

**THE STATES assembled on Wednesday
12th March 2008, at 09.30 a.m. under
the Presidency of the Bailiff,
Sir Philip Bailhache.**

All members were present at roll call with the exception of –

Senator Stuart Syvret – en défaut
Senator Terence John Le Main– en défaut (défaut raised at 9.55 a.m.)
Connétable Thomas John du Feu of St. Peter– ill
Connétable Geoffrey William Fisher of St. Lawrence– en défaut
Deputy Alan Breckon of St. Saviour– en défaut
Deputy Jacqueline Jeannette Huet of St. Helier– en défaut
Deputy Peter Nicholas Troy of St. Brelade– ill
Deputy Anne Enid Pryke of Trinity – en défaut
Deputy Shona Pitman of St. Helier– ill
Deputy Kevin Charles Lewis of St. Saviour– absent on States business

Prayers

Tribute to the late Mr. John Le Gallais, former member of the States

The Bailiff paid tribute to the late Mr. John Le Gallais, former Deputy of St. Saviour. The States observed one minute's silence as a mark of respect.

Documents presented or laid

Draft Price Indicators (Jersey) Regulations 200- (P.14/2008): comments. Presented: 11th March 2008. <i>Economic Affairs Scrutiny Panel.</i>	P.14/2008. Com.
Draft Price Indicators (Jersey) Regulations 200- (P.14/2008): amendments (P.14/2008 Amd.)– comments. Presented: 11th March 2008. <i>Economic Affairs Scrutiny Panel.</i>	P.14/2008. Amd.Com.(2)
Jersey Telecom – Privatisation – Supplementary Report (S.R.3/2008) – response of the Minister for Treasury and Resources. Presented: 11th March 2008. <i>Minister for Treasury and Resources.</i>	S.R.3/2008. Res.

Notification of lodged propositions

Flu pandemic funding. Lodged: 11th March 2008. <i>Minister for Treasury and Resources.</i>	P.38/2008.
Draft Harbours (Amendment No. 41) (Jersey) Regulations 200. Lodged: 11th March 2008. <i>Minister for Economic Development.</i>	P.39/2008.
Draft Financial Services (Amendment No. 3) (Jersey) Law 2008 (Appointed Day) Act 200-. Lodged: 11th March 2008.	P.40/2008.

Minister for Economic Development.

Draft Goods and Services Tax (Jersey) Law 2007 (Appointed Day) (Amendment) Act 200-. P.41/2008.

Lodged: 12th March 2008.

Minister for Treasury and Resources.

Draft Goods and Services Tax (Amendment) (Jersey) Regulations 200-. P.42/2008.

Lodged: 12th March 2008.

Economic Affairs Scrutiny Panel.

Code of Practice for Scrutiny Panels and the Public Accounts Committee P.198/2007

THE STATES resumed consideration of the draft Code of Practice for Scrutiny Panels and the Public Accounts Committee and, adopting an amendment of the Council of Ministers, agreed that at the end of the proposition, after the word “2007” there should be inserted the words “ except that” and in the paragraph numbered 3.5 after the words “will review the matter and” there should be inserted the words “, subject to the preservation of legal professional privilege and the privilege against self-incrimination,”.

Members present voted as follows –

POUR: 21

Senator L. Norman
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator T.J. Le Main
Connétable of St. Ouen
Connétable of Trinity
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. John
Connétable of St. Saviour

Deputy C.J. Scott Warren (S)
Deputy J.B. Fox (H)
Deputy of Grouville
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy I.J. Gorst (C)
Deputy of St. Mary

CONTRE: 13

Connétable of St. Mary
Connétable of St. Clement
Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy R.G. Le Hérissier (S)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy of St. Peter
Deputy D.W. Mezbourian
(L)

ABSTAIN: 0

THE STATES, adopting an amendment of the Council of Ministers, agreed that in paragraph 11.7 after the words “all witnesses” the words “who are not States members” should be deleted.

Members present voted as follows –

POUR: 41

Senator L. Norman
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert

CONTRE: 0

ABSTAIN: 0

Senator P.F.C. Ozouf
Senator T.J. Le Main
Senator F.E. Cohen
Connétable of St. Ouen
Connétable of St. Mary
Connétable of St. Clement
Connétable of St. Helier
Connétable of Trinity
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. John
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy C.J. Scott Warren (S)
Deputy R.G. Le Hérisier (S)
Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

THE STATES, rejected an amendment of the Council of Ministers that –

in paragraph 11.7

- (ii) after the words “factual or descriptive passages” the words “Where possible, this will also include the Panel’s findings and recommendations. This will help to ensure that the Panel has correctly interpreted the evidence and provides an early opportunity for clarification” should be inserted.

