

STATES OF JERSEY



DRAFT FINANCE (2018 BUDGET) (JERSEY) LAW 201-

Lodged au Greffe on 17th October 2017
by the Minister for Treasury and Resources

STATES GREFFE



Jersey

DRAFT FINANCE (2018 BUDGET) (JERSEY) LAW 201-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources, the provisions of the Draft Finance (2018 Budget) (Jersey) Law 201- are compatible with the Convention Rights.

Signed: **Senator A.J.H. Maclean**

Minister for Treasury and Resources

Dated: 16th October 2017

REPORT

This draft Law gives effect to the proposals described in the Draft Budget Statement 2018 ([P.90/2017](#) lodged *au Greffe* on 3rd October 2017).

Collective responsibility under Standing Order 21(3A)

The Council of Ministers has a single policy position on this proposition, and as such, all Ministers, and the Assistant Ministers for Treasury and Resources, are bound by the principle of collective responsibility to support the proposition, as outlined in the Code of Conduct and Practice for Ministers and Assistant Ministers ([R.11/2015](#) refers).

Financial and manpower implications

The financial and manpower implications associated with this draft Law are identified within the Draft Budget Statement 2018 ([P.90/2017](#) lodged *au Greffe* on 3rd October 2017).

Human Rights

The notes on the human rights aspects of the draft Law in the **Appendix** have been prepared by the Law Officers' Department and are included for the information of States Members. They are not, and should not be taken as, legal advice.

Human Rights Notes on the Draft Finance (2018 Budget) (Jersey) Law 201-

These Notes have been prepared in respect of the Draft Finance (2018 Budget) (Jersey) Law 201- (the “**draft Law**”) by the Law Officers’ Department. They summarise the principal human rights issues arising from the contents of the draft Law and explain why, in the Law Officers’ opinion, the draft Law is compatible with the European Convention on Human Rights (“**ECHR**”).

These Notes are included for the information of States Members. They are not, and should not be taken as, legal advice.

The draft Law deals with ordinary changes to the amounts and incidence of taxation representing policy issues which are not the concern of human rights principles.

The anti-avoidance measure in respect of stamp duty is retrospective to the date of the budget announcement. Such retrospectivity in civil matters is not contrary to the European Convention on Human Rights. It is justifiable as an interference in property rights under Article 1 of Protocol 1 of the European Convention. It is very common for fiscal measures to take effect from the date of the announcement rather than the date of being passed – and is in no way unfair on taxpayers as they will have been given proper notice.

The measures which will bring taxpayers into the effective tax take (e.g. the tax on large retailers) may appear to create retrospective taxation, and an explanation may assist as to why there is no concern in this regard. The relevant companies’ profits for a year of assessment will be assessed by reference to the accounting period or periods ending in that year. There will be relevant companies whose accounting periods will include profits earned in the previous year, i.e. profits that accrued where the companies were not in economic terms subject to tax, being taxable at a rate of 0%. This is an inevitable result of the Jersey system (as is the case with many systems) taxing by reference to a basis period which does not necessarily match the calendar year of assessment (e.g. because an accounting year ending 30th June 2018 will be used to measure the profits for the calendar year 2018). As was recognised by the British House of Lords in the case of *IRC v Helical Bar*, there is no unfairness in this unless the effect is to bring into the charge to tax profits greatly in excess of what was actually earned during the period subject to be taxed. The provisions have therefore included the right for taxpayers concerned about the results of measuring 2018 profits by using a basis period including profits earned in 2017 to adopt an accounting period ending 31st December. This will mean in future years the basis of their taxation will align with the tax assessment year. There will be a fair, just and reasonable adjustment to prevent anomalies arising in 2018 due to the change of accounting periods. This approach strikes a fair balance, and is thus proportionate within the requirements of Article 1 of Protocol 1 of the Convention.

Explanatory Note

Except where expressly provided otherwise, the amendments made by this Law commence on 1st January 2018 and, if relevant to a year of assessment, have effect for 2018 onwards.

Part 1 of this Law would make amendments to the Income Tax (Jersey) Law 1961 (the “Law”).

Interpretation and standard rate of income tax

Article 1 provides for the interpretation of *Part 1*.

Article 2 sets the standard rate of income tax for 2018, at 20%.

Allowances and reliefs: general

Article 52 of the Law permits a person chargeable to tax on rental income arising from property in Jersey to deduct normal outgoings including rates charged on the occupier of the property which the person is obliged to defray. *Article 3* would amend Article 52, in line with proposals approved by the States Assembly in an Amendment to the draft Budget statement for 2017 (P.109/2016), so as to remove the entitlement of a landlord to deduct the cost of rates paid under the Rates (Jersey) Law 2005 when calculating profits or gains in respect of rent under Schedule A of the Law.

