

Consultation April 2011

When the States of Guernsey approved a States Report prepared by the Commerce and Employment Department regarding a review of Trust Law in Guernsey it included proposals for the introduction of foundations. The introduction of foundations legislation would provide additional choice and flexibility for the fiduciary sector, and its clients, whilst allowing Guernsey to continue to meet international standards through high standards of transparency and compliance.

The States resolved, in principle, that foundations should be introduced and directed the Commerce and Employment Department to provide a further States report on the detail of how a Guernsey foundation would operate in addition to preparing the relevant legislation. Working with the Law Officers Chambers the Department has prepared draft legislation for consultation. The Department intends to finalise the legislation and provide a further States Report for presentation later this year.

The Commerce and Employment Department has released the consultation document and it is available to download at

<http://www.guernseyregistry.com/ccm/navigation/foundations/>

in order to receive feedback on the draft Foundations Law and to ask for industry feedback on certain key questions.

We have not attached the document to this communication as it is over 2Mb in size.

This consultation document is arranged as follows:

1. Part One – What are foundations? This section provides some general comments on how foundations operate. Consultees are asked to provide some general feedback to the Department on the potential markets for Guernsey Foundations?
2. Part Two – Major Policy Questions. This section includes a discussion on a number of key issues which have been identified while the legislation has been drafted on which the Department would like specific feedback in order to resolve some key policy questions for the legislation.
3. Part Three –The Layout of the Law. This section contains a broad discussion on the layout of the draft legislation and provides further background on the legislation. Feedback from this section will assist in finalising the States Report.
4. Part Four – Further Reading. This section list a number of further sources that consultees may find useful background reading. It also provides links to the legislation in other jurisdictions which may provide useful comparison.
5. Part Five – Summary.
6. Appendix 1 - contains a consolidated list of all consultation questions.
7. Appendix 2 – contains the draft Foundations (Guernsey) Law.

Timetable

The Commerce and Employment Department intends to finalise the draft law and present it to the States by no later than the September States meeting. Assuming the States approve the draft legislation it will then need to be presented to the Privy Council for approval. The Department encourages any interested party to respond to this consultation. All responses will be considered by the Department in finalising the legislation

Consultation Responses

The Commerce and Employment Department invites comments from interested parties in relation to the questions outlined in the document and summarised in Appendix 1.

Please provide responses, preferably by email, by 23 May 2011 to: foundations@commerce.gov.gg

or by hard copy to:

Foundations (Guernsey) Law Consultation

Guernsey Registry

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