In paragraph 11.8–

- (i) after the words “circulate draft reports” the words “including findings and recommendations, to the relevant Minister” should be inserted;
- (ii) after the words “in confidence and” the words “when possible” should be deleted;
- (iii) after the words “and allow” the words “at least” should be inserted;
- (iv) after the words “for comments” the words “on matters of a technical or factual nature only” should be deleted.

Members present voted as follows –

POUR: 10

Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator T.J. Le Main
Senator F.E. Cohen
Connétable of St. Ouen
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)

CONTRE: 31

Senator L. Norman
Connétable of St. Mary
Connétable of St. Clement
Connétable of St. Helier
Connétable of Trinity
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. John
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy C.J. Scott Warren (S)
Deputy R.G. Le Hérissier (S)
Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy of St. Peter
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian
(L)
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

ABSTAIN: 0

THE STATES approved the Code of Practice for Scrutiny Panels and the Public Accounts Committee (PAC) set out in the Appendix to the report of the Chairmen's Committee dated 28th December 2007, as amended.

Members present voted as follows –

POUR: 34

Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator T.J. Le Main
Senator F.E. Cohen
Connétable of St. Ouen
Connétable of St. Mary
Connétable of St. Clement
Connétable of St. Helier
Connétable of Trinity
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. John
Deputy C.J. Scott Warren (S)
Deputy R.G. Le Hérissier (S)

CONTRE: 4

Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy G.P. Southern (H)

ABSTAIN: 0

Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

Change of Presidency

The Bailiff retired from the Chair during the consideration of the Code of Practice for Scrutiny Panels and the Public Accounts Committee (P.198/2007) and the meeting continued under the presidency of the Deputy Bailiff.

Draft Taxation (Land Transactions) (Jersey) Law 200- P.185/2007

THE STATES commenced consideration of the Draft Taxation (Land Transactions) (Jersey) Law 200- and, having adopted an amendment of the Minister for Treasury and Resources, that for the words “shares are held, where the change confers a right of occupation of land,” there should be substituted the words “such shares are held,”, adopted the principles, as amended.

Members present voted as follows –

POUR: 30

Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Connétable of St. Mary
Connétable of St. Clement
Connétable of St. Helier
Connétable of Trinity
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy C.J. Scott Warren (S)
Deputy R.G. Le Hérissier (S)
Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy of St. Peter

CONTRE: 2

Deputy G.P. Southern (H)
Deputy of Grouville

ABSTAIN: 0

Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy I.J. Gorst (C)
Deputy of St. Mary

THE STATES, having been informed that the relevant scrutiny panel had indicated that it wished to scrutinise the draft legislation, agreed that the Second Reading of the Draft Taxation (Land Transactions) (Jersey) Law 200- should be deferred until its meeting of 3rd June 2008.

Draft Goods and Services Tax (Amendment) (Jersey) Law 200- P.17/2008

THE STATES commenced consideration of the Draft Goods and Services Tax (Amendment) (Jersey) Law 200- and adopted the principles, as amended by the Minister for Treasury and Resources.

Members present voted as follows –

POUR: 36

Senator L. Norman
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Mary
Connétable of St. Clement
Connétable of Trinity
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. John
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy C.J. Scott Warren (S)
Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

CONTRE: 3

Senator B.E. Shenton
Deputy G.C.L. Baudains (C)
Deputy P.V.F. Le Claire (H)

ABSTAIN: 0

THE STATES adopted Articles 1 to 8.

THE STATES commenced consideration of Articles 9 to 13 and agreed that –

for Article 9 there should be substituted the following Article–

“9 Article 57 substituted

For Article 57 of the principal Law there shall be substituted the following Articles–

‘56A International services entity

For the purposes of this Part, an entity is an “international services entity” while its name is listed under Article 59(1) or (5).

57 GST not chargeable on supplies to international services entity

- (1) GST shall, despite anything else in this Law, not be chargeable on the supply of goods, or of a service, to an international services entity if –
 - (a) the conditions set out in paragraph (2) are satisfied; and
 - (b) any requirements that the States may by Regulations prescribe for the purposes of this Article are met in relation to the goods or service, the supply and the international services entity.
- (2) In the case of the supply of –
 - (a) goods, the goods are to be used or held for the purpose of any business carried on by or through the international services entity; or
 - (b) a service, the service is supplied for the purpose of any business carried on by or through the international services entity.

