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International Property Securities Exchange and securitisation vehicles: The perfect match

OCTOBER 2020

1 October 2020 saw the first announcement of a company intending to list on the International Property Securities Exchange (IPSE), the world's first securities exchange developed exclusively for property securitisation vehicles.

Guernsey, together with Cayman, BVI and Jersey, are well established as leading offshore jurisdictions for companies listing on UK securities exchanges, domiciles of choice for UK real estate funds and private structures, and centres of excellence for securitisation vehicles. Combine these, and offshore jurisdictions such as Guernsey become an ideal jurisdiction for property securitisation vehicles looking to make the most of the new opportunities provided by IPSE.

IPSE is a unique offering. It creates a centralised market place bringing together managers looking to offer participations in their property portfolios and investors looking to access prime commercial real estate investments. IPSE is also a regulated exchange, serving as a qualifying exchange for property managers looking to structure their companies as Real Estate Investment Trusts (REITs).

Given the benefits of international finance centres, and using Guernsey as an example, a property securitisation vehicle is the ideal way to take full advantage of IPSE:

- Guernsey's expertise and service standards in corporate administration and managing real estate investment are first rate. .
- Guernsey is an ideal location for establishing a UK REIT.
- Guernsey is ubiquitous with UK property investment and will be familiar to all investors looking to invest through IPSE.
- Guernsey securitisation vehicles holding one property typically fall outside of the Guernsey fund regime.
- Guernsey companies can trade their shares directly through CREST, there is no need to list depository interests.
- The Guernsey Prospectus Regulations will not apply to companies whose shares will be listed on IPSE.
- Guernsey has no withholding tax or stamp duty in respect of dividends, distributions or sales of shares.
- Guernsey provides an economically and politically stable jurisdiction with a favourable double tax treaty with the UK.

Collas Crill's leading Capital Markets and Funds teams have significant experience in real estate investment, securitisation and listing securities on the UK markets.

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If you are looking to structure your real estate investments with a view to listing on IPSE, please feel free to contact a member of either team to explore whether a Guernsey real estate securitisation vehicle can benefit you.

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For more information please contact:



Simon Heggs

Group Partner* | Guernsey

t: +44 (0) 1481 734825 | **e:** simon.heggs@collascrill.com



Wayne Atkinson

Partner (Advocate) | Guernsey

t: +44 (0) 1481 734225 | **e:** wayne.atkinson@collascrill.com

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