

# STATES OF JERSEY



## **DRAFT TAXATION (IMPLEMENTATION) (INTERNATIONAL TAX COMPLIANCE) (COUNTRY-BY-COUNTRY REPORTING: BEPS) (JERSEY) REGULATIONS 201-**

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**Lodged au Greffe on 20th October 2016  
by the Minister for External Relations**

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**STATES GREFFE**





Jersey

# **DRAFT TAXATION (IMPLEMENTATION) (INTERNATIONAL TAX COMPLIANCE) (COUNTRY-BY-COUNTRY REPORTING: BEPS) (JERSEY) REGULATIONS 201-**

## **REPORT**

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The Government of Jersey has made clear its commitment to the OECD's Base Erosion and Profit Shifting (BEPS) project for some time. The following statement, which was agreed by Jersey's Ministers, was provided to the European Union's TAXE 2 Committee in March 2016: "Jersey is fully supportive of the BEPS programme and is ensuring that it remains fully informed on the progress in implementing the Actions making up that programme. Early action is being taken to implement Country-by-Country Reporting (CBCR) of profits by Multi-National Enterprises. While there is expected to be limited application of this to Jersey based enterprises, to show support for this measure the finance industry is currently being consulted prior to legislation being presented to parliament, which legislation is expected to be similar to that enacted by the United Kingdom."

On 16th June 2016 Jersey became a BEPS Associate and a member of the BEPS Inclusive Framework. The aim of the BEPS project is to reach a globally fair and modern international tax system. The membership of the Inclusive Framework deliberately includes a large number of participating jurisdictions from the developing world, in addition to OECD and G20 members. As a BEPS Associate, Jersey is therefore able to contribute to the overall development of the BEPS project through policy dialogue and exchange of information – participating on an equal footing with OECD, G20 and many other countries and jurisdictions.

BEPS refers to tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations where there is little or no economic activity. The BEPS package provides 15 Actions that will equip governments with the domestic and international instruments needed to tackle BEPS. Countries will have the tools to ensure that profits are taxed where economic activities generating the profits are performed and where value is created. These tools will also give businesses greater certainty by reducing disputes over the application of international tax rules and standardising compliance requirements. The basic proposal that profits should be taxed where the economic activity that generates the profits is carried out, and where value is created, fits well with Jersey's historic policy of requiring regulated financial institutions such as the banks to have a real physical presence and to be of substance.

All BEPS Associates are committed to consistent implementation of the BEPS package, including its four minimum standards. Implementation of country-by-country reporting (CBCR) under Action 13 is one of the 4 minimum standards. Its purpose is

to improve transparency between multinational businesses and tax authorities, and to help identify aggressive tax avoidance. Following industry and public consultations, Jersey will be introducing legislation to implement into domestic law the OECD standard for extending the scope of AEOI to exchange of CBCR between tax authorities by large multinational corporations. In the EU this has been implemented through the further amendment to the Administrative Cooperation Directive (DAC4) adopted in May 2016. Jersey's draft legislation seeks to place a reporting on large multinational enterprises for accounting periods on or after 1st January 2016 – so we will be working to the same timetable as our UK and EU partners.

On 21st October 2016, Jersey's Chief Minister will sign the multilateral CBCR instrument (which opened for signature on 27th January 2016) in a ceremony at the OECD. This is a multilateral competent authority agreement (MCAA) and is the instrument that provides for exchange of CBC information between the tax authorities of participating countries. Jersey has coordinated its approach carefully with the governments of the other Crown Dependencies – all 3 governments intend to sign the CBC MCAA at the same time.

Jersey's approach to BEPS has been subject to extensive public consultation, in addition to regular discussion with industry groups. A public consultation was issued by the Chief Minister's Department on the Introduction of Country-By-Country Reporting (the "[consultation paper](#)") in January 2016. A response to the consultation paper was issued by the Chief Minister's Department to the Consultation on the Introduction of Country-By-Country Reporting (the "[response paper](#)") in April 2016.

The introduction of CBC reporting in Jersey represents the latest step in Jersey's implementation of the BEPS programme. It is further evidence of Jersey's longstanding policy of commitment to, and leadership in, delivering global standards in tax transparency and exchange of information.

### **Financing and manpower implications**

If approved by the States, implementation of these draft Regulations would cost approximately £100,000. A funding mechanism is currently being identified.

