



DE-ENVELOPING GUERNSEY PROPERTY

NOVEMBER 2017

The Document Duty (Anti-Avoidance) (Guernsey) Law, 2017 is coming into force tomorrow (15 November 2017).

The main aim of the law relates to the fact that a sale of the shares in a property-holding company will now attract document duty on the value of the transaction in the same way as if a matter had proceeded by way of conveyance. Historically no such duty was attracted on the sale of shares in a company and as a consequence many high value open market properties were held by such companies.

Whilst there will often be valid reasons as to why a property-holding company may continue to be used (succession planning, privacy, tax, etc.), the law will undoubtedly mean that one of the benefits of employing a holding structure is removed. There are also the considerations of on-going administration and costs of maintaining a company.

The solution for many will be to complete a conveyance of the property from the holding company to the beneficial owners of that company. Upon the transfer of the sole asset from the company to the company's beneficial owners, the company can be wound up if it is not required for any other purpose by a straightforward voluntary striking-off procedure.

[Jason Green](#), who heads up the property team at Collas Crill, said: *"We are already busy transferring properties from companies to the beneficial owners as people decide that they no longer have any need for the company."*

"Conveying the property out of the company can have significant savings especially in relation to the costs of running and maintaining the company. We expect many more people to follow suit."

If you would like to discuss your requirements and how we can assist, please contact us using the details below.

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