57A International services entity not taxable person

A supply of goods or of a service, being a supply made by an international services entity, shall not be a taxable supply unless any requirements that the States may by Regulations prescribe for the purposes of this Article are not satisfied in relation to the goods or service the supply or the international services entity.’.”

For Article 10 there should be substituted the following Article–

“10 Article 59 substituted

For Article 59 of the principal Law there shall be substituted the following Article–

‘59 Listing of international services entities

- (1) The Comptroller shall enter the name of an entity on a list kept by the Comptroller for the purposes of this Part if –
 - (a) application is made to the Comptroller for the entry;
 - (b) the Comptroller is satisfied that the entity meets the requirements of Article 60 and
 - (c) the prescribed fee has been paid in respect of the application.
- (2) The Comptroller shall remove the name of an entity from that list if –

- (a) the entity applies to the Comptroller for the name to be removed;
 - (b) any periodic or other sum prescribed by the Regulations is not paid in respect of the entity by the date prescribed by the Regulations; or
 - (c) the Comptroller is not satisfied that the entity meets the requirements of Article 60.
- (3) An international services entity the name of which is on the list kept by the Comptroller for the purposes of this Part may keep its own list of entities if authorized under paragraph (4) to do so.
- (4) The Comptroller shall, by annotation against the name of an international services entity on the list kept by the Comptroller for the purposes of this Part, authorize the entity to keep its own list of entities if –
- (a) application is made to the Comptroller for authority for the international services entity to maintain its own list;
 - (b) the Comptroller is satisfied that the international services entity is registered to carry on trust company business under the Financial Services (Jersey) Law 1998; and
 - (c) any requirements that the States may by Regulations prescribe for the purposes of this Article are met in relation to the international services entity.
- (5) An international services entity while so authorized may include on its own list the name of any entity –
- (a) in relation to which the international services entity carries on trust company business within the meaning of the Financial Services (Jersey) Law 1998;
 - (b) that meets the requirements of Article 60; and
 - (c) that is not a person or arrangement prescribed by Regulations, or specified by direction, under Article 60(1)(g) unless the Regulations otherwise provide or the direction otherwise provides.
- (6) The Comptroller shall revoke that authority of an international services entity if –
- (a) the international services entity applies to the Comptroller for the revocation of the authority; or
 - (b) the Comptroller is not satisfied that the international services entity meets the conditions referred to in paragraph (4)(b) or the requirements (if any) referred to in paragraph (4)(c).
- (7) If the fee referred to in paragraph (1)(c) or the sum referred to in paragraph (2)(b) is calculated on the basis of numbers (or other characteristics) of entities, the Comptroller may accept what he or she considers to be a fair estimate, or reasonable prediction, of the fee or sum in cases where the precise calculation of the fee may be impracticable.’”

For Article 11 there should be substituted the following Article–

“11 Article 60 substituted

For Article 60 of the principal Law there shall be substituted the following Article–

‘60 Entities eligible for listing as international services entities

- (1) An entity meets the requirements of this Article if it is–
- (a) a body corporate that meets the conditions set out in paragraph (2);
 - (b) a trustee (in the trustee’s capacity as a trustee of one or more trusts within the meaning of the Trusts (Jersey) Law 1984) that meets the conditions set out in paragraph (2);