## Explanatory Note

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These Regulations will give effect to Jersey's obligations under the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports which Jersey is expected to sign on 21st October 2016 ("Agreement"). The purpose of the Agreement is to set out requirements for filing and exchange of information for tax purposes to enable implementation of the "Transfer Pricing Documentation and Country-by-Country Reporting – Action 13: 2015 Final Report" ("OECD Final Report") published by the Organisation for Economic Co-operation and Development as part of the OECD/G20 Base Erosion and Profit Shifting Project.

Parties to the Agreement are parties to the "Convention". The "Convention" is the Convention on Mutual Administrative Assistance in Tax Matters signed on behalf of the United Kingdom as extended to Jersey, with effect, in respect of Jersey, from 1st June 2014. The Convention is given effect in Jersey by the Taxation (Implementation) (Convention on Mutual Administrative Assistance in Tax Matters) (Jersey) Regulations 2014.)

*Regulation 1* is an interpretation provision. In particular it defines "OECD model legislation" which is used in a number of defined terms. "OECD model legislation" is model legislation set out in Annex IV to Chapter V of the OECD Final Report. Regulation 1 also defines "file" (in relation to the reporting of information for tax purposes) to mean filing with the Comptroller of Taxes ("Comptroller") except where stated otherwise in relation to a jurisdiction outside Jersey.

*Regulation 2* defines a "country-by-country" report with reference to the definition used in the OECD model legislation. *Regulation 2* also defines "Jersey country-by-country report" with reference to information which relates only to a "Jersey entity" (as defined in *Regulation 3*) or, if the Jersey entity is required to report on information concerning other entities within its group under these Regulations, to that other information.

*Regulation 3* defines "Jersey entity" to mean a "constituent entity" of a group ("constituent entity" is defined in the OECD model legislation) which is established or resident in Jersey and whose information is not required to be included in the consolidated financial statements of any other constituent entity in Jersey of the group.

*Regulation 4* sets out the threshold requirement that must be met to trigger the reporting requirements under these Regulations. Broadly, the group of which a Jersey entity is a member must have a consolidated group revenue of at least €750 million.

*Regulation 5* sets out the circumstances where a Jersey entity is required to file a report with the Comptroller under these Regulations. A Jersey entity must file a country-by-country report if it is an "ultimate parent entity" (defined in the OECD model legislation) and is resident in Jersey for tax purposes on the date that is 12 months after the end of an accounting period to which a report relates. A Jersey entity which is not itself an ultimate parent entity must file a Jersey country-by-country report if any one of three conditions set out in *Regulation 6* in relation to its ultimate parent entity is satisfied. Those conditions are (a) its ultimate parent entity is in a jurisdiction where it is not required to file the equivalent of a country-by-country report; (b) no exchange arrangements exist between the Comptroller and the appropriate authority in the jurisdiction in which the ultimate parent entity is resident; or (c) exchange arrangements between the Comptroller and appropriate authority in the jurisdiction in which the ultimate parent entity is resident are not operating effectively.

However even if any of the conditions in *Regulation 6* are met, a Jersey entity is not required to file a Jersey country-by-country report if either exception A or exception B applies. Exception A is that another constituent entity of the Jersey entity's group intends to file a report with the Comptroller and the Jersey entity notifies the Comptroller of that intention on or before the last day of the period in respect of which a report is made. Exception B is where (a) another constituent entity of the Jersey entity's group intends to file a report in another jurisdiction which will include the required information concerning the Jersey entity; (b) there are effective information exchange arrangements operating between the Comptroller and the appropriate authority of the other jurisdiction and (c) the Jersey entity notifies the Comptroller of the identity of entity filing the report and the jurisdiction in which the report will be filed.

Under *Regulation 7*, a person is liable to a penalty of £300 for failure to comply with the filing requirements in Jersey under *Regulation 5* or the failure to notify the Comptroller of an intention to file a report as required by *Regulation 5(9)*.

Under *Regulation 8*, a person is liable to a daily penalty of £60 for each day that failure to comply with any obligation of these Regulations continues after the initial imposition of a penalty under *Regulation 7*.

*Regulation 9* sets out a maximum penalty of £3,000 for providing inaccurate information when filing a report under these Regulations if the inaccuracy is deliberate or the person does not inform the Comptroller of the inaccuracy.

*Regulation 10* provides that no liability under *Regulation 7, 8 or 9* arises if a person has a reasonable excuse, but this does not include insufficiency of funds or reliance on another person.

*Regulation 11* makes provision for the Comptroller to impose a penalty.

*Regulation 12* sets out a right of appeal against a penalty.

