



ISSUES RELATING TO FOREIGN INVESTMENT

CHANNEL ISLANDS - JERSEY Mourant Ozannes

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1. Is state governmental permission required for foreign investors to acquire real estate? If so, please identify.

Yes, the ownership and occupation of residential property is strictly controlled. Apart from a few exceptions (for example purchasing, but not occupying, residential property by share transfer), a person wishing to purchase and/or occupy residential property in Jersey must qualify under Jersey's Housing Laws and Regulations and obtain consent from the Housing Minister of the States of Jersey.

For commercial property, foreign ownership is permitted, but again the consent of the Housing Minister is required.

2. Are there other state restrictions imposed on ownership of real estate by foreign investors? To acquire interests in entities which own real estate? If so, please identify.

Apart from those consents referred to above at 1. there are no other restrictions imposed on ownership of real estate by foreign investors, nor for acquisition of interest in entities which own real estate in Jersey.

3. Are foreign investors required to invest with a local partner? If not, is investment with a local partner advisable?

No it is not necessary to invest with a local partner.

4. What state taxes are levied solely on foreign individuals or entities acquiring or transferring real estate or interests in entities which acquire real estate?

There are currently no taxes levied solely on foreign investors acquiring or transferring real estate in Jersey.

Stamp Duty is usually payable on the sale or transfer of real estate and on leases with a term of 9 years or more.

Goods and Service Tax (currently 3%) may also be payable on certain transactions.

If the Landlord of premises is not resident in Jersey, then the tenant or property agent is obliged to withhold tax at the rate of 20% from the rental and pay this to the Comptroller of Income Tax in Jersey.

For acquisition of residential property by way of share transfer a tax equivalent to the Stamp Duty payable on a freehold sale or transfer is now paid by the purchaser or the lender, but only if the ownership of the shares confer a right of occupation of that property.

5. Describe reporting requirements for reporting the acquisition, ownership or disposition of real estate which relate solely to foreign direct or indirect owners of real estate.

There are no specific reporting requirements relating solely to foreign direct or indirect ownership of real estate in Jersey.