

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 18th MARCH 2014**

Question

Has the Finance Industry Sound Business Practices Committee, which was asked to consider what constitutes 'aggressive' tax avoidance some 6 months ago, yet reported its definition and if so will the Chief Minister inform members what it is?

Will he further circulate the wider "Code of Good Practice" for the industry which was due to be produced by the end of last year?

If not will he report what problems, if any, the Committee has encountered in arriving at a definition and when it might report on this essential aspect of government policy?

Will the Chief Minister state what, if anything, has changed since June 2012 when he responded to a question on the NT (No Tax) Advisors K2 scheme and the decision to investigate and act on the activities of NT Advisors "Project Corbiere" tax avoidance scheme?

Will the Chief Minister also reveal what the residential status of the local director of NT Advisors/ NT Jersey is and whether, under the Control of Housing and Work (Jersey) Law 2012, his permission to reside or to trade here can be withdrawn?

Answer

The Sound Business Practice Committee has not yet completed its work on how we might best respond to "abusive" tax planning schemes which we have no need, or wish, to accommodate. However, the Committee, which brings together government, the regulator and the industry, has indicated that it is close to bringing forward proposals for consideration. We have also sought the assistance of the UK tax authorities in the identification of the schemes they are aware of through the application of their Disclosure of Tax Avoidance Scheme (DOTAS) rules.

I am confident that the Committee's proposals will be comprehensive and will help safeguard the reputation of the Island. They will complement the action we have taken by joining international initiatives to reduce tax evasion and tax abuse generally, action which includes the signing of agreements for the automatic exchange of information (AEOI) with the UK and the USA, and a commitment to be among the early adopters of the Common Reporting Standard on AEOI recently endorsed by G20 Finance Ministers, which will have global application.

As soon as we are in a position to do so we will announce the further action to be taken. We remain determined that all concerned - government, the regulator and industry - should take the necessary action to further safeguard the Island's best interests, as we stated in June 2012. The importance of this message has been further reinforced by the UK tax authorities' identification of further schemes, some of which may prove to have a Jersey connection.

As far as individual cases are concerned, it would not be appropriate to comment on the conduct of any ongoing investigation, or on any individuals involved in it, until that investigation is concluded. However, the powers in the Control of Housing and Work (Jersey) Law, 2012, allow licences to be revoked or varied where there is significant detriment to the Island, or in the interests of the public of Jersey.

A review of Jersey's involvement in schemes successfully challenged by the UK tax authorities is underway. If there are Jersey license holders involved, action will be taken.