

STATES OF JERSEY



DRAFT DOUBLE TAXATION RELIEF (ARRANGEMENT WITH THE UNITED KINGDOM) (JERSEY) ACT 201-

**Lodged au Greffe on 17th November 2015
by the Minister for External Relations**

STATES GREFFE



Jersey

DRAFT DOUBLE TAXATION RELIEF (ARRANGEMENT WITH THE UNITED KINGDOM) (JERSEY) ACT 201-

REPORT

The 1952 Arrangement between Her Majesty's Government and the States of Jersey for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income included a definition of the term "United Kingdom", which was limited in its meaning to Great Britain and Northern Ireland. There was no specific definition of Jersey. The U.K. Government drew attention to the fact that by comparison with later Agreements, the definition of the United Kingdom omitted any reference to the territorial sea and that this should be rectified. In making the change it was also recognised that, as in other more recent tax Agreements, "Jersey" was defined to include the territorial sea, and that such a definition should be included in the 1952 Arrangement.

The amendments have been agreed by the exchange of letters between the Chief Minister and the Financial Secretary to the U.K. Treasury, which are attached at the Appendix to this Report.

Financial and manpower implications.

There are no financial or manpower implications for the States arising from the adoption of this draft Act.

APPENDIX TO REPORT



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Senator Ian Gorst
Chief Minister's Department
PO Box 140
Cyril le Marquand House
The Parade, St Helier
Jersey JE4 8QT

22 September 2015

Dear Chief Minister

I have the honour to propose to you the Arrangement, further amending the 1952 Arrangement between Her Majesty's Government and the Government of Jersey for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income at Appendix 1 to this letter and that this Arrangement shall have effect in accordance with paragraph 4 thereof.

I have the further honour to propose that, if the above is acceptable to the Government of Jersey, this letter and Appendix 1 together with your reply will constitute our mutual acceptance of the provisions of the Arrangement.

Yours sincerely

David Gauke MP

Chief Minister of Jersey

Cyril Le Marquand House
St Helier, Jersey, JE4 8QT
Tel: +44 (0)1534 440546



David Gauke MP
Financial Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

1st October 2015

Dear David,

I have the honour to acknowledge receipt of your letter of the 22 September 2015 proposing the Arrangement, further amending the 1952 Arrangement between Her Majesty's Government and the Government of Jersey for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, at Appendix 1 to your letter and that this Arrangement shall have effect in accordance with paragraph 4 thereof.

I have the further honour to confirm that the above is acceptable to the Government of Jersey and that this letter together with your letter and Appendix 1 constitute our mutual acceptance of the provisions of the Arrangement.

Yours sincerely,

A handwritten signature in black ink, appearing to be "I. Gorst", written over a horizontal line.

Senator Ian Gorst
Chief Minister of Jersey

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Explanatory Note

This draft Act would further amend the 1952 Arrangement between Her Majesty's Government and the States of Jersey for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, to update the definition of "United Kingdom" and to insert a definition of "Jersey", as specified in the latest Arrangement between the two governments which is set out in the Schedule and which was agreed by an exchange of letters dated 22nd September 2015 and 1st October 2015.

That Arrangement provides that each of the territories shall notify to the other the completion of the procedures required by law to bring the Arrangement into force, and that it will enter into force on the date of the later of these notifications and have effect for the following year of assessment or financial year, as the case may be.



Jersey

**DRAFT DOUBLE TAXATION RELIEF
(ARRANGEMENT WITH THE UNITED KINGDOM)
(JERSEY) ACT 201-**

Arrangement

Article

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SCHEDULE **10**

ARRANGEMENT BETWEEN HER MAJESTY'S GOVERNMENT AND THE GOVERNMENT OF JERSEY AMENDING THE 1952 ARRANGEMENT BETWEEN THE TWO GOVERNMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AS AMENDED BY THE 1994 AND 2009 ARRANGEMENTS BETWEEN THE TWO GOVERNMENTS	10
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Jersey

**DRAFT DOUBLE TAXATION RELIEF
(ARRANGEMENT WITH THE UNITED KINGDOM)
(JERSEY) ACT 201-**

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

THE STATES, in pursuance of Article 111 of the Income Tax (Jersey) Law 1961¹, have made the following Act –

1 Interpretation

In this Act, “1952 Arrangement” means the Arrangement between His Majesty’s Government and the States of Jersey for the avoidance of Double Taxation and the prevention of fiscal evasion with respect to taxes on income, set out in the Schedule to the Double Taxation Relief (Arrangement with the United Kingdom) (Jersey) Act 1952², and as amended by two further Arrangements between the two governments, set out in the Schedules to the Double Taxation Relief (Arrangement with the United Kingdom) (Jersey) Act 1994³ and to the Double Taxation Relief (Arrangement with the United Kingdom) (Jersey) Act 2010⁴.

2 Double Taxation Arrangement amended

It is declared that –

- (a) an arrangement, set out in the Schedule, has been made between Her Majesty’s Government and the States of Jersey further amending the 1952 Arrangement; and
- (b) it is expedient that the arrangement has effect.

3 Citation and commencement

- (1) This Act may be cited as the Double Taxation Relief (Arrangement with the United Kingdom) (Jersey) Act 201-.
- (2) The arrangement set out in the Schedule shall have effect in accordance with its terms.

SCHEDULE

ARRANGEMENT BETWEEN HER MAJESTY’S GOVERNMENT AND THE GOVERNMENT OF JERSEY AMENDING THE 1952 ARRANGEMENT BETWEEN THE TWO GOVERNMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AS AMENDED BY THE 1994 AND 2009 ARRANGEMENTS BETWEEN THE TWO GOVERNMENTS

Her Majesty’s Government and the Government of Jersey,

Desiring to strengthen their economic relationship and to improve the operation of the existing arrangement between the two governments for the avoidance of double taxation and the prevention of fiscal evasion, have agreed as follows:

1. In this Arrangement, the term “1952 Arrangement” means that Arrangement as amended by the 1994 and 2009 Arrangements.
2. In paragraph 2(1) of the 1952 Arrangement, for sub-paragraph (a) there shall be substituted the following sub-paragraphs –
 - “(a) The term ‘United Kingdom’ means Great Britain and Northern Ireland but, when used in a geographical sense, means the territory and territorial sea of Great Britain and Northern Ireland and the areas beyond that territorial sea over which Great Britain and Northern Ireland exercise sovereign rights or jurisdiction in accordance with their domestic law and international law.
 - (aa) The term ‘Jersey’ means the Bailiwick of Jersey including the territorial sea.”.
3. Each of the territories shall notify to the other the completion of the procedures required by its law for the bringing into force of this Arrangement. This Arrangement shall enter into force on the date of the later of these notifications and shall have effect –
 - (a) in the United Kingdom –
 - (i) in respect of income tax, for any year of assessment beginning on or after 6th April next following the date on which this Arrangement enters into force,
 - (ii) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date on which this Arrangement enters into force;
 - (b) in Jersey, in respect of income tax, for any year of assessment beginning on or after 1st January next following the date on which this Arrangement enters into force.

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- ¹ *chapter 24.750*
 - ² *chapter 24.750.10*
 - ³ *R&O.8728*
 - ⁴ *R&O.80/2010*