



The Jersey Chamber of Commerce and Industry Incorporated

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Julian Morris
Fiscal Strategy Programme Manager
Treasury and Resources Department
2nd Floor Cyril Le Marquand House
The Parade
St Helier
Jersey JE4 8UL.

26th July 2006

Dear Mr Morris,

Formal Response to Zero/Ten Design Proposals

I write on behalf of The Jersey Chamber of Commerce in response to consultative material issued for public consultation through your department issued on 5th May 2006.

1. Source of this response

I write on behalf of the membership of "Chamber" who represent over 500 local businesses spread over a wide range of business sectors all of whom will be directly affected by proposals.

Given our commercial nature our recourse to specialist corporate tax facilities is limited so for the greater part our response will cover our perception of the affects on commercial life the proposals may bring. We have also made some comment about fit and perceptions at a Strategic level and we should be grateful if you would refer the relevant text to appropriate ministers.

We have had the benefit of the seminar session organised by Senator Le Sueur as part of the consultation process and also the subsequent value of a joint seminar between The States and PWC hosted by Chamber both of which have been invaluable in more fully comprehending the proposals before us. We are grateful to Senator Le Sueur for the resource provided as part of the comprehension process.

2. Approach to response

We have considered matters in the context of the following tenants when looking at taxation:

- the complexity of proposals;
- the cost of implementation;
- the fairness of proposals;
- protection of fiscal income streams; and
- the international perception of proposals in the light of the above having regard for Jersey as an international business centre.

The above are considered to be the "generic" features affecting proposals. Additionally, we have considered the following aspects that we feel also impact on the proposal bearing in mind the framework does not operate in isolation but sits at the core of how business is conducted on the Island:

- the proposals in the context of the overall Strategic Plan;
- the paramount need to ensure Jersey is an easy place to do business; and
- the position of our immediate competitors.

We are appreciative that it has been emphasised that the proposals are published as a possible framework in the spirit of full public consultation. With this in mind some detailed views follow where there are fundamental areas of concern we believe require revision.



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3. Development of Commitments with Regard to the EU Code of Conduct

Unusually, it is confirmed as understood that these proposals have been taken to the EU Code of Conduct Group at this stage for consultation to enable a preliminary view on acceptance.

Whilst the reasons for such an early consultation, before clearing consultation locally, are fully understood in terms of discovering whether the broad thrust of proposals will be acceptable, caution is advised as to what extent proposals are presented as complete. We consider that there are both high level and detailed areas that will represent considerable difficulties. As you will observe it is a fine balance between over committing now in terms of imposing unnecessary complexity and perhaps allowing our competitors to use us as a leading edge on which to leverage their own positions.

As an overall view, while agreeing that certainty has its benefits in terms of business, perhaps being over prescriptive early on without leaving room for international and competitive manoeuvre might be detrimental. Certainly, by its very nature taxation unfolds in different ways in different jurisdictions at varying paces and we need to leave some flexibility in our approach, rather than impose what might be over complex or over demanding regulations that may the damage our ability to do business.

It should be considered to what extent the precision of proposals must be agreed at this stage and what can be developed in the light of experience. In particular we have in mind here the **look through proposals** where there is considerable inherent concern in business. The detail of those concerns is aired further below, but in the context of the EU a measured approach without rushing for the line might be sensible if possible.

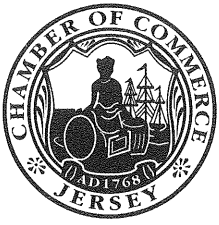
4. The principle of Zero / Ten

Before we develop our proposals / criticism of the detail of the package, it is worth reiterating that Chamber are fundamentally supportive of a Zero/Ten regime to protect the vital financial services business base, so international [clients] products can continue to benefit from a benign tax environment. Adopting the regime will enable the finance community to sustain its customer base. At the same time the Island will retain a substantial proportion of existing finance industry taxation. The size of this retained income stream should allow government to take a slightly more pragmatic view on the development of look through procedures as the approach to our framework matures; again the measured approach to this issue is discussed below. As a principle, therefore, the framework is confirmed as vital to the continuity of Jersey as a successful business centre. Greater concern centres on the detail of proposals outside of the basic corporate tax structure and how the complexity of the proposal impacts on the ability of businesses to perform.

