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ADVOCATES

A Guide for
Prospective Residents



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A Guide for Prospective Residents

The information in this brochure is designed to answer some of the main questions which are raised by persons considering moving to Guernsey.

1 Nationality and Immigration

Subject to the restrictions referred to in Paragraph 2 (Housing and the Right to Work Laws) below, there are no restrictions on persons who have the right of abode in the United Kingdom and Islands under the provisions of the Immigration Act 1971, and who wish to take up residence or conduct business in this island. A person having entered Guernsey on a visitor's visa who then wishes to work must first obtain the relevant clearance from the immigration authorities. All other persons should make application to:

The Chief Immigration Officer
The Immigration and Nationality Division
New Jetty
White Rock
St Peter Port
Guernsey
GY1 2LL

T: +44 (0)1481 741420

F: +44 (0)1481 723442

E: enquiries@nationality.gov.gg

British citizens residing in the Bailiwick of Guernsey (Guernsey, Alderney, Sark, Herm, Brecqhou and Jethou) are entitled to obtain a British Passport. If this is issued in Guernsey it will bear the words "British Islands, Bailiwick of Guernsey" as opposed to "United Kingdom of Great Britain and Northern Ireland" if issued in the United Kingdom.

Certain persons residing in Guernsey are not British citizens but are entitled to obtain a British Passport under the provisions of the British Nationality Act 1981. Further information on the subject can be obtained from the Chief Passport Officer at the Immigration and Nationality Department at the above address.

2 Housing and the Right to Work Laws

Owing to the size of the island and the density of population, the control on the occupancy of living accommodation is strict.

Since the war a number of measures have been taken, including the introduction of legislation to control the occupation of dwellings in Guernsey by persons without residential qualifications. This legislation makes provision for the issue of housing licences to persons brought to the island to fill positions considered to be essential to the well being of the community. The duration of a housing licence can vary from nine months per year in the case of seasonal workers, up to fifteen years in the case of those persons whose employment is considered essential.

For those to whom the Housing Authority cannot justify the issue of a housing licence, approximately 10% of the 18,000 dwellings are freely available for purchase and occupation. These "Open Market" properties (a complete list of which is maintained on the Housing Register) are generally the larger executive type of dwelling of relatively high cost, whereas the other 90% of houses are "Local Market" and are purchased by the permanent population with residential qualifications or housing licences.

In addition, businesses in the island may apply to the Housing Authority for housing licences for essential members of their staff, provided it can be shown that persons with the requisite skills and expertise are not

available in Guernsey and that their industry is of benefit to the island both financially and as an employer of local labour.

Any person seeking to establish a manufacturing business in the island and wishing to obtain one or more housing licences should discuss the matter with Commerce and Employment Department, the address of which is:

Raymond Falla House
PO Box 459
Longue Rue
St Martin
Guernsey
GY1 6AF

T: +44 (0)1481 234567
F: +44 (0)1481 235015
E: commerce@gov.gg

Full details of the Housing Control Law are available upon request from:

Housing Control Officer
Housing Department
Sir Charles Frossard House
PO Box 43
La Charroterie
St Peter Port
Guernsey
GY1 1FH

T: +44 (0)1481 715790
F: +44 (0)1481 716457
E: housing.control@gov.gg

As a means of ensuring that persons are legally housed in accordance with the relevant housing legislation, The Right to Work (Limitation and Proof) (Guernsey) Law, 1990, was brought into force on 1st August 1990. It provides that anyone who has commenced or changed employment or has become self-employed after 1st December 1989, must furnish their employer with a "Right to Work" document issued by the Housing Authority showing that they are legally housed.

There are six types of Right to Work documents, but the three most common are:

- (1) a Status Declaration issued to persons qualified under the Housing Laws typically by reason of birth or parentage and residence in the island to occupy "Local Market" dwellings;
- (2) an employment related housing licence (see above) which is for both "essential" employees and those employed under short-term licences. This type of licence specifies the dwelling which may be occupied and has an expiry date; and
- (3) a declaration of lawful residence, issued to "Open Market" dwellers and to those whose right to occupy a "Local Market" dwelling is dependent upon certain conditions, e.g. the spouse of a housing licence holder who must live with the licence holder for 15 years before acquiring qualifications in his or her own right.

The law places an obligation on employers to ensure that, when necessary, the employee has provided his or her Right to Work document. Failure on the part of either employer or employee to comply is an offence. The latest Housing Control Law came into force on 1st July 1994.

3 Prices, Rates and Taxes

Prices of commodities generally are approximately equivalent to those in the UK, but Value Added Tax and other forms of sales taxes are not payable in Guernsey. The prices of certain commodities (e.g. alcohol, tobacco, perfume) are lower than in the UK.

