COLLAS CRILL

Relocating to the Channel Islands: Preparation is the key to success

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Relocating to the Channel Islands offers a unique blend of opportunity and lifestyle; a thriving economy, stunning coastal scenery, and a strong sense of community.

Whether you are moving as an individual seeking a new chapter, or as a business looking to expand, success begins long before the ferry or flight. Careful planning is essential to navigating the legal, financial, and practical considerations that come with such a move.

From understanding residency requirements and tax implications to securing the right property and operational infrastructure, laying the groundwork early can make the difference between a smooth transition and an overwhelming challenge.

In this article we highlight considerations from both a business and a personal angle.

Moving or establishing a business: Economic substance and local presence

For clients looking to relocate, not only personally but also commercially, or to establish a company in the Channel Islands, economic substance requirements must be understood from the outset. It's s vital to obtain formal, professional tax advice regarding a company's activities at an early stage.

Both Guernsey and Jersey have implemented substance regimes aligned with OECD and EU standards, designed to ensure that companies claiming local tax residence demonstrate real activity and decision-making on the islands.

In practice, this means that companies undertaking 'relevant activities' such as fund management, finance and leasing, headquarters, insurance, distribution, shipping, intellectual property, or pure equity holding must be able to evidence that they are:

- **Directed and managed locally** – board meetings held in the islands with strategic decisions considered and made there.
- **Undertaking core income-generating activities on-island** – supported by appropriate staff, premises, and expenditure proportionate to the scale of business.
- **Demonstrating real presence** – rather than simply maintaining a 'brass plate' or nominal registered office.

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Corporate service providers (CSPs) play a crucial role here. They can help structure and administer companies to meet these requirements, whether through providing a registered office, compliance support, or (where appropriate) local directors to ensure genuine management and control.

For some, migrating an existing company into the islands may be viable, though this process can be complex, time consuming and jurisdiction-dependent. For others, setting up a new company through the local registry, often achievable within 24 hours, may be more efficient. Either way, engaging local experts ensures compliance and efficiency from the outset.

Personal tax planning: Timing and preparation are everything

Moving to a low-tax jurisdiction can be appealing, but professional advisors know that the benefits rarely arise automatically. The period before an individual changes tax residency is often the most valuable planning window.

Even when relocating to the Channel Islands, where personal income tax rates are comparatively low and there is no capital gains, inheritance, or wealth tax, individuals can carry unnecessary liabilities if they fail to plan ahead.

Common pitfalls include:

- **Exit taxes and unrealised gains** – Some home jurisdictions tax latent gains when an individual ceases to be resident. Restructuring or crystallising assets before departure may mitigate this exposure.
- **Timing of income and disposals** – Bonuses, dividends, and sales of assets can be taxed in the jurisdiction where they were earned, not received. The difference of a few weeks can materially affect outcomes.
- **Ongoing connections** – Retaining family homes, directorships, or regular visits can maintain tax residency elsewhere. Breaking ties clearly, factually and legallyis essential.
- **Estate and succession implications** – The islands' regimes differ from many onshore systems. Revisiting wills, trusts, and ownership structures before relocating helps align them with local inheritance rules.

While the Channel Islands can offer significant efficiencies, the key message for clients is clear: seek independent tax advice early. The nuances of cross-border residency changes demand specialist input. As service providers, Collas Crill Trust and Corporate Services can help coordinate the right experts to support our clients in both their personal and business moves..

A joined-up approach

For clients, particularly those with international wealth, family offices, or entrepreneurial structures, the move to the Channel Islands represents a convergence of lifestyle and legacy goals.

As trusted advisors to our clients, our role is to help them make that transition with foresight:

- Bringing in personal tax advisors early to manage departure and arrival tax implications;

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- Coordinating with corporate and legal specialists to ensure business entities meet substance and governance expectations; and
- Providing access to trusted local networks that make relocation seamless from regulatory compliance to family integration.

With the right preparation, a relocation to the Channel Islands can offer clients not only a more relaxed lifestyle but also a robust, compliant, and efficient platform for their global affairs.

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