5. Specific Areas of Concern

Notwithstanding general acceptance of the Zero/Ten approach to preserve the integrity of business in Jersey, Chamber has specific concerns about the detail of proposals with particular relevance to the following:

- **the Regulation of Undertakings and development charge “RUDL”;**
- **the Look Through Procedures with particular relevance to Deemed Distributions;**
- **impact on local property values;**
- **international perceptions;**
- **the proposals in the context of the Strategic Plan;**
- **the “Change Programme”;** and
- **competitors’ positions.**



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5.1 "RUDL"

It is, first of all, worth reiterating why this proposal appears at all in legislation. The thrust is of course to ensure some contribution is received towards the Island's finances from non financial service foreign owned companies operating in Jersey. This is a principle Chamber support, however, the practical approach here is considered unworkable from a wide ranging perspective as follows:

1. In order for local companies to be able to recoup the RUDL charge as intended, there is a necessity to reform as an LTP in all cases. This will be costly in terms of professional advice and continuity of existing contracts. As this will apply to all business this will of course include SME's which will have even greater difficulty in finding the money, resource and time to reform. We believe that the cost and complexity of the exercise is excessive for what will be a relatively small return to accommodate a principle, laudable as it is. In other words this seems a case of the cure killing the patient on this occasion.
2. In consequence of complexity, it is fairly certain a number of incorporated entities will not convert through cost, complexity, fear of change or an apathetic approach to yet further administration. The unintended consequence will be that some local companies will end up paying RUDL themselves, which will rather defeat the principle of fairness the approach is trying to achieve.
3. Even if a company may reclaim RUDL charges, it adds another layer of administration to operating in Jersey which will be off putting as part of domicile considerations both for new and existing business, perhaps not in isolation but certainly on a contributory basis.
4. Many see the RUDL charge as effectively a tax on jobs and therefore may drive companies to place economic activity outside of the island.
5. It is understood that RUDL reclaims would be retrospective which provides government with an immediate cash benefit. Obviously at a time when the community will be sensitive about overall tax take this may be an unintended perception which may draw adverse comment as well.
6. We are concerned that tracking the payment of the charge will be time consuming and costly to business and to government. Tracking who is a foreign owner, who is not and the mix of ownership all have complexity and costs. Although the overall cost to government of proposals will be discussed in greater detail in the context of the Strategic Plan below, it is recorded that for the amount intended to be raised of around £5M as we understand, the complexity and cost to business of collection and administration are unjustified, particularly when we believe the proceeds are not specifically relied upon for future States budgetary purposes.
7. The proposals that RUDL be relaxed for new start up companies coming to the Island will be unfair on local business to the extent initial cost is avoided for a period and incoming business will have an immediate advantage compared to local business. We consider this additional proposal is a direct response to and tacit admission of the complexity, tax on jobs and concern about inward investment issues that the RUDL charge creates, by trying to take the sting out early on but leaving the same long term consequences.
8. Taking the above concern forward, it impacts further on the choice of doing business in Jersey to the extent that as the RUDL charge is irrecoverable in the tax domicile of the overseas company, it becomes an absolute extra cost to doing business in the Island. Our competitors would not have the same issue.
9. Anecdotally we also are informed there is a school of thought in the legal world that the standalone integrity of an LTP internationally remains untested which would expose business stakeholders to great uncertainty where they might be operating outside of this jurisdiction.



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10. The effect on low margin high employee utilisation industries is expected to be high because of the size of work force in such business and the ability to finance/bridge the charge requirement. There will be the added administration complexity and cost of seasonal workers to contend with as well. This will in particular cause complexity and administration cost issues for the Tourism and Agricultural sectors which probably have the least ability to bear such pressure on resources given the fine competitive margins upon which they operate.
11. If the charge is generally reclaimable retrospectively this will put added pressure on the working capital facilities businesses operate with their bankers leading to increased financial arrangements and costs as well as the base complexity of resource and administration.

Our overall view of the RUDL charge is that it is overly complex and costly to administer relative to the income to be raised. It appears particularly disruptive to business at a time of significant change in any event. The intention of extracting a contribution from foreign owned non financial service companies is a good one in terms of fairness to local business and the fact these companies will be enjoying the resources of the Island. However, we consider the solution is over elaborate and costly and there are too many unintended consequences.

While we may first have taken the view that a cheaper method of novating business from one vehicle to another might have bridged the gap, closer examination tells us that RUDL, in our view, is a non starter and actually distracts from the key priority of implementing a core framework.

