GUERNSEY BAR EXAMINATION

09:30AM, MONDAY 18 MAY 2026

COMPULSORY PAPER TWO

PROFESSIONAL CONDUCT, ETHICS AND RELATED ISSUES

ONE HOUR

CANDIDATES ARE REQUIRED TO ANSWER ALL QUESTIONS

THE MARKS AVAILABLE FOR EACH QUESTION ARE SHOWN BELOW. NOT ALL QUESTIONS CARRY EQUAL MARKS.

- QUESTION 1 – 15 MARKS
- QUESTION 2 – 15 MARKS
- QUESTION 3 – 10 MARKS
- QUESTION 4 – 10 MARKS

TOTAL 50 MARKS

PLEASE ENSURE THAT THE FOLLOWING IS CLEARLY MARKED ON EACH PAGE OF YOUR ANSWER SCRIPT:

- NAME OF PAPER
- CANDIDATE LETTER
- QUESTION NUMBER
- PART NUMBER OF QUESTION (if applicable)

MATERIAL PROVIDED:
1. Oath, Articles and Rules of Professional Conduct of the Guernsey Advocate

In each of the questions below you should answer on the basis that you are an employed Advocate working for Victor Hugo LLP, a fictional law firm based in Saint Peter Port, Guernsey. You have the necessary experience and expertise to act on behalf of the client, in each scenario.

QUESTION 1

You have been approached by Jonathan Smythe who is the attorney for Joe Smythe, his father, in relation to financial matters pursuant to a lasting power of attorney signed in Guernsey. Jonathan Smythe lives in London. His father was Minister for International Finance of the Marshall Islands until two years ago when he retired to Guernsey. Jonathan advises you that he wishes to sell an investment property that his father owns in Guernsey with his father's consent. Assume there are no issues arising in relation to capacity, consent or the validity of the power of attorney at this stage.

1.1 What documents would you require from an AML or CDD perspective in order to proceed? What other matters might you consider?

[13 Marks]

1.2 If Joe were the attorney appointed by a power of attorney for Jonathan (who in this case owns the property in Guernsey) would your approach to AML or CDD be any different? Explain.

[2 Marks]

QUESTION 2

You are instructed by Matthew Phillipe regarding the acquisition of shares in a Guernsey limited liability company that trades in electronics across all of the Channel Islands and Southern England. He wishes to purchase the shares at a fair market price in a new corporate vehicle he wishes to establish using your firm Victor Hugo LLP. Mr Phillipe has used your firm previously in relation to a number of business acquisition matters, over a period of the last 5 years, involving horticultural products.

2.1 What information are you obliged to provide on behalf of your firm to the client at this stage.

[6 marks]

2.2 It becomes apparent that having all the business conducted through one entity is not convenient and you are asked to help incorporate new Guernsey corporate vehicles for the business conducted in each jurisdiction in which the trading company currently operates. Does this change the information you are obliged to provide? Explain.

[3 marks]

2.3 Matthew Phillipe provides you with his passport and proof of address to copy. He is a British national but resides in France. He tells you he specialises in acquiring companies trading in electronics across Europe with a view to reorganising them and selling them on. He has recently found contacts in China who sell cheaper electronic components and buy completed electronic products. His contacts will provide the financing for his purchase, which he estimates will cost £8 million.

Do these facts impact on your ability to continue acting for Matthew Phillipe? Do any issues arise and if so, how should you deal with them?

[6 marks]

QUESTION 3

You are approached by Frank and Pamela Sarnia regarding the drafting and completion of Wills of Personalty and Realty. When you meet with the clients, they give their instructions as to what they wish to happen with regard to their estate and in effect they provide instructions for mirror Wills leaving their respective estates to each other and upon the death of the survivor, to their children. When you discuss the timing of signing the Wills, they indicate to you that they have been through a rough patch in their marriage, went through a period of separation and are now back together. This has resulted in them considering their affairs and wanting to complete their Wills.

3.1 What issues, if any, should be considered in relation to you acting for both parties? You are not required to consider the issue of whether or not there is an agreement to execute a Will in consideration of the other party also executing a similar Will.

[6 marks]

3.2 Some years have now passed and Pamela returns to you to amend her Will. She indicates that she and her husband are now separated. She is not represented in the divorce proceedings that are ongoing. Her husband is using another firm of advocates. She does not wish you to advise in relation to any divorce matters. She simply wishes to amend her Will.

What issues, if any, arise for your firm? Explain.

[4 marks]

QUESTION 4

You are representing Lisa Taylor, a local businesswoman, in criminal proceedings in the Royal Court. Lisa is charged with an assault and is very nervous about her upcoming trial. Lisa telephones your office and speaks to your secretary. Your secretary gives Lisa a "cast iron guarantee" that you will be available to represent her at her trial in 3 months' time, that she will be found Not Guilty and that she has "nothing to worry about".

4.1 What potential ethical issues arise as a result of the "guarantees" given by your secretary?

[4 marks]

4.2 Ms Taylor is found Not Guilty after her trial. The head of business development at your firm now wants to start a poster campaign advertising your criminal department. The tag line for the posters is "Better Call Us" and it proposes to cite the success of Ms Taylor's case and claim that you have a 90% success rate.

What ethical issues arise as a result of the proposed poster campaign?

[6 marks]

END OF PAPER