3.1. Rates and taxes (other than income tax) payable in Guernsey are as follows:

3.1.1 Tax on Real Property

Tax amounts are now calculated by multiplying the unit value of the property (calculated by multiplying the square metre of area by the unit value) by the appropriate tariff and is charged to and payable by the owner of the property. There are different tariffs (approximately 50) for different categories, of which there are five made up of domestic premises, commercial premises, publicly owned (non-domestic), land, exempt buildings and/or land. The tax is administered by the States Cadastre.

For further information:

T: +44 (0)1481 721239

3.1.2 Parochial Occupier's Rate

Parochial occupier's rate is fixed annually according to the needs of the parish concerned and therefore varies depending on the parish. For current rates and more information contact the relevant parish office.

3.1.3 Parochial Refuse Rate

Parochial refuse rates are charged separately from the Parochial Occupier's Rate. They are also charged to and payable by the occupier of the property. Details of these rates are available from the relevant parish office.

3.1.4 Water Rate

For information on the current level of water rates contact Guernsey Water for further information.

T: +44 (0)1481 724552

F: +44 (0)1481 715094

3.2 Electricity

Economy tariffs are available upon application. For the latest electricity rates contact Guernsey Electricity.

T: +44 (0)1481 246931

3.3 Gas

For the latest rates, contact Guernsey Gas.

T: +44 (0)1481 724811

4 Income Tax

The standard rate of Income Tax is 20p in the £. No death duties or turnover taxes are payable in Guernsey, and there are no surtax or capital taxes.

Further information about local Income Tax, allowances and reliefs may be obtained from:

The Administrator
States of Guernsey Income Tax
PO Box 37
2 Cornet Street
St Peter Port
Guernsey
GY1 3AZ

T: +44 (0)1481 724711
F: +44 (0)1481 713911
E: incometax@gov.gg
W: www.gov.gg

5 Import Duties

Import duties on foreign goods are levied by the States of Guernsey, but are generally similar to those in the United Kingdom. Subject to certain conditions, personal and household effects and motor vehicles may be imported without payment of duty.

Full information relating to the importation of such goods may be obtained from:

The States of Guernsey Customs and Excise Division
New Jetty
White Rock
St Peter Port
Guernsey
GY1 2LL

T: +44 (0)1481 741450
F: +44 (0)1481 712248
E: customs&excise@customs.gov.gg

6 Company Registration

Company Incorporation and Director pre-registration

The Companies (Guernsey) Law, 2008 came into force on 1st July 2008 and introduced substantial legislative changes in the incorporation and administration of companies.

6.1 Incorporation of Guernsey Companies

Applications to incorporate a Guernsey company are now made online to the Guernsey Registry. Applications must be made by a licensed fiduciary known as a Corporate Service Provider ("CSP"). AFR Trustees (Guernsey) Limited is a CSP.

Online incorporation through a CSP results in lower cost and greater speed. Incorporation can be effected within 24 hours for the normal Registry charge of £100. There is also the option of speedier incorporations at a greater Registry fee – £350 for a 2 hour incorporation, and £750 for a 15 minute incorporation.

6.2 Protected Cell Companies

Before a company can be incorporated as a protected cell company or an existing company converted into a protected cell company, the company must be declared by the Guernsey Financial Services Commission to be an authorised collective investment scheme under s8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

6.3 Director Pre-registration

It should be noted that before a company can be incorporated, the directors of that company must pre-register with the Guernsey Registry. Again, as a CSP, AFR can assist you with this.

For further information in relation to the services AFR Trustees (Guernsey) Limited can offer please contact:

Claire Purdue or Rachel Chandler

T: +44 (0)1481 743999

F: +44 (0)1481 743990

E: cpurdue@afradvocates.com

rchandler@afradvocates.com

7 Population

The 2001 Census of Population in Guernsey revealed a total population of 59,807 at a density of 2,467 persons per square mile. Full details of the Census can be found by downloading the full 2001 Census Report off the internet at <http://www.gov.gg/ccm/navigation/government/facts---figures/census>

8 Health Services

The National Health Service does not operate in Guernsey or Alderney. The Guernsey Social Security Authority ("GSSA") runs a Specialist Health Insurance Scheme which came into operation on 1st January 1996. This Scheme covers the cost of specialist medical care and ophthalmic services provided by the Medical Specialist Group and in-patient hospital physiotherapy.

Details of the exact services covered or excluded may be obtained through the GSSA. The Scheme is funded through either earnings-related or income-related insurance contributions: again further details may be obtained from the GSSA. New residents become eligible to receive benefits under this scheme as soon as they register with Social Security. New residents who are not working in Guernsey have a window of 26 weeks in which to pay Social Security contributions. If the individual opts out of paying Social Security contributions then they will not receive any of the benefits.

