

### **5.3 Deputy G.P. Southern of the Chief Minister regarding the Island's compliance issues with the E.U. Code on Business Taxation:**

Will the Chief Minister inform Members what communications he, the Deputy Chief Minister or his department have had with counterparts in other Crown Dependencies and the U.K. Government over the resolution of outstanding Zero/Ten issues, and if no meetings have taken place will he inform Members if and when meetings are scheduled to resolve the Island's compliance issues with the E.U. (European Union) Code on Business Taxation and if not, why not?

#### **Senator T.A. Le Sueur (The Chief Minister):**

This information has already been requested in 2 similar written questions: one by the Deputy and the answer is the same. We will not be in a position to discuss what action we need to take to resolve outstanding Zero/Ten issues and ensure that our corporate tax system is code compliant until we see the outcome of the review of the scope of the Code being undertaken by the E.U. Council high-level working party. I have already provided full details of the current position on Zero/Ten in the briefing documents issued to States Members in December and nothing has changed since then. We have been in contact with the secretariat of the high-level working party to ensure that we can engage with the work of that group. I am also in regular contact with the Chief Ministers of Guernsey and the Isle of Man at which this and other matters of common interest are discussed. We have also met with the financial secretary to the Treasury and the Ministry of Justice Minister with responsibility for relations with the Crown Dependencies where these matters were discussed, and I intend to continue to meet with them - all Island officials - as appropriate. At this point in time there is no more information to give States Members than that previously and clearly set out in the briefing documents, which are publicly available, and I would respectfully ask the Member to be patient. I will update Members as soon as we know anything further.

#### **5.3.1 Deputy G.P. Southern:**

Has the Chief Minister or the Minister for Treasury and Resources come under pressure from either the governments of Guernsey or the U.K. to toe the line on the implementation of Zero/Ten?

#### **Senator T.A. Le Sueur:**

I do not know what the Deputy means by "toe the line" but, in effect, no. The U.K. Government fully appreciate the ability and the need for Jersey and the other Crown Dependencies to make their own decisions in the light of full information.

#### **5.3.2 Deputy M.R. Higgins:**

Does the Chief Minister agree with the former Member of the States of Guernsey, Laurie Morgan, who was on Radio Jersey this morning, who feels that the 3 Crown Dependencies are not working together on this issue, who feels that each Island is always thinking of the competitive advantage they are going to have over the other and that they are always reacting to the situation? He also commented he felt that Jersey was likely to bring down the wrath of the British Government on all 3 dependencies because of its stance, along with the Isle of Man. Would the Chief Minister care to comment on those comments?

#### **Senator T.A. Le Sueur:**

Any person, including a former Chief Minister of Guernsey, is entitled to express his own views. But they are very much his personal view and I do not wish to comment on them.

**5.3.3 Deputy G.P. Southern:**

Does the Chief Minister accept that the move to Zero/Ten, far from bringing stability to the tax regime in Jersey, has led to nothing but instability as the continuing furore and concerns are expressed by the E.U. and the U.K. Government?

**Senator T.A. Le Sueur:**

No, I do not. The Zero/Ten regime was brought in in order to address a particular issue, it was brought in with the full understanding of the implications and brought in with the full understanding of the U.K. Government at that time, so I believe this has in fact led to a situation where Jersey has been able to maintain its position for several years and hope will do so for several more years to come.

**5.3.4 Deputy G.P. Southern:**

Point of clarification; is the point addressed by Zero/Ten, the compliance with E.U. Code of Business Taxation Articles 1 and 2, not to ring-fence advantages for foreign-owned companies and deny those advantages to local-based companies?

**Senator T.A. Le Sueur:**

As I have tried to make clear to the Deputy and other Members, those are the sorts of issues that we need to resolve as a result of the outcome of the high-level working party and once we have a full and clearer picture I will be able to answer his question and others in much better detail than I can at the current time.