

## THE ALTERNATIVE INVESTMENT MARKET

AIM is based in London and is the world's leading market for smaller and growing companies. Since its launch in 1995, over 3,000 companies have been brought to the market, which is built upon outstanding reputation and high standards, specifically designed for the needs of smaller companies wishing to benefit from a public quotation.

An AIM quotation offers:

- A flexible regulatory regime
- Access to a unique, globally respected market
- Access to a wide pool of capital
- Enhanced profile – heightened interest in your company
- Increased status and credibility
- Currency for and easier rules on acquisition
- Eligibility for a range of tax benefits

In recent years there has been considerable growth in the number of foreign domiciled businesses choosing a Jersey company as a holding vehicle to list on AIM.

Moore Stephens Jersey has the relevant professional experience and expertise to meet your needs.

We can assist in the formation and ongoing administration of these companies, and the summaries below highlight some of the services we are able to provide.

### **Incorporation of the Company**

- Advising on the most appropriate type of company, i.e. a Jersey Public Company
- Liaising with the Registrar
- Completion of all documentation required to form the Company
- Establishing banking facilities with key bankers in Jersey
- Acting as initial directors, please note they would resign prior to the AIM listing if Moore Stephens act as Auditors, as there would be a conflict of interest thereafter.

### **Up to and including AIM listing**

- Preparation of shareholders' resolution to amend Memorandum and Articles
- Collation of documents for insertion in Verification Notes
- Attending Board Meetings; the drafting and finalisation of minutes
- Commenting on draft admissions documents
- Liaising with:
  - Nominated Advisors
  - Auditors
  - Brokers
  - Lawyers in Jersey, the UK and other necessary jurisdictions
  - Share Registrars

### **Ongoing Administration**

- Maintenance of up to date registers of (a) Members via the Registrars Corporate Portal and (b) Directors and Company Secretary
- General guidance on best practices to the Board to meet the requirements of a public listed company
- Ensure that regular meetings of the Board of Directors are held
- Attend all Board Meetings, prepare the minutes, arrange for their signing
- Arrange the calling of and attendance at all Annual General Meetings and Extraordinary General Meetings; prepare the minutes, arrange for their signing
- Maintain the statutory records of the company
- Ensure compliance with both the London Stock Exchange and Jersey Regulatory requirements.
- Cash management
- Electronic banking facilities, which facilitates efficient and effective payments
- Arrange preferential interest rates
- Maintenance of full accounting records, which are audited by the company's appointed auditor.

We would work closely with Moore Stephens London; they have substantial experience in acting as Reporting Accountants on flotation's and, in the last three years, has acted on approximately 30 initial or secondary public offerings and class circulars for fully listed or AIM clients

They have the distinction of having acted on the first company to join AIM (Formscan Plc) and on the 1000th (AEC Education Plc). They currently audit in excess of 20 AIM companies.

### **Taxation Benefits of using a Jersey Holding Company**

#### **Jersey**

As the Company will have no Jersey resident shareholders, and will be an International Service Entity (ISE) paying £100 fee per annum, the Company will be deemed non-resident for taxation purposes.

The benefits are as follows:

- The Company would **not** be subject to Jersey tax on:
  - Worldwide income (ex Jersey)
  - Bank deposit interest paid by Jersey banks
- There is no requirement to withhold tax on dividends (paid or received), interest and payments
- There is no requirement to submit a return of income or file accounts with the Jersey Income Tax department
- On dissolution, a Jersey resident liquidator is not assessable to income tax on any bank interest accruing to the Company on the winding- up of the Company's affairs.

## UK

It may enable a foreign group to access London's capital markets without being liable to UK tax (UK tax advice should be taken and followed in every case).

### **Other Benefits of using a Jersey Holding Company**

In addition to taxation benefits, there are many other benefits of using a Jersey Holding Company as the listing vehicle, which tend to be attractive to both investors and practitioners.

Whilst not exhaustive, examples are as follows:

- No stamp duty is payable on the transfer of shares when the share register is maintained offshore
- Shares in Jersey companies may be held and traded in uncertificated form
- Jersey companies law is based on well known and accepted English principles, but tends to be more flexible - virtually everything you want a UK company to do or be bound by for the purpose of shareholder protections is equally possible with a Jersey company
- Investors are familiar with Jersey as a well regulated international finance centre
- The Regulator, being the Jersey Financial Services Commission, is knowledgeable about AIM listings, which tends to have a positive impact on the timeliness of the approval process
- Jersey finance industry is renowned for its high levels of corporate governance
- Jersey is in a convenient time zone, being the same as London, which allows business to be conducted in the same day in most parts of the world
- The easy accessibility from London - 35 minutes by plane, with regular flights from Gatwick, and other airports
- Jersey is geographically close to Europe but independent from the European Union
- The stability of Jersey from a political, economic and fiscal perspective; its reputation acquired over the last 40 years
- The independent endorsements Jersey has received from the IMF/FATF and similar supranational bodies
- The quality, breadth and depth of legal, accounting, administration and banking expertise within the Island, this can be seen by the high level of Jersey companies already listed on AIM

***Moore Stephens Jersey is part of Moore Stephens International, which is regarded as one of the world's major accounting and consulting networks consisting of 351 independent firms with 630 representative offices and some 21,000 people across 98 countries.***

This information sheet provides a brief outline only and is not comprehensive as such and should you require further specific advice, please contact Kathy Gillen or Jane Dolby.

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