

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 11th DECEMBER 2012**

Question

Will the Chief Minister inform members of the extent of the proposals made by the UK government on a Foreign Account Tax Compliance Act (FATCA) equivalent agreement between the UK and the Crown Dependencies?

What financial instruments would the agreement be intended to cover and what changes, if any, are envisaged for the finance sector following a UK FATCA agreement?

Answer

The UK Government's proposals envisage an agreement that will mirror the FATCA agreement currently being negotiated with the USA. Discussions on these proposals are on-going.

The US FATCA agreement provides that the information to be obtained and Exchanged will include –

- The total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in an account;
- The total gross proceeds from the sale or redemption of property paid or credited to an account.

The information being sought by the UK is understood to relate to those UK residents who are engaging in tax evasion. Jersey has for many years sought to discourage this business and so it is not expected that the automatic exchange of this information with the UK will call for any changes for the finance sector.