*Regulation 13* makes provision for a Commission of Appeal to be appointed to hear an appeal, such Commission being appointed from the Commissioners of Appeal appointed under Article 10(1) of the Income Tax (Jersey) Law 1961.

*Regulation 14* provides for an increased daily penalty of up to £1,000 each day to be imposed in place of the daily penalty under *Regulation 11* where a failure continues for more than 30 days and the Commission of Appeal has decided to impose an increased daily penalty following an application to it by the Comptroller.

*Regulation 15* requires a penalty imposed under these Regulations be paid within 30 days of its imposition (or if applicable, determination of an appeal under *Regulation 13*).

*Regulation 16* makes provision so that these Regulations apply to any arrangements made which are intended to avoid any requirements of these Regulations as if such arrangements had not been entered into.

*Regulation 17* allows the Comptroller or a person authorized by the Comptroller to enter business premises and examine any documents relating to that business.

*Regulation 18* makes it an offence to obstruct an authorized person in the exercise of that authorized person's powers under *Regulation 17* or to fail to provide reasonable assistance to that person. A person guilty of such an offence is liable to imprisonment for a maximum term of 6 months and to a fine of an unlimited amount. *Regulation 18* also makes it an offence for a person intentionally to alter, suppress or destroy any business document which an authorized person has required the person to provide to

him or her. A person guilty of such an offence is liable to imprisonment for a maximum term of 2 years and to a fine of an unlimited amount.

*Regulation 19* sets out the title of these Regulations and provides that they will come into force 7 days after the day they are made.







Jersey

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**Arrangement**

**Regulation**

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*Made* [date to be inserted]  
*Coming into force* [date to be inserted]

**THE STATES**, in pursuance of Article 2 of the Taxation (Implementation) (Jersey) Law 2004<sup>1</sup>, and following the decision of the States taken on the day these Regulations are made to ratify the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports, have made the following Regulations –

**1 Interpretation**

In these Regulations, unless the context otherwise requires –

“1961 Law” means the Income Tax (Jersey) Law 1961<sup>2</sup>;

“authorized person” means the Comptroller or any person authorized by the Comptroller to perform the functions under Regulation 17;

“business document” means any document –

- (a) that relates to the carrying on of a business, trade, profession or vocation by any person; and
- (b) that forms part of any record under any enactment;

“business premises” means premises used in connection with the carrying on of a business, trade, profession or vocation;

“CBC report” means a country-by-country report or a Jersey country-by-country report;

“Commission” means a Commission of Appeal constituted under Regulation 13(3);

“Comptroller” means the Comptroller of Taxes;

“consolidated financial statements” has the same meaning as it does in Article 1(12) of the OECD model legislation if such statements are

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prepared in accordance with generally accepted accounting practice or international accounting standards;

“constituent entity” has the same meaning as it does in Article 1(4) of the OECD model legislation;

“country-by-country report” has the meaning given by Regulation 2(1);

“exchange arrangements” means arrangements to exchange country-by-country reports or their equivalent;

“file”, except where stated otherwise in relation to filing in a jurisdiction outside Jersey, means file with the Comptroller;

“filing deadline” means 12 months after the end of the accounting period to which a CBC report relates;

“Jersey country-by-country report” has the meaning given by Regulation 2(2);

“Jersey entity” has the meaning given by Regulation 3;

“MNE group” has the same meaning as it does in Article 1(2) of the OECD model legislation except that Article 1(2)(ii) (“Excluded MNE Group”) does not apply;

“OECD Final Report” means the document entitled “Transfer Pricing Documentation and Country-by Country Reporting - Action 13: Final Report” published by the Organisation for Economic Co-operation and Development as part of the OECD/G20 Base Erosion and Profit Shifting Project;

“OECD model legislation” means the “Model legislation related to Country-by-Country Reporting” in Annex IV to Chapter V of the OECD Final Report;

“ultimate parent entity” has the same meaning as it does in Article 1(6) of the OECD model legislation.

## **2 Meaning of “country-by-country report” and “Jersey country-by-country report”**

- (1) For the purpose of these Regulations, “country-by-country report” with respect to an MNE Group means a report which contains the information referred to in Article 4(1) of the OECD model legislation set out in a form which conforms with the model template in Annex III of the OECD Final Report and the general and specific instructions set out in that Annex.
- (2) For the purpose of these Regulations “Jersey country-by-country report” means a report within the meaning of paragraph (1) but only as it applies to –
  - (a) a Jersey entity; and
  - (b) where applicable, the constituent entities in respect of which the Jersey entity is required to prepare consolidated financial statements or would be so required if its equity interests were traded on a public securities exchange.