- (c) a partnership (which, in this Article, includes a limited partnership and a limited liability partnership) that meets the conditions set out in paragraph (2);
 - (d) an Anstalt, Stiftung, or foundation, that meets the conditions set out in paragraph (2);
 - (e) a collective investment fund;
 - (f) an unregulated fund; or
 - (g) a person or arrangement prescribed by Regulations made by the States, or specified by direction, that meets the conditions set out in paragraph (3).
- (2) Those conditions are, in respect of any entity referred to in paragraph (1)(a), (b), (c) or (d) –
- (a) except as provided in sub-paragraph (b), that all of the following requirements are met –
 - (i) not more than 10% in value of all the supplies made by the entity of goods and services are made to individuals who belong in Jersey,
 - (ii) to the extent that the value of all the supplies of goods or services made by the entity in Jersey exceeds 10% of the value of all supplies of goods and services made by the entity, the supplies in Jersey are made only to an international services entity,
 - (iii) no individual who belongs in Jersey has the effective use, or the effective enjoyment, of any asset owned or administered by the entity,
 - (iv) no individual who belongs in Jersey has the effective use, or the effective enjoyment, of any goods, or service, supplied to or by the entity,
 - (v) such other requirements in respect of the entity as the States may prescribe by Regulations; or
 - (b) if not all of the requirements set out in sub-paragraph (a) are met in respect of the entity, that both of the following requirements are met –
 - (i) the Comptroller is satisfied that the main purposes and main functions of the entity –
 - (A) are substantially consistent with the requirements set out in sub-paragraph (a), and
 - (B) are not the avoidance, or reduction, of the liability to GST of an individual who belongs in Jersey,
 - (ii) the Comptroller approves the entity for the purposes of this Article.
- (3) Those conditions are, in respect of any entity referred to in paragraph (1)(g), that both of the following requirements are met –
- (a) the Comptroller is satisfied that the main purposes and main functions of the entity are not the avoidance, or reduction, of the liability to GST of an individual who belongs in Jersey;
 - (b) the Comptroller approves the entity for the purposes of this Article.
- (4) The condition set out in paragraph (2)(a)(iii) or (iv) shall be taken to be satisfied in a case or circumstances where, despite the fact that that clause would not, but for this paragraph, be satisfied, the Comptroller specifies by direction that the condition shall be taken to be satisfied.
- (5) In this Article, a reference –
- (a) to a collective investment fund is a reference to a collective investment fund within the meaning of the Collective Investment Funds (Jersey) Law 1988;
 - (b) to an unregulated fund is a reference to an unregulated fund within the meaning of the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008.
- (6) For the purposes of this Article, an individual shall be treated as belonging in Jersey if –

- (a) the individual has an establishment there and no fixed establishment elsewhere in the world;
- (b) the individual has no establishment anywhere in the world but the individual's usual place of residence is in Jersey; or
- (c) the individual has establishments both in Jersey and elsewhere in the world and the individual's establishment at which, or for the purposes of which, goods, services or assets are most directly used or enjoyed or to be used or to be enjoyed is in Jersey.'."

For Article 12 there should be substituted the following Article–

“12 Articles 61 and 62 repealed

Articles 61 and 62 of the principal Law shall be repealed.”

For Article 13 there should be substituted the following Article–

“13 Article 63 replaced

For Article 63 of the principal Law there shall be substituted the following Article–

‘63 Notice

- (1) The Comptroller shall serve notice on a person who applies for the entering of a name on a list kept by the Comptroller for the purposes of this Part, being notice in writing that specifies whether the Comptroller has entered the name and the date when the entry (if any) has effect.
- (2) The Comptroller shall serve notice on an international services entity if the Comptroller proposes (otherwise than in a response to an application from the international services entity) to remove the entity's name from a list kept by the Comptroller for the purposes of this Part, being notice in writing of that proposal and the date when the removal is to have effect.
- (3) The Comptroller shall serve notice on a person who applies for authority under Article 59(4), being notice in writing that specifies whether the Comptroller has granted the authority and the date when the authority (if any) takes effect.
- (4) The Comptroller shall serve notice on an international services entity if the Comptroller proposes (otherwise than in a response to an application from the international services entity) to revoke the entity's authority granted under Article 59(4), being notice in writing of that proposal and the date when the revocation is to have effect.’.”

Articles 9 to 13 as amended were adopted.

THE STATES agreed that after Article 13 there should be inserted the following Article–

“14 Article 66 replaced

For Article 66 of the principal Law there shall be substituted the following Article–

‘66 Opportunity to be heard

- (1) The Comptroller shall not refuse to enter a name on, and shall not (otherwise than in response to an application from the relevant international services entity) remove a

name from, a list kept by the Comptroller for the purposes of this Part without first giving either the person who applied for its entry on the list or the relevant international services entity an opportunity to be heard on the question whether the name should be on the list.

- (2) The Comptroller shall not refuse to grant authority under Article 59(4), and shall not (otherwise than in response to an application from the relevant international services entity) revoke any such authority, without first giving either the person who applied for the authority or the relevant international services entity an opportunity to be heard on the question whether the authority should be granted or revoked (as the case requires).’.”

THE STATES agreed that for Article 15 there should be substituted the following Article–

“15 Article 84 amended

In Article 84(2) of the principal Law–

- (a) for sub-paragraph (m) there shall be substituted the following sub-paragraph –
‘(m) an application, removal of a name, revocation of an authority, or acceptance of an estimate or prediction under Part 12;’
- (b) for sub-paragraph (z) there shall be substituted the following sub-paragraph –
‘(z) the removal, under paragraph 16 of Schedule 1, of an entity from the registration of a group;’.”

and that the Articles should be renumbered accordingly.

Articles 14 to 23, as amended, were adopted.

