

BUSINESS PANEL





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OUR EXPERTS SHARE THE KNOWLEDGE...

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To be a future panellist, contact wgreen@guernseypress.com

Can I transfer a UK pension?

I've returned to Guernsey after 12 years of working in London. I have a UK registered pension scheme and if possible I'd like to transfer this into a Guernsey pension scheme and continue to save. Is that possible?

Sean Gillease, business development manager, Sovereign Trust (Channel Islands) Ltd, replies:

YES, as a Guernsey tax resident it is possible to transfer from a UK registered pension scheme to a suitable Guernsey pension arrangement, but there are factors to consider to ensure that the transfer is an 'authorised' transfer and does not create any UK tax liabilities, both at the time of the transfer and going forward*.

Firstly, does your employer in Guernsey provide you with access to a pension scheme?

If they do, ask whether their scheme meets the UK prescribed conditions to be a Qualifying Recognised Overseas Pension Scheme (QROPS) and if so, whether it is listed by HMRC.

If it is, you should be able to transfer your UK pension benefits to your employer sponsored scheme in Guernsey.

That will, in all likelihood, be the most cost efficient way for you to transfer your UK pension benefits to Guernsey.

However, if your employer does not offer any sort of pension arrangement or the pension they provide is not a QROPS, you could establish a personal RAT (retirement annuity trust) which can be structured to meet the relevant QROPS conditions. The most significant condition that must be met is that the scheme must have a minimum



retirement age of 55 to be consistent with UK rules (as opposed to age 50 under Guernsey rules.)

Some local pension providers offer multi-member RATS which are already listed by HMRC as a QROPS and so you can apply to join such a scheme and a transfer should be possible immediately.

If you make additional contributions to your Guernsey pension once it has received your UK pension transfer, your provider will be required to manage separately the respective funds, the UK transfer

funds and the Guernsey contributions, as there are slightly different rules which will apply to them. This should all be explained to you by the pension provider.

* Transferring from a UK registered pension scheme to a QROPS in Guernsey, for a Guernsey tax resident, will be paid free of UK tax.

However the individual must remain resident in Guernsey for at least a further five complete and consecutive UK tax years from the date of the transfer in order to not give rise to a 25% UK tax charge.

Technology in the workplace - big changes are ahead

How is technology impacting the workplace?
Jason Connolly, director at NGIT, replies:

Technology is changing our lives beyond recognition. In the near future, driverless cars will whisk us to work and computer chips implanted in our brains will directly connect us to the internet, eliminating the need for computers, phones and workplaces. Not long after, artificial intelligence will replace us in the workplace entirely and will significantly increase productivity, living standards and allow us much more free time.

The internet

Arguably, the most important invention in human history, the internet has connected businesses with clients and increased the speed of communication exponentially. This trend is increasing further with web portals enabling online transactions, sharing of reports and statements in real time. Blockchain technology is also helping to make online transactions more secure and reliable.

Remote working

Technology will continue to blur the work/life boundary by providing a connection to systems from any device anywhere in the world, allowing people to fill their spare time with work and spend more time at home with the family. Technology also enables expansion into new jurisdictions, connecting remote offices and allowing staff around the world to collaborate.

Cyber security

Financial and data protection regulations are driving businesses to focus on security, procedures, auditing and monitoring. Audits now assess businesses against stringent ISO, ISAE and PCI-DSS standards. This will lead more businesses to consider hosted services, where best practices in security and IT are baked into the service.

Artificial intelligence

Of course there are adverse risks to technological advancements and whilst AI is making us more efficient, it may ultimately free us entirely from our jobs (and salaries). SpaceX and Tesla entrepreneur Elon Musk suggests a guaranteed annual income to everyone, which seems reasonable, if politically challenging to achieve.

How cryptocurrencies differ from traditional banking practices

CRYPTOCURRENCIES operate over a decentralised network, what does this mean and how does it differ from traditional banking?

Fallon Ephgrave, trader and market maker, Ravenscroft, replies:

IN conventional banking the records of bank account transactions are updated by the bank where the account is held, i.e. HSBC, Barclays etc. Each bank is entrusted to keep the information of each client's account private and to protect them against fraudulent transactions because they have sole responsibility for the production and maintenance of the bank's ledgers. Each transaction will be visible exclusively to three parties - the instructing counterparty, the recipient and the bank itself. No other actors will be aware of the transaction, the monetary value of your account or any of your personal transaction history. The safety and the accuracy of the records being kept of your account is the responsibility of the chosen bank and they are rewarded financially for providing this service.

The blockchain technology, of which cryptocurrencies typically run off, works somewhat differently. There is no

central authoriser for any transactions, instead, anyone can offer computing power to the blockchain and become a node - more commonly referred to as a 'miner'.

Miners take on the role of the bank (in the conventional system) and are responsible for maintaining the integrity of the ledger. Each miner has a copy of every single transaction that has taken place since the creation of the currency. Before each new transaction is approved (and the distributed ledger updated) miners will verify the transaction.

If someone attempts to introduce fraudulent transactions (usually by trying to spend coins that have already been spent) the miners will reject the transaction.

Theoretically it is possible to beat the verification system by implementing something known as a 51% attack - i.e. obtaining 51% of a network's mining power, thus enabling you to verify your own falsified transactions. However, the practicality of obtaining the power required to do this renders such an attack outside the realms of possibility (especially for the larger currencies) and would require the equivalent of several governments' computing power.

What does it mean to be on the protected buildings list?

I have been told that my building has been added to the protected buildings list, what does this mean?

Carey Olsen senior associate Rachel Jones replies:

A NUMBER of buildings have recently been added to the protected buildings list.

The Development & Planning Authority is required by law to prepare and maintain the list and to keep it under review.

The DPA has been carrying out a review since 2012 to determine whether buildings should remain on the list and whether any other buildings should be added. Your building will have been added to the list as part of that review.

Buildings on the list are those with special interest, the preservation of whose character is, in the DPA's opinion, a matter of public importance. Protection is required as such buildings are a precious and limited resource and are powerful reminders of the traditions, work and way of life of earlier generations.

A building may be seen as having special interest for a number of reasons including the building's

age, architecture, history, historical associations and demonstration of traditional crafts and skills.

The DPA will have carried out an assessment of your building against published criteria and concluded that it has sufficient special interest. If only part of a building has special interest, only that part should be protected.

Now that your building is a protected building, it does not mean that it cannot be changed in any way, but it does mean that the requirements for planning permission are more stringent than for a non-protected building. You must obtain planning permission for any alterations, extensions or changes, including some repairs. Any changes should preserve or enhance the special characteristics of the building. If you do not agree that your building should be on the list, you have a right of appeal to the planning tribunal, but you have to act quickly as such appeals have to be made within 28 days of the notification of the DPA's decision. If you are unsure whether your building should be added to the list, then you should seek professional advice as soon as possible.