

Guernsey

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The Bailiwick of Guernsey is a BritishCrown dependency in the English Channel off the coast of Normandy. As well as the island of Guernseyitself, it also includes Alderney, Sark, Herm, Jethou, Brecqhou, Burhou, Lihouand other islets. Together theyhave a total area of 30 square miles (78 km²) and a coastline ofabout 30 miles (50 km). Although the defense of all these islands is theresponsibility of the United Kingdom, Guernsey is not part of the UK but rathera separate possession of the Crown, comparable to the Isle of Man. Guernsey isalso not part of the European Union. The island of Guernsey is divided into 10parishes. Together with the Bailiwick of Jersey, it is included in thecollective grouping known as the Channel Islands with an estimated populationof 65,500. The climate is temperate with mild winters and cool sunniersummers. The hottest months are August and September where temperatures aregenerally around 20 °C (68 °F). On average, the coldest month isFebruary with an average weekly mean air temperature of 6°C. Average weeklymean air temperature reaches 16°C in August. Snow rarely falls and is unlikelyto settle, but is most likely to fall in February. The temperature rarely dropsbelow freezing, although strong wind-chill from Arctic winds can sometimes makeit feel like it. The wettest months in terms of rainfall are on averageDecember (average 108mm), November (average 98mm) and January (average 89mm).July is on average the sunniest month with 250 hours recorded sunshine;December the least with 50 hours recorded sunshine. 50% of the days areovercast. Financial services, such as banking, fund management, and insurance, account for about 32% of total income. Tourism, manufacturing, and horticulture, mainly tomatoes and cut flowers, especially freesias, have been declining. Light tax and death duties make Guernsey a popular offshorefinance centre for Private equity funds. However, while Guernsey is not amember of the European Union, the EU is forcing Guernsey to comply more andmore with its own rules. As with other offshore centers, Guernsey is alsocoming under increasing pressure from bigger nations to change its way of doingbusiness in many ways. Guernsey issues its own sterling coinage and banknotes. UK coinage (English, Scottish and Northern Irish faced) banknotes alsocirculate freely and interchangeably. Guernsey is currently changing the wayits tax system works in order to remain OECD and EU compliant. From 1 January 2008, it will operate a Zero-Ten corporate tax system where most companies will pay0% corporate tax and a limited number of specific banking activities will betaxed at 10%. As a result it is confronting what it terms a financial"black hole" of forty-five million pounds or more according to someestimates which it aims to fill through economic growth and indirect taxation.