Outside of the Health Insurance Scheme, Guernsey and Alderney residents are responsible for meeting the costs of treatment from their GPs (i.e. primary care) (subject to a grant of £12.00 per consultation with a doctor and £6 for a consultation with a nurse, for persons who pay Social Insurance contributions), chiropodist (in respect of out-patient treatments), optician and dentist.

No charges are made to patients for hospital accommodation, nursing services, drugs prescribed whilst in hospital, consumables, X-rays and pathological examinations (e.g. blood tests), unless the patient chooses to be treated privately and undertakes to pay fees.

Charges are made for accommodation and other hospital services provided to patients in Victoria Wing, the private ward of the Princess Elizabeth Hospital. A person receiving wholly private treatment (i.e. outside of the Specialist Health Insurance Scheme) will be charged at a daily rate. A person requesting an amenity bed, but receiving treatment under the Specialist Health Insurance Scheme will be charged a lesser amount per

day. These are annually reviewed and current costs can be obtained from the Health and Social Services Department.

There are a number of hospital and medical insurance schemes operated in the island by Provident Associations and Friendly Societies, which prospective residents will wish to consider if they would like to opt for private medical care or wish to take out cover for items not covered by the Health Insurance Scheme (e.g. GP consultations). Such insurance is strongly recommended.

Ambulance services are provided by the St John Ambulance and Rescue Service which levies charges for attendance by ambulance personnel and for transport by ambulance or ambulance car. The service operates an Ambulance Insurance scheme where a small annual premium paid by 31st December each year covers any ambulance charges incurred for the following year.

To gain immediate cover you should contact:

The Chief Officer
St John Ambulance and Rescue Service
Rohais
St Peter Port
Guernsey
GY1 1FB

T: +44 (0)1481 723866
F: +44 (0)1481 716030
E: chief.officer@ambulance.org.gg

Further Information

Any further details required about hospital or medical facilities in the island may be obtained from:

The Chief Executive
Health and Social Services Department
Le Vauquiédor
St Martin
Guernsey
GY4 6UU

T: +44 (0)1481 725241
F: +44 (0)1481 725255

and the Specialist Health Insurance Scheme:

The Guernsey Social Security Department
Edward T Wheadon House
Le Truchot
St Peter Port
Guernsey
GY1 3WH

T: +44 (0)1481 732500
F: +44 (0)1481 732484
E: enquiry@ssd.gov.gg

9 Education

The States Education Council is responsible to the States of Guernsey for the administration of education in Guernsey.

Compulsory school age is from 5 to 15 years. Free primary education from 5 to 11 years of age is provided in infant and junior schools in various parts of the island, with defined catchment areas. A number of small fee-paying private schools cater for young children up to 11 years of age.

The total school population (which includes the islands of Alderney and Herm) is approximately 8,600. There is no nursery provision run by the States Education Council but children are usually admitted to school as rising five year olds.

There is a secondary selection test at 11 and those children who, as a result of this test, are assessed as being suited to a more practical and less academic type of education, are placed at one of four secondary schools, depending upon the school's catchment area. These schools provide a comprehensive range of GCSE courses and pupils who achieve good grades may progress into the 6th Form of the Grammar School, or into full-time courses at the College of Further Education.

Those children who are assessed from the selection test as being suited to a mainly academic curriculum may be offered places at either the Grammar School or a scholarship at one of the independent colleges.

Co-Educational

A Grammar School where there is no provision for fee payers (circa 800 pupils).

Girls

- (a) The Ladies' College - A fee paying school with Melrose Nursery, Melrose Infants and Junior School and The Ladies' College Senior School. Some scholarship places are awarded from 11 years onwards.
- (b) Blanchelande Girls' College - An independent fee paying girls' school with Pre-School and Infants (which takes both boys and girls between the ages of 3 and 7), and Junior and Senior Schools (girls only). This is a Roman Catholic School but does accept non-Catholics.

Boys

Elizabeth College - A fee paying public school with Pre-school and Pre-Preparatory located at Acorn House (which takes both boys and girls between the ages of 2½ and 7 years), Preparatory at Beechwood (which takes both boys and girls between the ages of 7 and 11 years) and Elizabeth College, the Senior School, which takes boys between the ages of 11 and 18. The 6th Form now admits girls to take "A" Level courses. Some scholarships are awarded from 11 years onwards.

All of these schools provide courses leading to GCSE and "A" Level examinations. Boys and girls who go on to universities and further education in the United Kingdom can receive financial assistance for such purposes through the States Education Department on a basis similar to local education authority grants in the UK, although parents are required to contribute towards the cost of fees as well as maintenance if their income warrants it.

