

IN THE WAKE OF COVID-19 GUERNSEY SUPPORTING UK PLC FINANCING THROUGH CASH BOX PLACINGS

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As the number one domicile for secondary UK listings Guernsey is uniquely placed to help UK companies raise cash quickly to counteract short-term cash flow issues arising as a result of Covid-19.

'Cash boxes' are a tried and tested way for publicly-listed companies to raise cash quickly without having to offer all shareholders the chance to participate or to obtain shareholder approval, each of which can be time consuming or add regulatory complexity. With a cash box, UK PLC shares are issued in exchange for redeemable shares in a special purpose subsidiary, incorporated in a jurisdiction such as Guernsey.

The UK's Pre-Emption Group has recognised the need for companies to raise cash quickly at times of cash flow issues, and so has temporarily relaxed guidelines to allow listed companies to issue up to 20% of their share capital on a non-pre-emptive basis, such as through a cash box, compared to the normal 5%.

"It is another example of how our flexible company law regime means that Guernsey is perfectly positioned to facilitate the flow of capital into UK companies, or those listed on the London markets," said Tony Lane, Partner at law firm Carey Olsen.

"It plays into our proven expertise in dealing with companies listed on the London markets, second only to the UK itself."

For more information, check out this article from Tony Lane at Carey Olsen:

<https://www.careyolsen.com/briefings/guernsey-cash-box-structures>

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Rupert Pleasant, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

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