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Income Tax (Amendment No. 29) (Jersey) Law 2008.

THE STATES, in accordance with the provisions of Standing Order 80A and in pursuance of Article 19 of the Public Finances (Jersey) Law 2005, declared that the Bill entitled the Goods and Services Tax (Amendment) (Jersey) Law 2008, (P.17/2008 lodged “au Greffe” on 29th January 2008, by the Minister for Treasury and Resources) should immediately have effect as if it were a Law sanctioned by Her Majesty in Council.

Members present voted as follows –

POUR: 32

Senator L. Norman
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Mary
Connétable of St. Clement
Connétable of Trinity
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. John
Connétable of St. Saviour

CONTRE: 4

Senator B.E. Shenton
Deputy G.C.L. Baudains (C)
Deputy J.A. Martin (H)
Deputy P.V.F. Le Claire (H)

ABSTAIN: 0

Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy C.J. Scott Warren (S)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

Change of Presidency

The Deputy Bailiff retired from the Chair during the consideration of the Draft Goods and Services Tax (Amendment) (Jersey) Law 200- and the meeting continued under the Presidency of the Deputy Greffier. The States re-assembled after the lunch adjournment under the Presidency of the Deputy Bailiff.

Draft Goods and Services Tax (International Services Entities) (Jersey) Regulations 200- P.10/2008

THE STATES commenced consideration of the Draft Goods and Services Tax (International Service Entities) (Jersey) Regulations 200- and adopted the principles.

THE STATES, adopting Regulations 1 to 8, as amended by the Minister for Treasury and Resources, agreed that –

In Regulation 1 –

For the definition “collective investment fund” there should be substituted the following definition –

“ ‘collective investment fund’ means –

- (a) a collective investment fund within the meaning of the Collective Investment Funds (Jersey) Law 1988; or
- (b) an unregulated fund within the meaning of the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008;”.

For Regulation 2 there should be substituted the following Regulation –

“2 Prescribed requirement: Article 57(1) of Law

- (1) For the purposes of Article 57(1)(b) of the Law, the prescribed requirement in relation to a supply of goods or services to an international services entity shall be that the supply –
 - (a) shall not, if it is a supply of goods, be for onward re-supply –
 - (i) of the goods in the same state as they existed in when supplied to the entity, and
 - (ii) to, for the purposes of, or for the benefit of, a person who belongs in Jersey; and
 - (b) if it were (but for the operation of Article 57 of the Law) a taxable supply would not be a taxable supply –

- (i) to which special provision under Article 43(1) of the Law applied, and
 - (ii) having a value (within the meaning of Part 9 of the Law) of less than £1,000.
- (2) If a supply of goods is made to, for the purposes of, or for the benefit of, a person who is an individual, and the supply is received otherwise than for the purposes of any business carried on by the person, the person shall be treated for the purposes of paragraph (1)(a)(ii) as belonging in Jersey if the person has his or her usual place of residence there.
- (3) If a supply of goods is made to, for the purposes of, or for the benefit of, a person who is not an individual, or the supply is received for the purposes of a business carried on by the person, the person shall be treated for the purposes of paragraph (1)(a)(ii) as belonging in Jersey if –
- (a) the person has an establishment there and no fixed establishment elsewhere in the world;
 - (b) the person has no establishment anywhere in the world but the person’s usual place of residence is in Jersey; or
 - (c) the person has establishments both in Jersey and elsewhere in the world and the person’s establishment at which, or for the purposes of which, the goods supplied to the person are most directly used or to be used is in Jersey.”.

For Regulation 3 there should be substituted the following Regulations –

“3 Fee for listing of ISE: Article 59 of Law

- (1) For the purposes of Article 59(1)(c) of the Law, the fee prescribed for an application for entering the name of an entity on a list kept by the Comptroller is the aggregate of such of the amounts set out in Regulation 4 as applies to the entity.
- (2) For the purposes of Article 59(2)(b) of the Law, the sum prescribed in respect of an entity shall be a sum –
 - (a) payable on or before such date as the Comptroller specifies by direction;
 - (b) payable in respect of any year or part of a year (other than the first year or part of the first year) in which an entry of the name of the entity has effect; and
 - (c) calculated as equivalent to the fee that would apply under paragraph (1) if an application were being made on that date for entering the name of that entity on the list.

