

## Guernsey-Registered Image Rights

Guernsey has approved draft legislation, expected to be enacted in early 2012 in time for the London Olympics and the 2012/13 football transfer season, that will provide for the registration of image rights. The new image rights regime, which will be the first in the world, builds on Guernsey's existing extensive IP legislation and will be analogous to the trademarks concept, but is aimed at protecting and exploiting the commercial use of an individual's distinctive attributes rather than a brand's.

A registered image right would establish a legally recognized asset providing greater certainty to all parties involved in the marketing, trading and charging of such rights, which have become a significant income stream for film stars, sports professionals, musicians and celebrities.

Key features of Guernsey's new legislation will be:

- Establishment of an Image Rights Register supervised by a Registrar.
- Registrable features of a qualifying personality will include name, voice, signature, photograph, character and likeness.
- Qualifying personalities will include any living or deceased person and could extend to some non-human entities, such as fictional characters.
- Creation of exclusive ownership rights to be enjoyed and protected by the holder, and which may be assigned and otherwise dealt with as personality.
- Certain exceptions/limitations to the exclusive use of rights will be allowed where it is seen to be in the public interest (for example, news reporting).
- The rights will be fully compatible and integrated with the modern mass media market.

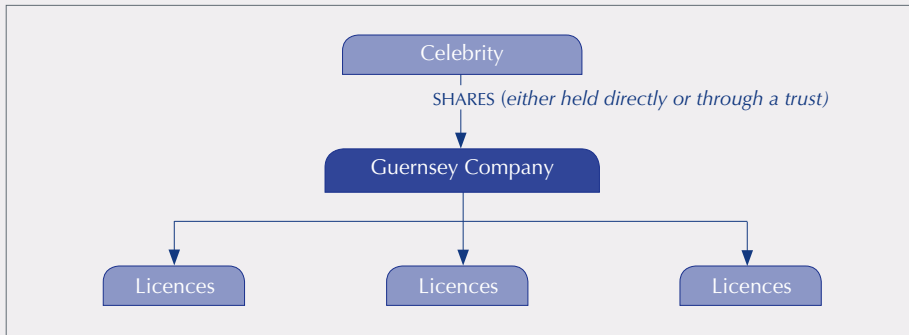
### STRUCTURING OF IMAGE RIGHTS THROUGH GUERNSEY

Once tax and legal advice is taken, specific to the individual circumstances of the person involved (for example, their resident domicile), the most effective way of holding and exploiting any such registered image right(s) can then be considered. For example, assigning the image rights into a Guernsey IP Holding Company (perhaps a Protected Cell Company or Incorporated Cell Company owned by a club or organisation for the purpose), from which to licence the rights for their various uses, could provide a tax-efficient treatment for the wealth generated from the licence arrangements. Guernsey raises no inheritance tax, capital gains tax, capital transfer taxes or VAT, and currently its corporate income tax is charged at a rate of zero percent (with the exception of some financially regulated businesses).

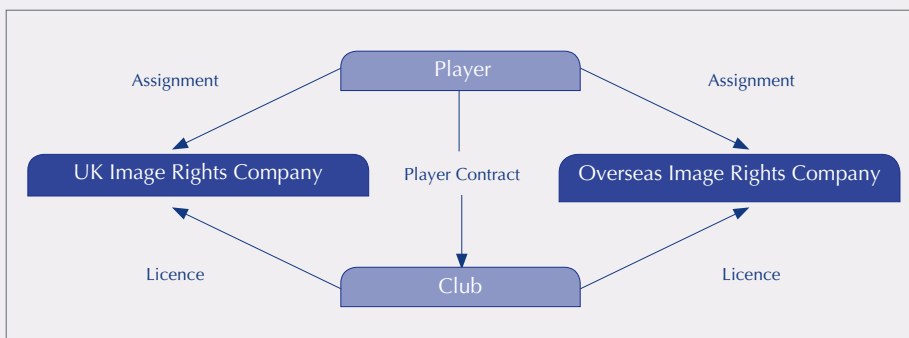
**> Potential example structures are illustrated on the next page.**

Example structures in use might include:

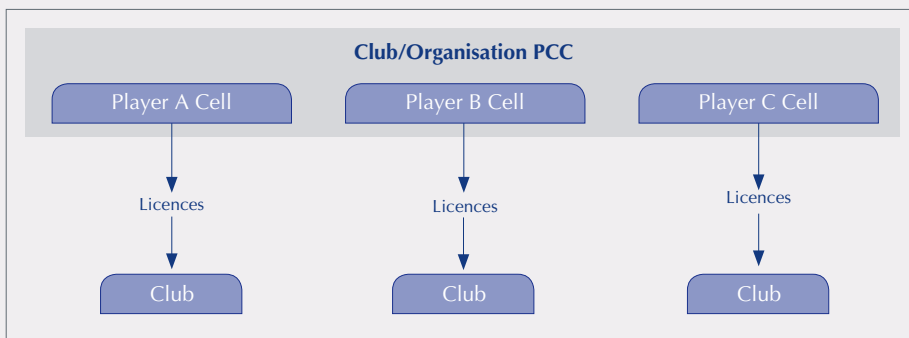
**1. Basic Licensing Structure**



**2. Player Licensing To Club**



**3. Group Structuring through a Protected Cell Company (PCC)**



A PCC is a single legal entity with a core and separate/distinct cells. The assets and liabilities of each cell are legally segregated from the core and other cells. This can be extremely useful for asset holding where the intention is to protect certain groups of assets from others. In this context there is potential for use by a club or agent to hold rights of multiple players.

Note:

- Player assigns image rights to cell of PCC in consideration for issuance of shares.
- Shares in cell can be held in trust subject to tax and legal advice.

For more information on Trident Trust’s Image Rights services, please contact Mark Le Tissier on +44-1481-727571 or at [mlettissier@tridenttrust.com](mailto:mlettissier@tridenttrust.com).

Trident Trust Company (Guernsey) Ltd  
 PO Box 287  
 4th Floor, Trafalgar Court  
 Admiral Park, St Peter Port  
 Guernsey, GY1 3RL  
 Channel Islands  
 Tel +44 1481 727571  
 Fax +44 1481 723162  
[guernsey@tridenttrust.com](mailto:guernsey@tridenttrust.com)

Regulated and licenced by the Guernsey Financial Services Commission