

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY S.Y. MÉZEC OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 17th JANUARY 2017**

Question

Further to the findings of ‘Post-Implementation Review of Jersey’s High Value Residents Regime Applicable since July 2011’ (R.130/2016), what research, if any, has been undertaken to measure exclusively the social contribution to Jersey of High Value Residents (HVRs), including any evidence of individual HVRs providing a negative social contribution?

Furthermore, will the Minister provide statistics to support the claim made in R.130/2016 that new HVRs are more economically active than those admitted to the Island under the previous scheme, including the total number of start-up businesses set up in recent years and the number of businesses relocated to Jersey by an HVR?

Will the Minister also advise how many Islanders are employed by businesses set up by HVRs?

Answer

The most recently-gathered and available statistics are all contained in the Tax Policy Unit’s Report from December 2016 (see <http://www.statesassembly.gov.je/AssemblyReports/2016/R.130-2016.pdf>).

The Review Team concluded during their work that it was not feasible to attempt further analysis of the social contribution HVRs make (for example, surveying the HVR community was ruled out as unnecessarily intrusive and at risk of producing under-reporting).

Table 10 on page 38 of the Report (reproduced below) demonstrates growth across the period 2012-2016 in the number of businesses established by HVRs arriving under the post-July 2011 regime; and the number of employees employed in those businesses. This modest growth – over the short time series of data available – is encouraging.

Based on the data available in the Taxes Office, the number of businesses established by those HVRs arriving in the period 2009-2011 (i.e. the years immediately preceding the current regime) and employing individuals is less than six. The Report does also indicate that “the demographics of the HVRs relocating under the post-July 2011 regime indicate that they are likely to be more economically active and less likely to be (solely) living off accumulated capital”. While a subjective assessment, it would be inappropriate for the Taxes Office to publish related demographic information given the small population of taxpayers involved.

The Comptroller advises me that no reliable data is available with regard to the number of Islanders employed in businesses established by those who have come to Jersey over the decades under predecessor HVR regimes.

Extract from ‘Post-Implementation Review of Jersey’s High Value Residents Regime Applicable since July 2011’

Table 10 : Businesses Established by HVRs (New Regime); Other Employment Created; and Additional Tax Contribution

	2012 YOA	2013 YOA	2014 YOA	2015 YOA	2016 YOA
No. of Businesses	Nil	<6	<6	6	6
No of Employees	Nil	<12	<12	32	42
ITIS payments	Nil	<£10,000	£82,000	£564,000	£397,000
Household Staff & ITIS payments	Nil	<12 £2,200	13 £19,700	14 £28,600	13 £23,200

Source: Locate Jersey and the Taxes Office

Notes:

- All tax figures rounded.