Special Schools (for children with learning difficulties)

For those pupils whose educational needs cannot be met in mainstream schools, the Education Department maintains two special schools. To be considered for admission, pupils will have undergone or be undergoing a Formal Assessment which will identify their prime area of need as one of the following:

- Moderate learning difficulties with additional needs
- Severe learning difficulties
- Profound and multiple learning difficulties.

Pupils may also have additional needs such as:

- Communication and interaction difficulties
- Behavioural, emotional and social difficulties
- Sensory, physical and medical difficulties.

Le Rondin School & Centre caters for primary age pupils with a range of special educational needs. Le Rondin also provides an office base for the peripatetic education support services who mainly work with pupils in mainstream schools. Therapy rooms for occupational therapists, speech therapists and physiotherapists from the Health and Social Services Department are also located there.

The Health and Social Services Department's Child Development Centre also operates from Le Rondin School & Centre.

Pupils of secondary school age with special educational needs attend the new Le Murier School which opened in September 2008 and is co-located with St Sampson's High School.

The College of Further Education provides post-16 opportunities.

A Centre for pupils with social, emotional and behavioural difficulties currently operates from Granville House in Mount Durand and will move into the vacated Oakvale premises after some conversion work has taken place.

The SEBD Advisory and Outreach Service also currently operates from Granville House and will move to Oakvale following the necessary conversion work.

Additional Child Health Services are provided by the Health and Social Services Department.

Careers Advice and Further Education

A full careers advice service is offered for all school leavers by Careers Departments within secondary schools and three full-time Careers Officers who are based at the Education Department.

Further education is provided within the island at the College of Further Education where full-time and day-release courses and a wide variety of vocational and recreational evening classes are available.

Further information may be obtained from:

The Director of Education
Education Department
PO Box 32
The Grange
St Peter Port
Guernsey
GY1 3AU

T: +44 (0)1481 710821

F: +44 (0)1481 714475

E: office@education.gov.gg

10 Social Insurance, Family Allowances, Pharmaceutical Service and Other Services administered by the Guernsey Social Security Department

10.1 Social Insurance Contributions

A person who has attained school leaving age but is below pensionable age, i.e. below age 65, is normally liable for the payment of contributions under the Guernsey Social Insurance Scheme as an employed, self-employed or non-employed person.

Under the terms of a reciprocal agreement between the UK, Jersey and Guernsey, a person resident in Guernsey may not be permitted to continue to pay voluntary contributions to both Guernsey and the UK Social Insurance Schemes. A person resident in Guernsey can, however, pay compulsory contributions to the Guernsey Scheme and voluntary contributions to the UK Scheme. Further information may be obtained from the Department of Social Security Overseas Group, Newcastle-upon-Tyne or the Guernsey Social Security Department.

Information about the effects of the reciprocal agreement can be obtained from either the Guernsey Social Security Department at:

The Guernsey Social Security Department
Edward T Wheadon House
Le Truchot
St Peter Port
Guernsey
GY1 3WH

T: +44 (0)1481 732500
F: +44 (0)1481 732484
E: enquiry@dssd.gov.gg

or:

The Department of Social Security
Room WP2112
International Liaison Section
Child Benefit Centre (Washington)
PO Box 1
Newcastle-upon-Tyne
NE88 1AA

Agreements also exist with other countries, but in the absence of any such provisions a qualifying period of residence of up to 12 months may have to be served before the allowance is payable.

10.2 Social Insurance Benefits

The payment of contributions provides for a range of social insurance benefits which are listed below:

- Attendance Allowance
- Benefits for Widows and Widowers
- Death Grant
- Family Allowance
- Health Benefit
- Industrial Disablement Benefit
- Industrial Injury Benefit
- Invalid Care Allowance

- Invalidity Benefit
- Long-term Care Benefit
- Maternity Allowance
- Maternity Grant
- Old Age Pensions
- Pharmaceutical Benefit
- Sickness Benefit
- Specialist Medical Benefit
- Supplementary Benefit
- Unemployment benefit

Further details of the qualifying conditions for each benefit and an explanatory leaflet can be obtained from the Department upon request. Subject to the satisfaction of certain provisions, contributions paid under the UK Social Insurance Scheme may be taken into account by Guernsey to assist with entitlement to some of these benefits.

10.3 **Family Allowance**

An allowance is payable for every qualifying child of a family resident in Guernsey; it must be claimed within three months of taking up residence or of the child's birth. If not claimed within three months, payment will be backdated for three months only unless good cause is shown for the delay when payment may be made for a maximum of 12 months.

All children under school-leaving age qualify, as do any who are attending a full-time recognised educational course until the first Monday of August following their 19th birthday.

Family Allowance is not taxable and there is no income tax allowance for dependent children.

