

Provision of Registered Office Services by unregulated persons

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The Commission has encountered and dealt with some cases where individuals have been providing registered office without a licence and therefore wishes to remind people that providing registered office, by way of business¹, is a regulated activity for which a primary or secondary fiduciary licence is required.

This guidance is not directed at fiduciary licensees who provide registered offices in accordance with their fiduciary licences but instead seeks to explain the position under the Fiduciaries Law and provide a rationale as to why the provision of registered office is a regulated activity.

The provision of a registered office, on behalf of others, by way of business, is a regulated activity for which a primary or secondary fiduciary licence is required. The provision of a registered office, by way of business, can only, subject to very limited exemptions, be provided by a company or a partnership with a primary or secondary fiduciary licence; it cannot be provided by an individual, even with a personal fiduciary licence.

It is important to note that there is no ‘de minimis’ number of registered offices that can be provided by an individual. So even if an individual, by way of business, were providing one registered office they would be breaking the Fiduciaries Law. For the avoidance of doubt, this is different to the provision of directorship services, where individuals can take advantage of a number of exemptions including the exemption available at section 3(1)(g) of the Fiduciaries Law or the ‘up to 6’ exemption.

Provision of a registered office for an individual’s own company, partnership or other unincorporated body is not a regulated activity because it is not by way of business (the person is not charging himself to do it).

¹ By way of business is defined under section 59(3) of the Fiduciaries Law as “*a person who carries on any activity shall be deemed to do so by way of business if that person receives any income, fee, emolument or other consideration in money or money’s worth for doing so*”

All Guernsey companies must have a registered office. Restricting who can undertake this activity (providing registered offices, on behalf of others, by way of business) and ensuring they meet minimum standards, is an important safeguard for the Bailiwick because:

- Provision of a registered office is a gateway to the jurisdiction;
- The registered office could be being used to provide an air of legitimacy for nefarious underlying business activities; and
- It provides the correspondence address for the Guernsey Company, which if inaccurate undermines the reliability and accuracy of the Guernsey Companies Register.

The Commission considers that unregulated individuals may not have the depth of knowledge or resources available to them to ensure that the underlying company for which they are providing the registered office services is operating in a compliant manner and meeting international standards (including anti-money laundering and the countering of financing of terrorism). Providers of a registered office are also required by the Companies (Guernsey) Law, 2008, to keep certain documents at the registered office address including register of members, register of directors, copy of minutes of directors meetings, records of resolutions of members, minutes of general meetings, annual validation records, accounting records and record of resident agent.

The Commission takes comfort that regulated fiduciaries who provide registered office services are subject to regulatory oversight, required to comply with minimum criteria for licensing and AML/CFT requirements, including requiring them to identify and verify the beneficial owner/s of the company and monitor the company's activities.