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### **3 Meaning of “Jersey entity”**

- (1) For the purpose of these Regulations, “Jersey entity” (“JE”) means a constituent entity in respect of which conditions A and B are satisfied.
- (2) Condition A is satisfied where JE –
  - (a) is resident in Jersey for tax purposes; or
  - (b) has a permanent establishment in Jersey.
- (3) Condition B is satisfied where there is no other constituent entity of the MNE Group –
  - (a) resident in Jersey for tax purposes; or
  - (b) which has a permanent establishment in Jersey,and which is required to prepare consolidated financial statements or would be so required if its equity interests were traded on a public securities exchange and such statements include or would include JE.

### **4 Meaning of “threshold requirement”**

- (1) In Regulation 5, “threshold requirement” means that the MNE Group has a total consolidated group revenue of €750 million or more for an accounting period of 12 months –
  - (a) as shown in its consolidated financial statements; or
  - (b) as would have been shown in its consolidated financial statements had the MNE Group been required to produce them by reason of the trading of equity interests in any of the enterprises in the MNE Group on a public securities exchange.
- (2) Where an MNE group draws up, or would draw up, its consolidated financial statements for an accounting period in a currency other than euros, the reference to “€750 million” in paragraph (1) has effect as if it referred to the equivalent in that currency at the average exchange rate for the accounting period.
- (3) When the accounting period of an MNE Group is a period of less than 12 months, the amount of €750 million in paragraph (1) (or the equivalent under paragraph (2)) is reduced proportionately.

### **5 Filing of CBC reports**

- (1) This Regulation applies where an MNE Group (“G”) meets the threshold requirement in respect of an accounting period (“AP”) where AP –
  - (a) commences before and ends on or after 31st December 2015; or
  - (b) commences on or after 1st January 2016.
- (2) The accounting period immediately following AP is referred to in this Regulation as “AP+1”.
- (3) The ultimate parent entity of G must file a country-by-country report in respect of AP+1 by the filing deadline if the ultimate parent entity is resident in Jersey for tax purposes on the date of the filing deadline.

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- (4) Subject to paragraph (5), a Jersey entity of G must file a Jersey country-by-country report by the filing deadline in respect of AP+1 if –
- (a) the Jersey entity is not required to file a country-by-country report under paragraph (3); and
  - (b) one of the conditions in Regulation 6 is met.
- (5) The duty in paragraph (4) does not apply if exception A or exception B applies.
- (6) Exception A applies where –
- (a) a constituent entity of G intends to file before the filing deadline a country-by-country report pursuant to paragraph (8) in respect of AP+1 and that report is intended to include the information required to be contained in the Jersey country-by-country report otherwise required to be filed by the Jersey entity under paragraph (3); and
  - (b) on or before the last day of AP+1, the Jersey entity provides to the Comptroller details of the identity of the constituent entity which will file the report.
- (7) Exception B applies where –
- (a) a constituent entity of G intends to file before the filing deadline in a jurisdiction other than Jersey the equivalent of a country-by-country report in respect of AP+1 and that report is intended to include the information required to be contained in the Jersey country-by-country report otherwise required to be filed by the Jersey entity under paragraph (3);
  - (b) the appropriate authority of that jurisdiction has entered into exchange arrangements with the Comptroller which apply to the filed report and the Comptroller has not notified the Jersey entity before the filing deadline that the arrangements are not operating effectively; and
  - (c) on or before the last day of AP+1 the Jersey entity provides details to the Comptroller of –
    - (i) the identity of the constituent entity which intends to file the report and where it is resident for tax purposes, and
    - (ii) the jurisdiction in which the report is to be filed.
- (8) A constituent entity of G (“CEG”) may file a country-by-country report on behalf of G in respect of AP+1 if –
- (a) CEG or another constituent entity of G is resident for tax purposes in Jersey or has a permanent establishment in Jersey;
  - (b) CEG –
    - (i) is not required to file a country-by-country report under paragraph (3), and
    - (ii) is authorized by the ultimate parent entity of G to file a country-by-country report on behalf of G in respect of AP+1 and the ultimate parent entity has notified the Comptroller of that authority in writing on or before the last day of AP+1; and

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(c) one of the conditions in Regulation 6 is met.