We consider seeking some equitable redress for local business is appropriate but in the context of the following:

- **the solution should not form part of core tax proposals because of headline over complexity and cost with distraction from the main aim;**
- **the priority is to get the core framework right, redress issues can follow later in the light of experience;**
- **perhaps another look at Rates once existing proposals have settled in a little might be a better avenue. Next review within three years more or less in time for core changes; and**
- **maybe a levy for education and training might be another route but only outside of core proposals. Perhaps a reverse view of the transfer pricing of indigenous education and training costs might be taken.**

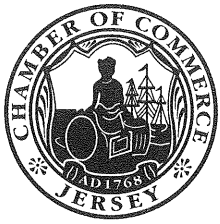
5.2 Look Through Procedures:

It is perhaps worth examining why these procedures are sought for implementation and then move on to their perceived effect in the form presented.

Clearly, if company taxation is drawn to nil outside of the finance and utility sectors the remainder of commerce will no longer automatically pay tax, but will pay tax privately on income earned from business by way of dividend distributions. Government will however be concerned that sufficient distributions are made to preserve budgeted fiscal flows hence the implementation of look through procedures, otherwise the risk of "fattening up" and selling on enterprises under the cloak of capital gain at nil charge is a distinct possibility. The concept of look through is therefore well understood but we would contend that the present proposals are over complex, stifling, expensive to administer and if anything running to the line too soon, and a more measured approach seems desirable.

Specific concerns are as follows:

1. The combination of a LIFO approach and a three year deferment policy, followed by a finance charge payable to the States in total is over complex and difficult to administer. The carrying calculations will be extensive, count back arrangements difficult and undoubtedly considerable extra accounting resource will have to be employed both by business and by the States to agree, track and collect or



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pay /tax. Certainly resources will considerably exceed a hard pressed tax department and fees to the accountancy industry will rise considerably.

2. The three year deferral is not only complicated but in essence it is a one off deferral for if a company wishes to avoid the finance charge, currently around 4%, effectively it will have to become a 100% distributor in the fourth year onwards. Therefore what seemed like a reasonable rolling deferral period is in fact of limited use and perhaps an unintended consequence. Either way because of the LIFO effect the concession does not act as a true rolling deferral, more so a temporary arrangement unless a finance charge is endured. It is worth mentioning in low inflationary climates with tight business margins a 4% levy, although having relationship to a finance charge, is no mean penalty to endure in exchange for capital flexibility.
3. Overall the flexibility to retain accumulated earnings in the business is negated leading to a business investment disincentive for minority investors. Required flexibility to meet early debt repayment programmes or acquire capital assets is negated, even straight forward working capital requirements are impacted upon. All this detracts from investing for growth which is of fundamental concern.
4. The policy is fundamentally unfair to minority shareholders for if a distribution is deemed after three years but not made a minority shareholder who has no control becomes liable for charge but may or will not have the income from which to pay the charge. This is seen as inequitable to minority shareholders and a disincentive to invest given uncontrollable liabilities that might be attracted.
5. Given the clear unfairness to minority shareholders, the policy will mitigate against entrepreneurs, "white knights" etc taking stakes in companies. This is particularly so at the start up stage at the smaller business end where at least a passive position will be expected, rather than a loaded position where the investee company can exercise undue influence over its minority investor through ongoing dividend policy. In short this is not an attractive position for a minority owner recruited to offer a longer term investment return but not wishing to have an intense interest in day to day management.
6. The enforced distribution policy, especially at the 100% level also takes no account of individual shareholders in terms of their income requirements and their own tax positions in terms of wishing to sustain a personal liability or not relative to their own personal affairs.
7. Where minority shareholders are outside of jurisdiction, the ability to use any offset against local domicile tax relative to imposed distribution charges is remote, acting as another disincentive to invest.
8. It might be argued that where distribution is enforced to avoid the 4% funding charge it is by no means certain that funding might be substituted by investor loans as a minority investor may not take this view. Therefore believing enforced distributions can be counter balanced by substituted investor loans cannot be taken as a foregone conclusion given the imposed investor choice in the system proposed.
9. In short, the imposed distribution policy imposes additional risk on the minority shareholder and throws into doubt stability of minority commitment.
10. Moving on from the minority position, the proposal also acts as a disincentive to retain invested earnings in the business unless reintroduced by way of shareholder loan and this may not always suit personal circumstances. The policy could well therefore disturb reinvestment policy considerably and mitigate against economic growth.
11. The definition of distributable profit vs' taxable profit creates a difficulty for smaller shareholders in locally quoted companies to the extent that the same disadvantage comes through as for minority shareholders but is exacerbated in terms of how a plc will seek to differentiate accounting policy verses distribution policy. Overall this will be a disincentive for local investors to participate in local plc's.



