

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

**ANSWER TO BE TABLED ON TUESDAY 20th JUNE 2006**

**Question**

Under the proposed fiscal reforms, would the Minister provide members with a breakdown of which types of activities within the financial services industry will be subject to 10% taxation, and those which will be subject to 0%, together with an estimate of the numbers of businesses affected and the tax revenues raised in each group?

**Answer**

The types of activities and entities that it is proposed be subject to the 10% rate include banks, trust companies and functionaries such as fund administrators, custodians, administrators, registrars, distributors and agents but, for international competitiveness reasons, investment managers will not be subject to the 10% rate.

It is extremely difficult to give an answer with a high degree of accuracy, particularly as the whole picture in relation to this matter is evolving, but it is estimated that the numbers of businesses affected by the 10% rate will be approximately 250 - 300. The tax revenues arising from these businesses under the 10% rate will be something in the region of £60 to £80 million. It is not possible to give figures for the tax revenues raised in each group without a very considerable cost in time and resources being expended and I do not believe such a resource cost to be justified.