- (9) A Jersey entity must, whether or not required to do so by another provision in this Regulation, notify the Comptroller on or before the last day of AP+1 of its intention to file any CBC report in respect of AP+1.

## **6 Conditions for the purposes of Regulation 5(4)(b) and (8)(c)**

The conditions referred to in Regulation 5(4)(b) and (8)(c) are that –

- (a) the ultimate parent entity is not required to file the equivalent of a country-by-country report in the jurisdiction in which it is resident for tax purposes in respect of the accounting period to which the report relates (or, where the ultimate parent entity is resident for tax purposes in more than one jurisdiction, no such requirement to file applies in any of those jurisdictions);
- (b) the appropriate authority of the jurisdiction in which the ultimate parent entity is resident for tax purposes has not entered into exchange arrangements with the Comptroller in respect of the accounting period to which the report relates (or where the ultimate parent entity is resident for tax purposes in more than one jurisdiction, none of the appropriate authorities of those jurisdictions has entered into such arrangements); or
- (c) the appropriate authority of the jurisdiction in which the ultimate parent entity has filed the equivalent of a country-by-country report has entered into exchange arrangements with the Comptroller but –
- (i) in respect of the obligation on a Jersey entity in Regulation 5(4), the Comptroller has notified the Jersey entity that the arrangements are not operating effectively, or
- (ii) in respect of a CEG intending to file a country-by-country report further to Regulation 5(8), the CEG has requested the Comptroller to confirm whether or not the arrangements are operating effectively and the Comptroller has indicated that they are not.

## **7 Penalty for failure to comply with Regulations**

A person is liable to a penalty of £300 if the person fails to comply with Regulation 5(3), 5(4) or 5(9).

## **8 Daily default penalty**

If –

- (a) a penalty under Regulation 7 is imposed for failure to comply with Regulation 5(3) or 5(4); and
- (b) the failure in question continues after the person has been notified of the penalty,

the person is liable to a further penalty, for each subsequent day on which the failure continues, of an amount (subject to Regulation 14) not exceeding £60 for each day.

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**9 Penalties for inaccurate information**

- (1) A person is liable to a penalty not exceeding £3,000 if –
  - (a) a person provides inaccurate information when filing a CBC report under Regulation 5; and
  - (b) condition A or B is met.
- (2) Condition A is that the person knows of the inaccuracy at the time the information is provided but does not inform the Comptroller at that time.
- (3) Condition B is that the person –
  - (a) discovers the inaccuracy after the information is provided to the Comptroller; and
  - (b) fails to take reasonable steps to inform the Comptroller.

**10 Matters to be disregarded in relation to liability to penalties**

- (1) Liability to a penalty under Regulation 7, 8 or 9 does not arise if the person satisfies the Comptroller or (on an appeal notified by the Comptroller to the Commission) the Commission, that there is a reasonable excuse for the failure or the provision of inaccurate information.
- (2) For the purposes of this Regulation, neither of the following is a reasonable excuse –
  - (a) that there is an insufficiency of funds to do something; or
  - (b) that a person relies upon another person to do something.
- (3) If a person had a reasonable excuse for a failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse has ceased.

**11 Imposition of penalties**

- (1) If a person becomes liable to a penalty under any of Regulations 7 to 9 the Comptroller may impose the penalty.
- (2) If the Comptroller imposes a penalty, the Comptroller must notify the person.
- (3) A penalty under Regulation 7 or 8 may only be imposed within the period of 6 years beginning with the date on which the person became liable to the penalty.
- (4) A penalty under Regulation 9 may only be imposed –
  - (a) within the period of 12 months beginning with the date on which the inaccuracy first came to the attention of the Comptroller; and
  - (b) within the period of 6 years beginning with the date on which the person became liable to the penalty.



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**12 Right of appeal against penalty**

A person upon whom a penalty is imposed may appeal against it –

- (a) on the ground that liability to a penalty under any of Regulations 7 to 9 does not arise; or
- (b) as to the amount of a penalty under Regulation 8 or 9.