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Below we propose a number of counter balancing measures to be considered to ensure continuity of fiscal receipts, acknowledging that the current proposals appear over prescriptive:

1. The LIFO approach might be substituted by a FIFO approach to at least give fairer treatment of paid back distributions and minimise the tax surcharge of 4%. This would help mitigate against early accumulation of finance charges where the position of the company or the shareholder required deferred distribution.
2. The question of moving to an actual distribution basis has some merit. Although the initial proposals have a temporary deferment advantage, working on an actual basis does avoid the considerable complexity of tracking charges from year to year against share ownership and accumulated finance charges. The Isle of Man approach appears to have some merit and is discussed further below.
3. The question of company acting as agent for the payment of shareholder liabilities is also considered most worthwhile. This would at least permit the company to pick up the tab for a non distribution policy rather than the unfair position for minority shareholders currently predicted. We understand that EU Code of Conduct might militate against this, but nevertheless we would recommend a robust stance be taken, for without such a safety valve the position of minority shareholders is obviously prejudiced. Whilst reservations are clearly understood here, the ability to negotiate such a position in return for wider compliance must merit further pursuit.

The above is perhaps representative of the direct reaction to the status quo as depicted, but looking forward we feel the under mentioned questions are of merit:

1. Acknowledging that some enforced distribution policy will be a requirement to provide fiscal stability in the long term, we would suggest that we do not know whether insisting on a 100% policy after three years is necessary or not. We can see the fiscal safety first view here but not perhaps a period of pragmatism that would lead us to a more equitable result.
2. It is clear from the detracting points above that the attractiveness of investment and promotion of a benign climate for investors militates against an enforced policy particularly at a 100% level. It is a matter of finding some middle ground in terms of flexibility of the amount distributed but sticking to a straightforward distribution basis. This might be achieved by having a level of acceptable distribution policy on an actual basis, for example, 55% currently being proposed by the Isle of Man leaving both flexibility for capital retentions and treatment of minority shareholders.
3. The real question, however, is must we have an enforced policy and if so, at what level can we pitch it to leave shareholders and companies with maximum reinvestment flexibility to promote business growth.
4. In trying to answer the above question, one view is to rely on actual distributions only with no enforcement for maximum flexibility and an optimised investment environment. (This is the policy that Guernsey is effectively following in the absence of a look through policy. Rather they are heavily dependant on high growth rates. A high risk policy some might say and a point of view with which the writer would concur.)
5. Effectively we have three interpretations of this problem all of which have an explainable position. Jersey's position appears the least fiscally risky but most investor detrimental and Guernsey's being most investor liberal but fiscally most insecure.
6. We propose that we do adopt the concept of imposed distribution but reflect on the level required. Finding the right balance for our economy will lead to the best policy to promote benign conditions relative to actual actions of the Island investor base.



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7. IOM might be too low or high at 55% but the concept of having partial imposition can only help in promoting the benign environment we all seek.
8. With this in mind, it is suggested we begin on the basis of the Guernsey approach in year one with no imposed level and conduct this policy for a periods of two years to establish what actual distribution activity vs. required imposed activity is needed to strike the budgetary balance. This does mean that for a two year period there is a real risk of financing a deficit if actual collections do not reach the required level. However, the end result is that we will be able to establish a level of imposition relative to budget needs rather than use 100% imposition as a sledgehammer that maximises all the disadvantages set out above.
9. How the deficit for two years is financed would require consideration. We feel that using the Guernsey approach as an example, that some limited use of reserves might be appropriate. This again may seem a little Guernsey like, but it is worth considering that by the time you take out the Finance Industry which will pay 10% tax anyway plus distributions that will happen through the natural order of business activity then the ultimate figure vs. ensuring a benign environment might not be all that higher risk. It is certainly something worth running the numbers on in order to assess the risk of what could be a policy that will provide us with an optimised enforced rate. We need to give any distribution policy maximum flexibility given the impositions thrown up as set out above.
10. We are told that currently trying to run the numbers to work out what level of distribution policy might work is difficult, therefore let's specifically plan forward to do this to come up with the optimum figure that will be best for our investor environment. This might be a changeable figure from year to year but to insist on 100% seems to council against optimum conditions. By the same token; to act as Guernsey have on a long term basis relying on business growth alone seems over risky the other way around. We therefore feel greater effort should be made to find that middle ground to optimise a distribution policy to provide best economic advantage to business and attractiveness of jurisdiction.