4 Basis of fee

- (1) For the purposes of Regulation 3, the amounts are as follows –
 - (a) in the case of an entity that is registered under the Financial Services (Jersey) Law 1998 in respect of trust company business –
 - (i) the sum of –
 - (A) £7,500 in respect of each such registration of the entity as an affiliation leader or as a non-affiliated person, and
 - (B) £100 multiplied by the number of vehicles administered by the entity in its capacity as an affiliation leader or non-affiliated person,
 - (ii) the sum of –
 - (A) £100 in respect of each such registration of the entity as a participating member of an affiliation where the fee prescribed under clause (i)(A) in respect of the entry of the name of the affiliation leader on a list for the purposes of Article 59 of the

Law has been paid in respect of the same period and the same affiliation,
and

(B) £100 multiplied by the number of vehicles administered by the
entity in its capacity as a participating member, or

(iii) the sum of –

(A) £7,500 in respect of each such registration of the entity as a
participating member of an affiliation where the fee prescribed
under clause (i)(A) in respect of the entry of the name of the
affiliation leader on a list for the purposes of Article 59 of the
Law has not been paid in respect of the same period and the same
affiliation, and

(B) £100 multiplied by the number of vehicles administered by the
entity in its capacity as a participating member;

- (b) in the case of an entity that is registered under the Banking Business (Jersey)
Law 1991 in respect of deposit-taking business, £30,000 in respect of each
such registration of the entity;
- (c) in the case of an entity that holds a permit under the Collective Investment
Funds (Jersey) Law 1988, is not a collective investment fund and does not hold
the permit as a managed manager, one amount of £2,500, however many
permits the entity holds under that Law otherwise than as a managed manager;
- (d) in the case of an entity that holds a permit under the Collective Investment
Funds (Jersey) Law 1988, is not a collective investment fund but holds the
permit as a managed manager, one amount of £500, however many permits the
entity holds under that Law as a managed manager;
- (e) in the case of an entity that is registered under the Financial Services (Jersey)
Law 1998 to carry on fund services business in relation to one or more
unclassified funds within the meaning of that Law, and is not so registered as a
managed manager, one amount of £2,500, however many unclassified funds
there are in relation to which the entity is so registered to carry on fund
services business otherwise than as a managed manager;
- (f) in the case of an entity that is registered under the Financial Services (Jersey)
Law 1998 to carry on fund services business in relation to one or more
unclassified funds within the meaning of that Law, and is so registered as a
managed manager, one amount of £500, however many unclassified funds
there are in relation to which the entity is so registered to carry on fund
services business as a managed manager;
- (g) in the case of an entity that is a body corporate or partnership, limited
partnership or limited liability partnership, but is not –
- (i) an affiliation leader, non-affiliated person or participating member
referred to in sub-paragraph (a),
- (ii) an entity to which any of sub-paragraphs (b) to (f) applies, or
- (iii) a vehicle in respect of which a fee has been calculated under sub-
paragraph (a)(i)(B), (ii)(B) or (iii)(B),
an amount of £100;
- (h) in the case of an entity that is a trustee, but is not –
- (i) an affiliation leader, non-affiliated person or participating member
referred to in sub-paragraph (a), or
- (ii) an entity to which any of sub-paragraphs (b) to (f) applies,
a nil amount;
- (i) in the case of an entity that is a collective investment fund, but is not –
- (i) an affiliation leader, non-affiliated person or participating member
referred to in sub-paragraph (a), or
- (ii) a vehicle in respect of which a fee has been calculated under sub-

- paragraph (a)(i)(B), (ii)(B) or (iii)(B),
an amount of £100;
- (j) in the case of an entity that is an Anstalt, Stiftung or foundation, or a thing prescribed or specified under Article 60(1)(g) of the Law, but is not–
- (i) an affiliation leader, non-affiliated person or participating member referred to in sub-paragraph (a), or
 - (ii) a vehicle in respect of which a fee has been calculated under sub-paragraph (a)(i)(B), (ii)(B) or (iii)(B),
an amount of £100.
- (2) In this Regulation –
- (a) the expressions “affiliation”, “affiliation leader”, “non-affiliated person” and “participating member” have the same meanings as those expressions in the Financial Services (Trust Company Business (Registration and Fees)) (Jersey) Order 2003;
 - (b) a reference in paragraph (1)(a) to an entity’s administering a vehicle is a reference to the entity’s providing in relation to the vehicle any of the services specified in Article 2(4) of the Financial Services (Jersey) Law 1998;
 - (c) a reference to a vehicle is a reference to an entity that meets the requirements of Article 60 of the Law, whether or not it is an international services entity;
 - (d) a reference to a vehicle does not include a trustee;
 - (e) a reference in paragraph (1)(a)(i)(B), (ii)(B) or (iii)(B) to a vehicle administered by an entity does not include a vehicle –
 - (i) that is administered by another entity referred to in the same provision or in another of those provisions, being an entity within the same affiliation, and
 - (ii) in respect of which a fee has already been calculated under any of those provisions and paid;
 - (f) a reference in paragraph (1)(a)(i)(B), (ii)(B) or (iii)(B) to a vehicle does not include an entity in respect of which a fee has already been calculated under paragraph (1)(g), (i) or (j) and paid.”.