Families entering the island from the UK or Jersey are normally entitled to the allowance on taking up residence because of a reciprocal agreement between social security authorities.

Agreements also exist with other countries but in the absence of any such provisions a qualifying period of residence of up to 12 months may have to be served before the allowance is payable.

Information about the effects of a reciprocal agreement can be obtained from either the Guernsey Social Security Department or The Department of Social Security, Newcastle-upon-Tyne.

10.4 **Pharmaceutical and Health Benefits**

These benefits are available for residents of Guernsey. Individuals have 26 weeks in which to decide whether or not they wish to pay social security contributions. If they opt to make the payments, they will receive the benefit of lower price prescription drugs etc. If they do not make the contributions they will have to pay the full price for such services. The Pharmaceutical Service covers the supply of prescription drugs, medicines and a limited range of medical appliances. A Health Benefit Medical Consultation Grant can be claimed towards the cost of each visit to the doctor.

10.5 **Supplementary Benefit**

The Guernsey Social Security Department also administers the Supplementary Benefit (Guernsey) Law, 1971. Full details are available at the Guernsey Social Security Department.

10.6 **Attendance Allowance and Invalid Care Allowance**

Subject to the satisfaction of residence conditions (which may be satisfied by residence in the UK or Jersey) and providing income is less than a prescribed amount, an allowance may be paid to a severely disabled person and to a person caring for him.

10.7 Further Information

Leaflets dealing with various aspects of the laws and services administered by the Guernsey Social Security Department are available free of charge and the following is a list of those which may be of interest to persons coming to Guernsey or Alderney from the UK. They can also be obtained via The States of Guernsey website. Online leaflets available are:

- Attendance Allowance
- Benefits for Widows and Widowers
- Death Grant
- Family Allowance
- Health Benefit
- Industrial Disablement Benefit
- Industrial Injury Benefit
- Invalid Care Allowance
- Invalidity Benefit
- Long-term Care Benefit
- Maternity Allowance
- Maternity Grant
- Old Age Pensions
- Pharmaceutical Benefit
- Sickness Benefit
- Specialist Medical Benefit
- Supplementary Benefit
- Unemployment benefit

N.B. Insofar as the services administered by the Guernsey Social Security Department are concerned, Guernsey includes Alderney, Herm and Jethou, but excludes Sark and Brecqhou.

Further information and other leaflets on the services administered by the Guernsey Social Security Department may be obtained from:

The Administrator
Guernsey Social Security Department
Edward T Wheadon House
Le Truchot
St Peter Port
Guernsey
GY1 3WH

T: +44 (0)1481 732500
F: +44 (0)1481 732501
E: enquiry@dssd.gov.gg

11 Local Industries

Anyone interested in setting up a light industry should obtain further details from:

Commercial Relationship Manager
Commerce and Employment Department
Raymond Falla House
PO Box 459
Longue Rue
St Martin
Guernsey
GY1 6AF

T: +44 (0)1481 234567

F: +44 (0)1481 235015

E: commerce@gov.gg

12 Car Importation

It should be noted that contact should be made with the States of Guernsey Customs and Immigration Services in regard to the importation of your car.

Whether duty will be payable will depend upon various factors such as the country from which the car is imported, the length of ownership prior to arrival in Guernsey and the intention or otherwise to retain ownership for a period of time after arriving in Guernsey.

The Guernsey Customs and Immigration Service will normally answer a specific query within minutes.

T: +44 (0)1481 741450

13 Vehicle Registration

Any person coming to Guernsey with a vehicle on a permanent basis will be required within two weeks of arrival to re-register the vehicle in Guernsey. With effect from 31 December 2007 motor tax was abolished and a surcharge added to the cost of fuel.

The address of the Driving Licence and Vehicle Registration Department is:

Driver and Vehicle Licensing
PO Box 145
Bulwer Avenue
St Sampson
Guernsey
GY1 3HY

T: +44 (0)1481 243400

F: +44 (0)1481 242175

14 Guernsey Driving Licence

New residents to the island, who already have a driving licence issued in another jurisdiction, will need to apply to exchange their foreign licence for a Guernsey licence within one year of arriving in the island.

The Department is able to exchange full licences issued by many countries, including the UK and European Union members, for Guernsey licences provided that the application for exchange is received within the one year period from arrival in the Bailiwick.

If the licence is not exchanged within a year, or if there is no reciprocal exchange agreement with the country in which the licence was issued, then the new resident will be required to take and pass a driving test (including the theory test) before they can be issued with a full Guernsey licence. New residents cannot legally continue to drive on a foreign licence after the one year period from arrival in the Bailiwick.

Any foreign licences must be surrendered upon application for a full Guernsey licence. Foreign licences are sent back to the issuing authority for cancellation.