5.3 Impact on local property values

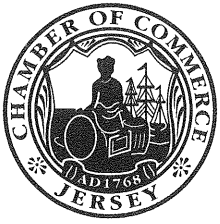
We are concerned that the removal of the exemption for UK pension funds from the 20% with-holding tax for overseas landlord's rentals will adversely impact on local commercial property values. A fuller assessment needs to be made of the local impact, for the ripple effect on diminishing capital values is of concern.

5.4 International perceptions:

It is worth considering what an offshore finance centre seeks to be in the context of current proposals. In order to attract outside investment activity, a finance centre will seek to have an investor environment as simple as possible to understand, with the minimum imposition of rules and regulation to ensure simplicity and minimal cost. Jersey's particular attraction to tax professionals onshore is just this very simplicity. The baggage which comes with a backward looking enforced distribution policy coupled with an over elaborate "headcount tax" provides significant detraction from today's position.

Additionally, the regulated test alone leaves grey areas in terms of offshore structures that might be regulated but not have permanent places of business. Because of the ongoing complexity of offshore structures it may well be that the scope for the Comptroller to consider cases more in the context of place of business in conjunction with regulatory position might be a better way forward.

Our concern overall, however, is that the current proposals create the impression of added complexity, which will inevitably lead advisors to look at other jurisdictions for reasons of simplicity. Therefore, we need to ask whether the draft legislation has too much "detail" that may detracts from the Island's competitive position.



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5.5 Proposals in the context of the Strategic Plan:

We next consider how well the proposals fit with the key limbs of the Strategic Plan, being:

- Fiscal policy;
- Government Expenditure; and
- Economic Growth.

Fiscal Policy:- The basic tenant of 0% corporate taxation is essential to maintain tax orientated inward business flows and is therefore a must in terms of overall proposals. RUDL is a synthetic creation to capture a level of income that is disproportionate to the degree and difficulty created for local business in structuring its affairs, albeit that the principle is well intentioned. The enforced distribution policy/charge seems overly complex relative to alternative methods.

Government Expenditure:- The current concerns on government staffing costs are well known being up 5% in 2005 with no signs of remission given the current programme of legislation. We are concerned that over complexity will necessitate yet greater numbers of administrators at a time when we should be trying to drive these costs down, given the structural deficits projected from 2010 onwards. Very close evaluations of efficiency of resource and economics of actual collection need to be examined. We noted in a recent press announcement concerning a Tax Office appointment that the appointment was acceptable because it was within existing headcount. In our view this is not an acceptable explanation. Care should be exercised to ensure that absolute numbers are controlled given overall pressure on government finances.

Economic Growth:- Although the essential act of preserving the Finance Industry is achieved through the Zero /Ten framework, the essential element of having a benign environment in which to conduct business is not. The cost of disruption, repositioning and administration for business is considerable to the extent of requiring all local business to restructure their trading vehicles. We consider this unacceptable.

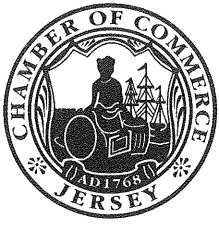
The over complexities presented by the proposed RUDL and look through procedures make it more difficult to do business and affect working capital retention policies and the attractiveness of outside investment. This will be particularly detrimental for local SME's. We fear the level of disruption to trading structure and capital holdings will cause a diminution rather than the required increase in activity with the greatest effect on local businesses.

The tax on jobs aspect of RUDL for offshore investor companies is not insignificant and will lead to staff intensive activity being placed elsewhere.

Also, one should reflect on the balance of implementation of the Strategic Plan overall, for we have always advocated business growth is the best antidote to higher taxation, closely followed by government expenditure. As the leash has been let off expenditure for reasons explained at length by government, this leaves a greater emphasis than ever before on economic growth.

Whilst the implementation of the subject proposals of this letter is of paramount importance, economic growth initiatives seem fairly muted just now. This is unfortunate, for without giving this side of the strategy equal attention, confidence in the overall plan diminishes. We consider it is essential to give equal prominence to economic growth, for there is clear anecdotal feedback which is quite visible in the Press that government are too tax centric at a time when it is essential to promote business. We are well aware of the "light" touch policy but this does not escape the growing perception of having a tax driven strategy at the forefront just now. By contrast, the additional powers sought by the Comptroller seeking details of assets and investments does not seem awfully light touch at all.