For Regulation 6 there should be substituted the following Regulation –

“6 Other types of ISE: Article 60(1)(g) of Law

The following are prescribed for the purposes of Article 60(1)(g) of the Law–

- (a) a person registered under the Financial Services (Jersey) Law 1998 to carry on trust company business or fund services business;
- (b) a person registered under the Banking Business (Jersey) Law 1991 to carry on deposit-taking business;
- (c) a person (other than a collective investment fund) who holds a permit as a functionary within the meaning of the Collective Investment Funds (Jersey) Law 1988.”.

For Regulation 7 there should be substituted the following Regulation –

“7 Relief on supplies valued at less than £1,000: Article 56 of Law

The Comptroller shall refund to an entity that meets the requirements of Article 60 of the Law the GST that is chargeable on any supplies to it of goods or services if all of the following conditions are satisfied in relation to the entity, the supplies and the goods or services –

- (a) in the case of the supply of –
 - (i) goods, the goods are to be used or held for the purpose of any business carried on by or through the entity, or
 - (ii) services, the services are supplied for the purpose of any business carried on by or through the entity;
- (b) the supplies were made when the entity was an international services entity within the meaning of Part 12 of the Law;
- (c) each of the supplies has a value (within the meaning of Part 9 of the Law) of less than £1,000;
- (d) such records of the supplies to the entity, and of the GST chargeable on them, are kept by the entity as the Comptroller by direction requires;
- (e) the GST has actually been paid;
- (f) such records of supplies of goods or services, being supplies made by the entity, are kept as the Comptroller by direction requires;
- (g) application is made for the refund at such time or times as the Comptroller specifies by direction;
- (h) that application is made in the approved form.”.

For Regulation 8 there should be substituted the following Regulation –

“8 Citation and commencement

- (1) These Regulations may be cited as the Goods and Services Tax (International Services Entities) (Jersey) Regulations 200-.
- (2) These Regulations shall come into force on the same day as the Goods and Services Tax (Amendment) (Jersey) Law 200-.”.

The Regulations should be renumbered, and any internal cross-references altered accordingly.

THE STATES, having been informed that the relevant scrutiny panel had indicated that it did not wish to scrutinise the draft legislation, and in pursuance of Articles 56, 57, 59, 60 and 100 of the Goods and Services Tax (Jersey) Law 2007, made Regulations entitled the Goods and Services Tax (International Service Entities) (Jersey) Regulations 2008.

Draft Public Elections (Amendment No. 2) (Jersey) Law 2008 (Appointed Day) Act 200 P.12/2008

THE STATES, in pursuance of Article 2 of the Public Elections (Amendment No. 2) (Jersey) Law 2008 adopted the Public Elections (Amendment No. 2) (Jersey) Law 2008 (Appointed Day) Act 2008.

Draft Public Elections (Amendment No. 2) (Jersey) Regulations 200 P.13/2008

THE STATES commenced consideration of the Draft Public Elections (Amendment No. 2) (Jersey) Regulations 200- and adopted the principles.

THE STATES, having adopted the Regulations, and in pursuance of Articles 7 and 72 of the Public Elections (Jersey) Law 2002, made Regulations entitled Public Elections (Amendment No. 2) (Jersey) Regulations 2008.

Draft Price Indicators (Jersey) Regulations 200- P.14/2008 (re-issue)

THE STATES commenced consideration of the Draft Price Indicators (Jersey) Regulations 200- and adopted the principles.

Members present voted as follows –

POUR: 33

CONTRE: 6

ABSTAIN: 0

Senator L. Norman
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator B.E. Shenton
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Mary
Connétable of St. Clement
Connétable of Trinity
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. John
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy R.G. Le Hérisssier (S)
Deputy J.B. Fox (H)
Deputy P.J.D. Ryan (H)
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian
(L)
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

Deputy G.C.L. Baudains (C)
Deputy C.J. Scott Warren (S)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen

THE STATES, having been informed that the relevant scrutiny panel had indicated that it did not wish to scrutinise the draft legislation, adopted Regulations 1 and 2.

