

STATES OF JERSEY

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DRAFT TAXATION (AGREEMENTS WITH EUROPEAN UNION MEMBER STATES) (AMENDMENT) (JERSEY) REGULATIONS 200-

**Lodged au Greffe on 5th December 2006
by the Chief Minister**

STATES GREFFE



Jersey

DRAFT TAXATION (AGREEMENTS WITH EUROPEAN UNION MEMBER STATES) (AMENDMENT) (JERSEY) REGULATIONS 200-

REPORT

Projet 163 of 2006 contains a statement of the purposes of, and the financial and manpower implications of, these Regulations.

Explanatory Note

These Regulations would amend the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 (the “principal Regulations”) in order to implement savings agreements entered into with Bulgaria and Romania, consequent on their accession to the European Union. The principal Regulations require the deduction of a retention tax from interest paid to a resident of a contracting party.

Regulation 1 is the interpretation provision.

Regulation 2 amends Regulation 2 of the principal Regulations so as to recite the States’ ratification of the savings agreements with Bulgaria and Romania.

Regulation 3 amends Schedules 1 and 2 to the principal Regulations so as to add Bulgaria to the list of contracting parties to whose residents the Regulations apply and to specify a competent authority and related entity for Bulgaria.

Regulation 4 amends Schedules 1 and 2 to the principal Regulations so as to add Romania to the list of contracting parties to whose residents the Regulations apply and to specify a competent authority and related entity for Romania.

The competent authority in a contracting party is the person to whom information obtained and tax retained under the principal Regulations is to be sent.

Related entities are authorities who act as public authorities or whose rôle is recognized by an international treaty and who, from March 2002 onwards, issue, or have issued, bonds and securities. Transitional arrangements are made in Regulation 5 of the principal Regulations as to whether interest paid on such bonds or securities is subject to retention tax.

Regulation 5 amends Schedule 2 to the principal Regulations so as to update the list of related entities of contracting parties with whom agreements have already been made.

Regulation 6 provides for the citation and commencement of the Regulations. The addition of Bulgaria and Romania to the principal Regulations would come into force 7 days after these Regulations are made. However, in the event that either of those countries has not acceded to the European Union by that date, power is reserved to the Chief Minister to defer commencement of the Regulations and specify a new commencement date, by Order.



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Arrangement

Regulation

<u>1</u>	<u>Interpretation</u>
<u>2</u>	<u>Regulation 2 amended</u>
<u>3</u>	<u>Schedules 1 and 2 amended: agreement with Bulgaria</u>
<u>4</u>	<u>Schedules 1 and 2 amended: agreement with Romania</u>
<u>5</u>	<u>Schedule 2 amended: existing agreements</u>
<u>6</u>	<u>Citation and commencement</u>



Jersey

DRAFT TAXATION (AGREEMENTS WITH EUROPEAN UNION MEMBER STATES) (AMENDMENT) (JERSEY) REGULATIONS 200-

Made

[date to be inserted]

Coming into force

[date to be inserted]

THE STATES, in pursuance of Article 2(1) of the Taxation (Implementation) (Jersey) Law 2004^[1], and following the decision of the States, taken on the day these Regulations are made, to adopt Projet 163 of 2006, have made the following Regulations –

1 Interpretation

In these Regulations, “principal Regulations” means the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005^[2].

2 Regulation 2 amended

In Regulation 2(1) of the principal Regulations for the words beginning “pursuant to” to the end of the paragraph there shall be substituted the following words –

“pursuant to –

- (a) the decision of the States of 22nd June 2004 to adopt Projet 97 of 2004;
- (b) the decision of the States, taken on the day the Taxation (Agreements with European Union Member States) (Amendment) (Jersey) Regulations 200- are made, to adopt Projet 163 of 2006”.

3 Schedules 1 and 2 amended: agreement with Bulgaria

- (1) In Schedule 1 to the principal Regulations, after the contracting party “Belgium” and its competent authority there shall be inserted the following contracting party and competent authority –

“Bulgaria	The Minister of Finance or an authorized representative.”.
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- (2) In Part A of Schedule 2 to the Regulations, after the contracting party Belgium and entities there shall be inserted the following contracting party and entity –

“Bulgaria	(municipalities)”.
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4 Schedules 1 and 2 amended: agreement with Romania

- (1) In Schedule 1 to the principal Regulations, after the contracting party “Portugal” and its competent authority there shall be inserted the following contracting party and competent authority –

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“Romania	The Minister of Public Finance or an authorized representative.”.
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- (2) In Part A of Schedule 2 to the principal Regulations after the contracting party Portugal and entities there shall be inserted the following contracting party and entity –

“Romania	autorit ile administra iei publice locale (local public administration authorities)”.
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5 Schedule 2 amended: existing agreements

In Part A of Schedule 2 to the principal Regulations –

- (a) after the contracting party Italy and entities there shall be inserted the following contracting parties and entities –

“Latvia	Pašvaldības (Local governments)
Poland	gminy (communes)
	powiaty (districts)
	województwa (provinces)
	związki gmin (associations of communes)
	związki powiatów (association of districts)
	związki województw (association of provinces)
	miasto stołeczne Warszawa (capital city of Warsaw)
	Agencja Restrukturyzacji i Modernizacji Rolnictwa (Agency for Restructuring and Modernisation of Agriculture)
	Agencja Nieruchomości Rolnych (Agricultural Property Agency)”;

- (b) after the contracting party Romania and entity, inserted by Regulation 4(2), there shall be inserted the following contracting party and entities –

“Slovakia	mestá a obce (municipalities)
	Železnice Slovenskej republiky (Slovak Railway Company)
	Štátny fond cestného hospodárstva (State Road Management Fund)
	Slovenské elektrárne (Slovak Power Plants)
	Vodohospodárska výstavba (Water Economy Building Company)”.

6 Citation and commencement

- (1) These Regulations may be cited as the Taxation (Agreements with European Union Member States) (Amendment) (Jersey) Regulations 200-.
- (2) Regulations 1 and 5 and this Regulation shall come into force forthwith.

- (3) Subject to paragraphs (4) and (5), Regulations 3 and 4 shall come into force 7 days after these Regulations are made.
- (4) If it appears to the Minister, before the day on which, apart from this paragraph, Regulation 3 would otherwise come into force pursuant to paragraph (3), that the agreement with Bulgaria will not apply on that day, the Minister shall, by Order, direct that Regulation 3 shall not come into force on the day specified in paragraph (3) and shall, either by that Order or by further Order, appoint the day when Regulation 3 shall come into force, being the day on which the agreement with that country applies.
- (5) If it appears to the Minister, before the day on which, apart from this paragraph, Regulation 3 would otherwise come into force pursuant to paragraph (3), that the agreement with Romania will not apply on that day, the Minister shall, by Order, direct that Regulation 4 shall not come into force on the day specified in paragraph (3) and shall, either by that Order or by further Order, appoint the day when Regulation 4 shall come into force, being the day on which the agreement with that country applies.

[1]

chapter 17.850

[2]

chapter 17.850.10