Necessary as it maybe to get the tax structure right, the timing of the introduction of this proposal as part of the fiscal policy seems to be well ahead of the other limbs of the strategy and ministers should be mindful of how public and business perception can become distorted by over emphasising only one aspect of the strategy. With this in mind, from a perception point of view, the proposed marine fuel tax could not have come at a worse time, for it just adds weight to the conviction that the strategy is tax centric. Ministers may



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feel this is unfair but certainly most primary consultation recently appears to have a tax or regulatory flavour.

Clearly these comments are above the [scope of this letter] mechanical composition of the paper but one should not forget support for proposals stems not only from structure, but also from perception and even handedness of implementation where the subject matter is part of a wider strategy.

5.6 The Change Programme:

We have aired our reservations concerning the complexity of proposals above. It would also be useful for the legislators to reflect for one moment on how much change is being pushed through that business is being asked to absorb:

- ITIS earlier this year;
- employment legislation, both new and upcoming;
- GST - ongoing consultation;
- AML regulatory consultation;
- food labelling;
- Enhanced Data Protection Legislation; and
- the restructure of rates

All essential ongoing activity one might say, but most of the above will not be without costs to business, so it is essential that changes are implemented with the minimum of complexity to keep costs down and for the ease of assimilation. Therefore, we suggest that the over complexities highlighted above do not sit well with the weight of absorption of cost and time on businesses presently.

5.7 Competitor positions:

As, amongst some of our competitors, Jersey was at the front of early proposals on tax framework, it is worth reflecting on how our nearest rivals have emerged as part of the tax reform process. We have touched on comparisons above but summarise below.

Isle of Man:-

The approach to an actual distribution policy at 55% is, on the face of it, a more simple way of dealing with look through issues, beyond determining the appropriate distribution rate.

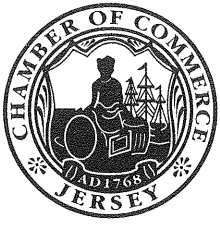
This jurisdiction already has a well grounded VAT system and has the benefit of an extended tax base so a fair part of reform is already complete here.

The £100k tax ceiling for wealthy immigrants is noted as potentially being highly competitive and the affect one way or another on Jersey's uptake in this market should be carefully managed, for our own revised structure does not look as attractive.

It is noted the scope of the 10% tax levy on the Finance Industry seems narrower than Jersey and feedback from onshore tax advisors in terms of any actual or perceived disadvantage for Jersey should be sought.

Guernsey:-

The strategy seems to be one of going for high growth with minimum government interference. From a business perspective almost utopian, but it is acknowledged that this brings significant risks with it as fiscal deficits are being financed from reserves.



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We are against using social security as a tax tool (morally this is not what it is intended or structured for) and as we are against RUDL for we see this in a similar light. Indeed our own States actuarial projections show any perceived headroom is unlikely to exist in future years.

One element that has some limited merit is the strategy of learning by experience before implementing, which although not supported on the relative scale planned in Guernsey would have some merit in working towards the optimum imposed distribution rate rather than determining this rate from the start as in current proposals.

Again the scope of the 10% Finance Industry tax band is narrower in Guernsey and advice should be sought as to whether this might have a prejudicial affect on the choice of jurisdiction for business.

6. Summary:

Overall we would sum up as follows:

1. **Drop the RUDL – this is over complicated, a tax on jobs by any other name, it has too many unlucky losers by default and is too costly. While it may be well intentioned, other ways need to be found that are not prejudicial to simplicity and cost. This should be dealt with as a separate issue to avoid complicating the core zero/ten policy.**
2. **Reform Look through Proposals - consider using an actual basis at as lower rate as possible. A measured approach should be taken over time with no need to be over prescriptive at this point.**
3. **Care with International perception through onshore advisors. Stick to simplicity without cluttering legislation.**
4. **Care with cost both for business and government.**
5. **Reflect carefully on maintaining a benign environment to do business.**
6. **Borrow ideas from competitors if appropriate. Take care to measure / seek advice on where potentially competitive advantage might be stolen by being first past rather than last to the post.**
7. **In terms of local perception let's see equal prominence and progress on the other strategic pillars of the States Plan showing a balanced approach.**

Yours Sincerely

Clive Spears
Vice President