THE STATES commenced consideration of Regulation 3 and rejected the amendments of Senator Len Norman that –

in Regulation 3, paragraph (4)(b)(ii) the words“, or of the percentage of the price marked on the package,” should be deleted and in paragraph (5)(b)(ii) the words“, or of the percentage of the price so printed,” should be deleted.

in Regulation 4 paragraph (1) the word‘, percentages’ should be deleted.

Members present voted as follows –

POUR: 10

CONTRE: 30

ABSTAIN: 1

Senator L. Norman
Connétable of St. Mary
Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy C.J. Scott Warren (S)
Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy of Grouville
Deputy P.V.F. Le Claire (H)
Deputy S.S.P.A. Power (B)

Senator F.H. Walker
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Clement
Connétable of St. Helier
Connétable of Trinity
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. John
Connétable of St. Saviour
Deputy G.C.L. Baudains (C)
Deputy R.G. Le Hérissier (S)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy A.J.D. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

Senator B.E. Shenton

Change of President

The Bailiff briefly retired from the Chamber during consideration of the amendments of Senator Norman to the Draft Price Indicators (Jersey) Regulations 200- and the meeting continued under the presidency of Mr. Michael Nelson de la Haye, Greffier of the States until his return.

THE STATES adopting an amendment of Minister for Economic Development, agreed that –

After paragraph (1) of Regulation 4, there should be inserted the following paragraphs and paragraph (2) and the cross reference to it in paragraph (1) should be renumbered accordingly–

- “(2) Except as permitted by paragraph (3) or Regulation 5, the requirement in paragraph (1)(a) to display a price in a manner that is unambiguous shall not be satisfied where –
 - (a) a price is marked on goods which is not the selling price; and
 - (b) the selling price is indicated in proximity to the goods (whether or not there is also an indication that the price marked on the goods is not the selling price).
- (3) The requirement in paragraph (1)(a) to display a price in a manner that is unambiguous may be satisfied, in a case described in Regulation 3(4)(a) and (b) or (5)(a) and (b), where there is indicated in proximity to the goods –
 - (a) the selling price; and
 - (b) that the price marked on the goods or, as the case requires, printed on the newspaper, periodical or book, is not the selling price.”.

Members present voted as follows –

POUR: 30

Senator L. Norman
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier

Senator M.E. Vibert
Senator P.F.C. Ozouf
Connétable of St. Ouen
Connétable of St. Mary
Connétable of St. Clement
Connétable of St. Helier
Connétable of Trinity
Connétable of Grouville
Connétable of St. Martin
Connétable of St. John
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy R.G. Le Hérisssier (S)
Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian
(L)
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

CONTRE: 8

Connétable of St. Brelade
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy C.J. Scott Warren
(S)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.V.F. Le Claire (H)

ABSTAIN: 0

THE STATES adopted Regulations 3 and 4 as amended.

THE STATES adopted Regulations 5 and 6.

THE STATES, having adopted the Regulations, as amended, and in pursuance of Article 2 of the Price and Charge Indicators (Jersey) Law 2008, made Regulations entitled Price and Charge Indicators (Jersey) Regulations 2008.

Draft Boats and Surf-Riding (Control) (Amendment No. 27) (Jersey) Regulations 200 P.16/2008

THE STATES commenced consideration of the Draft Boats and Surf-Riding (Control) (Amendment No. 27) (Jersey) Regulations 200- and adopted the principles.

Members present voted as follows –

POUR: 33

CONTRE: 0

ABSTAIN: 0

Senator W. Kinnard

Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Connétable of St. Ouen
Connétable of St. Mary
Connétable of St. Clement
Connétable of St. Helier
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. John
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy C.J. Scott Warren (S)
Deputy R.G. Le Hérisier (S)
Deputy J.B. Fox (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy of Grouville
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian
(L)
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

THE STATES, in pursuance of Regulation 4 of the Harbours (Administration) (Jersey) Law 1961, made Regulations entitled Boats and Surf-Riding (Control) (Amendment No. 27) (Jersey) Regulations 2008.

Draft Civil Aviation (Jersey) Law 200- P.18/2008

THE STATES commenced consideration of the Draft Civil Aviation (Jersey) Law 200-.

Adjournment

THE STATES adjourned, having agreed to reconvene on Thursday 13th March 2008 to continue consideration of the Draft Civil Aviation (Jersey) Law 200- (P.18/2008) and the outstanding items of public business.

THE STATES rose at 5.33 p.m.

M.N. DE LA HAYE

Greffier of the States