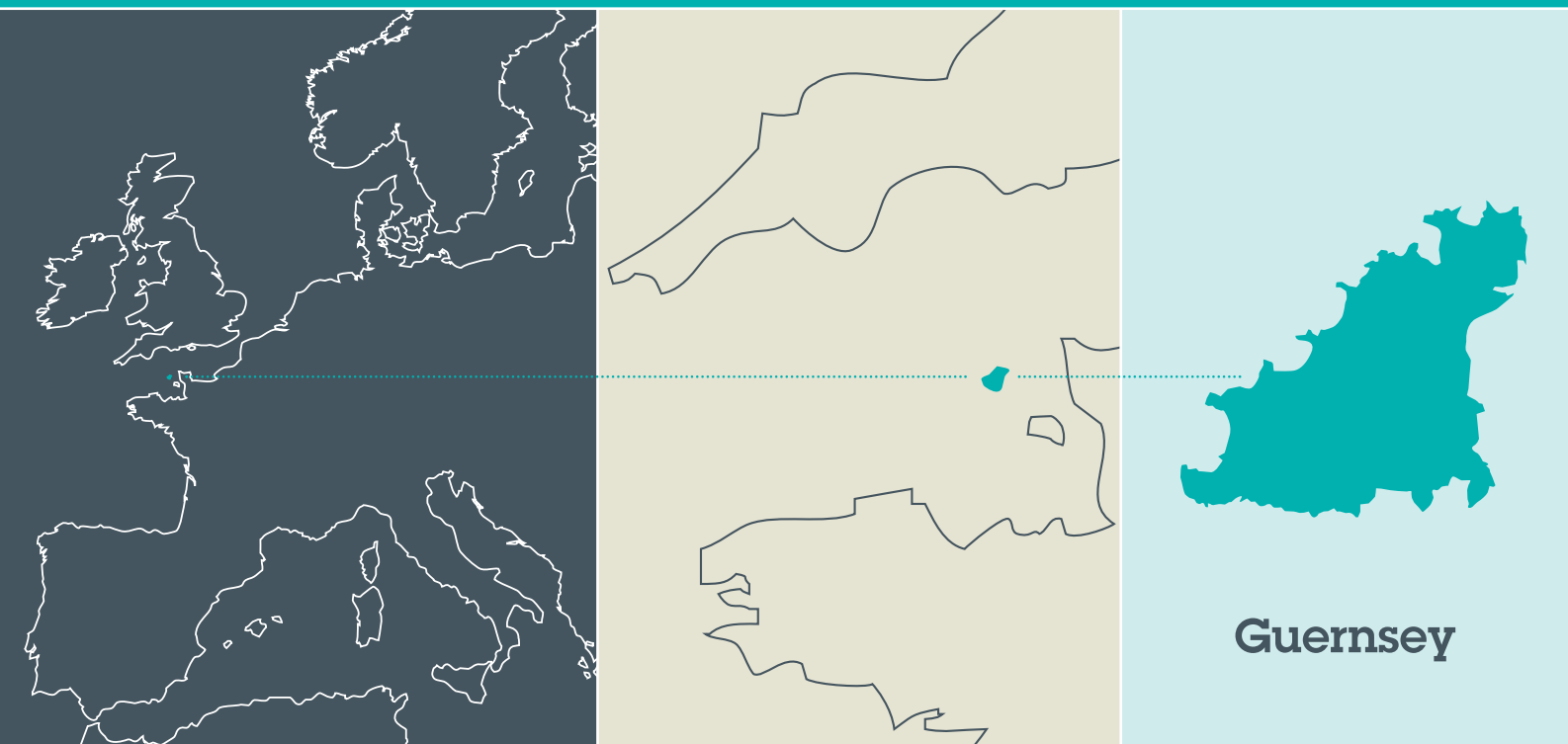
Stability Continuity within Guernsey's democratic government offers political and economic stability and thereby a safe and secure environment on which business can rely.

Independence Legislative and fiscal independence allows the Island to respond quickly to the needs of business.

Putting finance on the map

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The Island boasts nearly five decades of providing practical and innovative solutions to an international client base and remains at the cutting-edge of global finance.

Several hundred financial services firms are located on the Island, attracted by our unique business climate. Our success is built on the breadth and balance of these businesses which include:

- Banking
- Investment funds
- Insurance
- Fiduciary services
- The Channel Islands Stock Exchange (CISX)
- Internationally recognised lawyers and accountants
- Stockbroking
- Investment management
- Overseas pensions

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