**13 Commission of Appeal and procedure on appeal against penalty**

- (1) Notice of an appeal under Regulation 12 must be given to the Comptroller –
  - (a) in writing; and
  - (b) before the end of the period of 30 days beginning with the date on which notification to the person under Regulation 11 was given.
- (2) The notice under paragraph (1) must state the ground of appeal.
- (3) A Commission of Appeal shall be constituted for the purpose of hearing –
  - (a) an appeal under Regulation 12; or
  - (b) an application under Regulation 14(2),as it would be constituted under Article 10(1) of the 1961 Law from the Commissioners of Appeal for the purpose of hearing appeals under the 1961 Law.
- (4) The Comptroller shall notify the Commission of an appeal under Regulation 12.
- (5) On determining an appeal under Regulation 12(a) that is notified to the Commission by the Comptroller, the Commission may confirm or cancel the penalty.
- (6) On determining an appeal under Regulation 12(b) that is notified to the Commission by the Comptroller, the Commission may –
  - (a) confirm the penalty; or
  - (b) substitute another penalty that the Comptroller has power to impose under these Regulations.
- (7) Subject to this Regulation and Regulation 15, the provisions of Part 6 of the 1961 Law shall have effect in relation to appeals under Regulation 12 as they have effect in relation to an appeal against an assessment to income tax.

**14 Increased daily default penalty**

- (1) This Regulation applies if –
  - (a) a penalty under Regulation 8 is imposed under Regulation 11;
  - (b) the failure in respect of which that penalty is imposed continues for more than 30 days beginning with the date on which notification of that penalty is given; and

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- (c) the person has been notified that an application may be made under this Regulation for an increased daily penalty to be imposed.
  - (2) If this Regulation applies, the Comptroller may make an application to the Commission for an increased daily penalty to be imposed on the person.
  - (3) If the Commission decides that an increased daily penalty should be imposed then for each applicable day on which the failure continues –
    - (a) the person is not liable to a penalty under Regulation 8 in respect of the failure; and
    - (b) the person is liable instead to a penalty under this Regulation of an amount determined by the Commission.
  - (4) The Commission must not determine an amount exceeding £1,000 for each applicable day.
  - (5) If a person becomes liable to a penalty under this Regulation, the Comptroller must notify the person.
  - (6) The notification must specify the future day from which the increased penalty is to apply.
  - (7) That day and any subsequent day is an “applicable day” for the purposes of this Regulation.

## **15 Payment and enforcement of penalties**

- (1) A penalty under these Regulations must be paid before the end of the period of 30 days beginning with the date mentioned in paragraph (2).
- (2) That date is the later of –
  - (a) the date on which the penalty is imposed under Regulation 11 or notification under Regulation 14(5) is given in respect of the penalty; or
  - (b) if notice of appeal under Regulation 12 is given, the date on which the appeal is finally determined or withdrawn.
- (3) A penalty under these Regulations may be enforced as if it were income tax charged in an assessment and due and payable.

## **16 Anti-avoidance**

If –

- (a) a person enters into any arrangements; and
  - (b) the main purpose, or one of the main purposes, of the person in entering into those arrangements is to avoid any requirement of these Regulations,
- these Regulations shall have effect as if the arrangements had not been entered into.

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**17 Power to enter business premises and examine business documents**

- (1) An authorized person may examine and take copies of any business document that is located on business premises.
- (2) The power under paragraph (1) may be exercised only for the purpose of investigating any issue relating to compliance with these Regulations.
- (3) An authorized person may at any reasonable hour enter business premises for the purpose of exercising the power under paragraph (1).
- (4) An authorized person may by notice require any person to produce any specified business document at the business premises where the business document is located for the purpose of enabling the authorized person to exercise the power under paragraph (1) in relation to that document.
- (5) An authorized person shall not exercise the powers under this Regulation in respect of any document which a person would, in an action in Court, be entitled to refuse to disclose or produce on the grounds of legal professional privilege.

**18 Obstructing an authorized person**

- (1) A person shall be guilty of an offence if, without reasonable excuse, the person –
  - (a) obstructs an authorized person in the exercise of the authorized person's powers under Regulation 17; or
  - (b) fails to provide such reasonable assistance as an authorized person may require when the authorized person is exercising his or her powers under Regulation 17.
- (2) A person who intentionally alters, suppresses or destroys any business document that has been specified in a notice under Regulation 17(4) shall be guilty of an offence.
- (3) A person who is guilty of an offence under paragraph (1) shall be liable to imprisonment for a term of 6 months and to a fine.
- (4) A person who is guilty of an offence under paragraph (2) shall be liable to imprisonment for a term of 2 years and to a fine.

**19 Citation and commencement**

These Regulations may be cited as the Taxation (Implementation) (International Tax Compliance) (Country-by-Country Reporting: BEPS) (Jersey) Regulations 201- and shall come into force 7 days after the day they are made.

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- <sup>1</sup> *chapter 17.850*  
<sup>2</sup> *chapter 24.750*