15 Buying a Home in Guernsey

15.1 Checklist

We have devised this Checklist that you should consider when you have decided to buy a house in Guernsey which could save you time and hopefully make the process less stressful.

- Contact a bank or other loan provider or broker and arrange an appointment to establish how much money you can borrow. When arranging the appointment find out what you need to take with you e.g. wage slips, bank statements, etc.
- If life assurance cover is required as a condition of your loan, which it invariably is, ask your lending manager (or an insurance broker or independent financial adviser) to supply you with a proposal form. A doctor's report may be required before the application can be processed by the insurer.
- Once you know how much you can borrow and have been given the go-ahead by the bank, call in or contact estate agents and ask them to show or send you details of the properties they have on offer within your price range.
- Instruct an advocate's firm as soon as you have put in an offer on your new home and let the estate agent know the name of the firm acting for you so that all necessary documents are given to the advocates in good time.
- If you do not have an advocate, it would be sensible to choose one that has been recommended to you by family, friends, the bank or estate agent. Keep your advocate fully informed of all the circumstances relevant to your purchase (e.g. loan, survey, any special agreements with the seller ("vendor")). Don't be afraid to ask questions - your advocate is there to help.
- The conveyancer, within the legal practice of your choice, dealing with your matter will contact you by phone or post and introduce themselves to discuss the proposed purchase. This will be a good time to raise any queries you may have regarding your proposed purchase.
- The estate agent will provide your advocate with draft Conditions of Sale, title deeds to the house, an inventory of all those items included in the sale (carpets, curtains, kitchen appliances etc.) and any other relevant information. You will be sent a copy of the draft Conditions of Sale and a copy of the inventory once it has been approved by the vendor.
- Conditions of Sale will set out:
 - a brief description of the property
 - the names of the vendor(s) and the purchaser(s) and their respective addresses
 - date of completion - when you actually attend Conveyancing Court and formally agree to purchase your new home
 - the price of the property, broken down as to realty (the house and land) and personalty (carpets, curtains, white furniture, light fittings, etc.)
 - general terms and conditions and four specific conditions relating to finance, survey, property matters and housing licence.

It is most important that you do not sign Conditions of Sale until your advocate has seen or spoken to you.

- Contact your bank and tell them that you have found your new home. They should arrange an appointment with you to discuss the finer details of your mortgage.
- They may suggest which surveyor you should use – some banks only accept certain surveyors. The types of reports include the following:
 - Valuation Report
 - Home Buyers' Report
 - Structural Report (full survey).

The Structural Report is not normally requested unless the property is very old and/or there is good reason to believe there are major structural defects.

You will need to contact the surveyor yourself to arrange a survey.

Remember - once you have signed Conditions of Sale you must accept the property as it is. It is therefore vitally important to know before you sign if there are any problems with the structure of the house (walls, roof, foundations) which could be costly to repair.

- Life policies, house insurance and any other matters should also be discussed with your lending manager or broker.
- While you are sorting out your survey and finances your conveyancer will have started work. He or she is normally given two working weeks to deal with all matters relating to the legal title to the property. By that time, hopefully, you will be in a position to proceed with the signing of the Conditions of Sale.

15.2 **What your Advocates do**

- Your conveyancer will carry out the necessary searches at the Cadastre (Rates Department) and Greffe (Land Registry). These searches are needed to establish whether the vendors own the property, the boundaries are correct and the property benefits from, or is subject to, certain rights relating to drainage, rights of access to maintain walls, rights of way, etc.
- Once these have been completed your conveyancer will visit the property and check that the boundaries on site are as stated in the title deeds and ensure that any rights (if any) are sufficient. He or she will also be looking for any potential problems, such as lack of access to maintain a gable, overhanging gutters and the like.
- Your Advocate will ask the Environment Department to issue an "Immunity Certificate" which will be a certificate confirming that the Department is satisfied with the planning status of a property at the time of purchase. It is the purchaser who applies for the Immunity Certificate. The purchaser's advocate will usually acquire the application form on a purchaser's behalf and complete the relevant details. The form is then signed by the purchaser and sent to the Environment Department. The Immunity Certificate costs £50 which is payable by the purchaser and is non-refundable should the purchase not take place for whatever reason.
- They will then collate all the information ensuring that all is in order and prepare the file for a meeting with you.
- At the meeting your advocate and conveyancer will explain to you the boundaries and the rights affecting the property.

