



Louvre Group

C l i e n t B r i e f

Managing Directors welcome.

Welcome to the first issue of the Louvre Fiduciary Group Client Brief.

It will be the first of many and will be produced on a regular basis, with the intention of keeping our clients, colleagues and associates worldwide, up to date with the evolving offshore financial environment in Guernsey.

Recent events such as the implementation of the **EU Savings Tax Directive**, the ownership of property and assets around the world through **Guernsey Trusts and Companies** and opportunities available in the **Insurance, Fund Administration and Banking** sectors are important to our colleagues and, in turn, their client's world wide. We will let you know what is happening, why and how it can assist you.

New planning opportunities can also arise quickly and there is no better example than the recent changes to the **Guernsey Protected Cell Company** legislation. These changes are an exciting development that opens up a wealth of new opportunities to a whole spectrum of clients, both corporate and individual.

Lynn Giovanazzi, our Operations Director, who will be known to some of you, has prepared a short Brief that outlines the relaxation of the Protected Cell Company regulations and how they may be applied in the area of property ownership. It is but one of limitless new uses.

We pride ourselves on being a very personal and relationship driven company, so please contact us with any questions you may have. You can contact us by e-mail and via our website, but talking through solutions to client issues is best done by telephone, so do please call.

Derek Baudains
Managing Director



"It is a very funny thing about life: If you refuse to accept anything but the best, you very often get it" **W.Somerset Maugham**



New accounting and book-keeping service

UHY associates worldwide can now take advantage of a new accounting and book-keeping service being made available through our Guernsey office.

Our new Group company - UHY Louvre Accounting Services Limited - has been incorporated in response to the needs of several of our legal and commercial clients to help solve some of the problems they face. The new company provides -

- Trust accounting
- Corporate accounting
- Fund accounting
- General book-keeping services

The new company is staffed by experienced professionals and is headed by Helen Bougourd, our Finance Director.

Helen has already noted trends in the use of the new service.

“Compliance requirements are one of the key areas. Corporate trustees, for example, gain reassurance and can provide comfort to their own clients and their PI insurers, by emphasising that the accounting for their trusts is done by an independent third party.”

Other companies have required a solution to other needs. Some are faced with limited availability of qualified staff locally, so the ability to outsource to a professional team is an ideal and cost-efficient solution.

While smaller companies and start up companies may not have the experience to manage their own accounting or the capital to employ a full-time resource, so using UHY Louvre is proving the perfect solution.

Helen or Lynn will be pleased to discuss any requirements you have, either to assist as a temporary measure, or to provide a full-time accounting resource.

Lynn Giovinazzi
Director



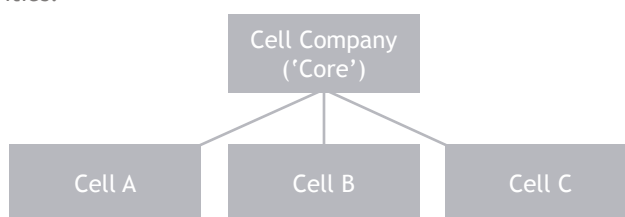
The Guernsey Protected Cell Company ('PCC')

An innovative and flexible structure ideal for protecting assets and ring-fencing liabilities.

A problem faced by many corporations and wealthy individuals alike, is how to segregate and safeguard valuable assets on the one hand from their other assets that have the potential to attract serious liabilities.

One excellent solution is the Guernsey Protected Cell Company ('PCC'), a cellular corporate structure that allows assets to be held within individual cells. The assets of any one particular cell are only available to the shareholders and creditors of that cell - creditors of another cell having no recourse against them.

The PCC was introduced in 1997 and was initially the sole domain of vehicles carrying out financial services activities, such as collective investment funds, captive insurance and securitisation. However, the Guernsey authorities have now relaxed the regulations and this will allow the PCC to be used for a range of commercial non-financial activities.



The basic structure of the PCC is straightforward. The 'Core' company (established and managed by a Guernsey financial services provider such as Louvre) is able to create cells. These cells are then made available to clients, thereby saving them the expense of establishing the PCC themselves. Individual assets and liabilities (or assets with the potential to attract a liability on the happening of some future event) can be placed into the cells.

The key principal is that the PCC legislation expressly provides that the assets of one cell are only available to the shareholders and creditors of that cell. The assets of one cell cannot be attacked by the creditors of another cell.

A straightforward example of their broader application may be in the area of property ownership. The wealthy individual, or the manager of a Property Fund, investing, perhaps worldwide, in land for development, property renovation or existing rental property, can isolate the risks associated with each investment.

These may be environmental, from the previous or new land usage (thereby ring-fencing other valuable property in the portfolio from any litigation claims), or as a result of a collapse in the demand for a certain type of property leading to the insolvency of one part of a Property Fund.

Examples of the diversity of uses will include - Umbrella Funds, Joint Venture vehicles and nominee companies to separate the assets of each beneficiary.

Although there will still be some restrictions, the possibilities for the use of PCC's now appears endless. Each application does need to be approved by the Guernsey authorities and we will be pleased to make the application on behalf of any clients and to provide, administer and manage the cells on their behalf.

For more information please contact Lynn Giovinazzi at Lynn.Giovinazzi@louvregroup.com or telephone: +44 (0)1481 727249

Guernsey PCC - Key points

- Ability to separate assets and liabilities
- Statutory protection of one cells assets from the creditors of another cell
- Can be used for simple asset holding
- Flexibility and relaxation of rules governing potential uses
- Subject to consents, now available to the private client as well as the corporate client
- Cost effective and easy to establish and use.