- During the meeting the manner in which you will own the property (if there is more than one purchaser, either jointly and for the survivor, or in undivided shares), wills and any other relevant details will be discussed. Particular advice will be given to unmarried couples who are purchasing. At the meeting you will also be informed of the costs involved.
- Once all of the above is complete, Conditions of Sale can be signed by you and the vendor, and the deposit paid by the purchaser and acknowledged by the estate agent. There will then be a binding contract.
- A 10% deposit is usually required when you sign Conditions of Sale (the equivalent of passing contracts in the UK), although a reduced figure (5%) is becoming more frequent.
- It is not uncommon for the Conditions of Sale to be signed subject to certain conditions being met, e.g. obtaining an offer of finance, a satisfactory survey and/or a housing licence. A time deadline is normally fixed called "the Operative Date". Once all the conditions are met then no further action is required. If the conditions are not met, then you may withdraw from the transaction prior to a specified time on the Operative Date.
- The conveyance will be prepared and a draft will be sent to you for your information, together with a financial statement showing the exact amount required to complete the purchase, several days before you purchase your property. This amount must be in your advocate's clients' bank account the day before you go to Court to buy your home (the "Completion Date") so that the monies can be paid out to the vendor's advocate on completion day. If you are borrowing from a bank/building society these funds will usually be paid directly to your advocate's office.
- On the day that you attend the Conveyancing Court to buy your home you will meet at your advocate's office on a Tuesday or Thursday at approximately 9:00 a.m. when your advocate and conveyancer will run through the documents (usually the conveyance and the bond which relates to monies being borrowed) and finalise any financial aspects. They will also explain how the Conveyancing Court works and what is expected of you. You will then be taken to the Conveyancing Court for 9:30 a.m. and can usually leave by 9:45 a.m. holding the keys to the door of your new home.

15.3 **Power of Attorney**

Time is of the essence in completion of a conveyance of Guernsey property. Failure to complete by a purchaser on the agreed date will result in loss of the deposit. In view of the possibility of travel problems, illness, business commitments, etc., a purchaser who is not normally resident in Guernsey is advised to complete a power of attorney in favour of his advocate or any other person of his choice. The completed power of attorney can then be held by the advocate and utilised should the need arise.

A power of attorney will be supplied on request, and must be completed before a solicitor, commissioner for oaths or notary public. It should then be returned to your advocate well in advance of the day of your proposed purchase. If the power of attorney is to be completed in Guernsey, it must be signed in the presence of a notary public.

15.4 **Advocates' fees and document duty**

15.4.1 *Conveyance*

All fees are chargeable on the value of the realty only (the value of any personalty (e.g. furnishings, etc.) are not taken into consideration in this calculation).

(a) Document duty:

This is a duty levied by the States of Guernsey. Where the consideration is £250,000 or less, it is necessary to distinguish between transactions involving a dwelling and those involving any other property. Where a dwelling is involved:

- transactions up to £150,000 are charged at 2%
- transactions between £150,001 and £250,000 are charged at 2.5%; and
- transactions exceeding £250,001 are charged at 3%.

On any other property duty is charged at 3% irrespective of value.

There are certain cases where less duty is payable, and these would be brought to the purchaser's attention if relevant.

(b) Advocates' fees:

These are payable to the purchaser's advocate. There is a minimum fee of approximately £600 on transactions up to £48,000 (unless the transaction is unusually complex). Advocates' fees on transactions over £48,000 are charged at 0.75% plus £115.00.

(c) Court fees and registration fee:

Approximately £190.00.

15.4.2 *Bond fees*

(a) Document duty:

This is a duty levied by the States of Guernsey and is 0.5% of the sum secured.

(b) Advocates' fees:

Payable to the lender's advocate, but collected on his behalf by the advocate for the purchaser. These are:

- £25.00 basic charge, plus:
 - £3.00 per £1,000 for the first £10,000 of the amount secured; and
 - thereafter £2.00 per £1,000 for the remainder of the amount secured.

(c) Court fees and registration fee:

Approximately £232.00 depending upon the length of the document.

16 **Joint ownership of Guernsey property**

There are various ways in which property can be vested in purchasers who are buying jointly to take account of their particular circumstances.

A decision of the Guernsey Court of Appeal has highlighted the need for care to be taken when unmarried persons jointly purchase property in Guernsey.

Legal advice should always be obtained.

17 Wills

Guernsey's laws of inheritance are based on Norman customary law and are significantly different from the laws applicable in the UK.

It is most important to consider the implications of the local inheritance laws before acquiring a dwellinghouse, and for new wills to be made.

We have information on inheritance generally on our Website.

18 Ancient Monuments and Protected Buildings

A substantial number of dwellings in all parishes are registered buildings under the Planning Laws.

The Environment Department will ensure that any proposals conserve important historical or architectural features and special considerations may apply if alterations or improvements are proposed.

19 Open Market Properties

There are several matters of importance relating to dwellings inscribed on the Housing Register, i.e. those which may be occupied by anyone regardless of whether they possess local residential qualifications or a housing licence:

- 19.1 If an inscribed dwelling is used or made usable as two or more dwellings, the Housing Department is obliged to delete them from the Housing Register, thus depriving them of Open Market status.
- 19.2 Written notice must be given to the Housing Department at least seven days prior to the commencement of any structural alterations or additions to an inscribed dwelling.
- 19.3 An inscribed dwelling will lose its inscription if it is demolished, although it will retain its status if reconstructed on the same site as the previous dwelling and if reconstruction commences within one year (or such longer period as may be agreed) from the date of demolition.

It is important to note that, as a result of legislation enacted in 1988, dwellings which in the opinion of the Housing Department are used as residential nursing homes or lodging houses may be inscribed on different parts of the Housing Register. The effect of such re-inscription is that persons who commenced occupation of the premises after 6th September 1984, or who have not been continually resident there since that date, must be either locally qualified or possess a housing licence. Accordingly, care should be taken where it is intended to buy Open Market properties for multiple occupation.

20 The Rural and Urban Area Plans ("RAP" and "UAP")

Planning and all developments in Guernsey are controlled by the States of Guernsey Environment Department.

For planning purposes, the island is divided into two distinct areas which are identified on two plans which cover the entire island. The plans are known as the "Urban Area Plan" and "Rural Area Plan Review No. 1". The Urban Area Plan covers the St. Peter Port and St. Sampson's Areas and "the corridor" between. Rural Area Plan Review No. 1 concerns the remainder of the island.

Each plan shows the zoning within which a property is situated. This might be an Area of High Landscape Quality, a Site of Nature and Conservation Importance, a Conservation Area or Land Reserved for Industry. The zone within which a property falls and the policies applicable to it dictate the planning restrictions which will apply to that property. For instance, a property within an Area of High Landscape Quality is subject to fewer restrictions on development than one which is within a Conservation Area.

Each plan will be reviewed separately but usually within a period of 5-10 years. At the time of review, a revised Draft Plan is published by the Environment Department and tabled at a Public Inquiry which hears objections and counter-representations to the zonings proposed on the plan. Any person has the opportunity to support or object to any property zoning or policy. The Inquiry is chaired by an inspector. After the Inquiry the inspector reports to the States of Guernsey with his recommendations on the Draft Plan. This is then debated by the States and, when approved, the plan becomes effective. The Environment Department cannot grant planning permission which contravenes the policies applicable to the zoning of the property on the plan.

Copies of each plan and its accompanying Written Statement can be obtained from:

The Environment Department
Sir Charles Frossard House
La Charroterie
St Peter Port
Guernsey
GY1 1FH

T: +44 (0)1481 717200

F: +44 (0)1481 717099

E: env@gov.gg

21 Planning Applications

The Rural and Urban Area Plans referred to above define what type of development can take place on a particular property. Applications for planning permission must be made to the Environment Department. Most alterations to a dwelling or change of use to a property, require permission. Some very minor works are exempt from the need to obtain permission but these are few in number.

Under new laws which came into force in April 2009, the Environment Department is able to seek the reinstatement of a property which has been altered without permission, even against a new owner who may have to rectify the changes at his own cost.

The Environment Department have made it clear that following the new laws coming into force, an "Immunity Certificate" can be applied for which will confirm that the Department is satisfied with the planning status of a property at the time of purchase and that it will not be taking action against the purchaser in respect of any alterations carried out by a previous owner. An Immunity Certificate costs £50 which is payable by the purchaser and is non-refundable should the purchase not take place for whatever reason.

Applications can be made for permission in principle or detailed planning permission. Work can only commence when detailed planning permission has been granted. It is also necessary to obtain Building Control consent if the works concern external or internal alterations to a building.

22 Anti-Money Laundering and Other Financial Crime

We are required by law to verify the identity of our clients by receiving and retaining appropriate documentary evidence of their names and addresses. In addition and in the light of the nature of our instructions and the scale, range and complexity of the services sought from us, we may require additional information to ensure that we have a clear understanding of our clients' requirements and patterns of activity with which we are concerned. In the course of the relationship, as such patterns develop or vary, it may be necessary for us to seek additional information in order to keep our records complete and up to date.

AFR Advocates are pleased to provide any additional information on any of the matters referred to in this brochure. Please note that this brochure is a guide only and prospective residents are advised to obtain more detailed information on any matter referred to before taking any action.

For further information please contact:

AFR Advocates
PO Box 688, Court Place
Rue du Manoir, St Peter Port
Guernsey, GY1 3XZ

T: +44 (0) 1481 743999

F: +44 (0) 1481 743990

E: info@afradvocates.com

W: www.afradvocates.com