Article 4 would increase the standard thresholds of exemption from income tax in Article 92A of the Law, in line with the cost of living increase of 2.5% as measured by the Retail Prices Index for June 2017.

Special provisions as to bodies corporate

Several provisions of the Law relating to bodies corporate would be amended by *Article 5* which introduces a new definition of “financial services company”. The definition of that term is extended to include companies registered under the Financial Services (Jersey) Law 1998 to carry out fund service business (as registrars), or general insurance mediation business; companies carrying out insurance business as permit holders under the Insurance Business (Jersey) Law 1996; and finance companies, i.e. those trading in the provision of various forms of credit financing. The insertion of the new definition into Article 123D of the Law means that all these types of companies (in addition to those covered by the existing definition) will be charged to tax on their profits and gains under Schedule D of the Law at the rate of 10%. *Article 5* would also delete Article 3AA of the Law (the provisions of which are relocated in Articles 3 and 123D).

Foreign limited liability partnerships

Article 6 would provide for the taxation of foreign limited liability partnerships under Case 1 and II of Schedule D of the Law, by inserting a new Article 76E under which such a partnership is defined as an arrangement formed outside Jersey in a jurisdiction approved for the purpose by the Comptroller, whereby a trade, profession, business or vocation is carried on by 2 or more persons in partnership.

Large corporate retailers

Article 7 inserts a new Part 17 1A in the Law. Part 17 1A makes provision for the taxation of large corporate retailers and consists of Articles 123H to 123R as set out below.

Article 123H consists of definitions which are used in Part 17 1A. These definitions are referred to below.

Article 123I defines a “large corporate retailer” to mean a company which is resident (or has a permanent establishment) in Jersey and which meets both the gross amount retail turnover test, as defined in Article 123J and the percentage retail turnover test, as defined in Article 123K.

Article 123J defines the “gross amount retail turnover test” to mean that the retail turnover of a company must be £2 million or more for a relevant financial period of 12 months. The term “retail turnover” is defined in Article 123H to mean the cumulative total amount derived from the sale of goods, other than where goods are sold for onward commercial sale or supply (including for the purpose of being incorporated into other goods for onward sale or supply) or comprise food or drink for immediate consumption. The term “relevant financial period” is defined in Article 123H to mean the financial period, or aggregate of financial periods, taken into account for the purposes of calculating the company’s tax liability for a year of assessment. Provision is made for aggregating the retail turnover of associated companies. An “associated company” is defined in Article 123H to mean a company whose retail turnover is 60% of the total amount it derives from trade in Jersey during a relevant financial period and which is controlled by one or more persons who control another company which similarly meets the 60% retail turnover test.

Article 123K defines the “percentage retail turnover test” to mean that 60% of the total amount derived from any trade in Jersey is retail turnover from the sale of goods.

Article 123L makes provision for how large corporate retailers are taxed on their income, profits and gains. If the income, profits and gains for a relevant financial period are less than £500,000, they are taxed at 0%; if more than £750,000 they are taxed at 20%. If their income, profits and gains are between £500,000 and £750,000, provision is made for a pro rata amount of tax to be applied. Provision is made where the relevant financial period of a company is less or more than 12 months and for applying the calculation to associated companies.

The new Articles 123M to 123S make provision for how provisions in the Law apply to large corporate retailers, including provisions relating to taxation of shareholder loans and company distributions; tax relief on foreign company income and tax relief on dividends and losses, including group relief on losses suffered by an associated company.

Special provisions as to pensions and pension schemes

Part 19 of the Law, dealing with the taxation of pensions, etc., is amended by *Articles 8 and 9*. *Article 8* makes a group of amendments to Articles 131, 131CE, 131D, 131K and 131L of the Law, relating to permitted commutation of small pension funds and the taxation of amounts commuted. The limit on commutation of trivial pension funds, by a person aged 60 or over who is not yet in receipt of pension benefit, in Article 131CE(1) of the Law is raised to £35,000 (*Article 8(2)(a)*). A new provision to be inserted as Article 131CE(3) of the Law (by *Article 8(2)(b)*) would empower approved Jersey schemes (as defined in Article 130 of the Law) to permit

pension fund holders to commute the whole of a fund where the value does not exceed £19,000 and the aggregate of that value and lump sums previously commuted does not exceed £50,000. and an amount so commuted is treated as the pension holder's earned income, under an amendment made to Article 131K(1) of the Law.

Article 9 adds new Articles 131CH and 131CI to Part 19 of the Law. The first of these would permit bulk transfers of the whole or part of pension funds by the scheme manager of an approved Jersey occupational pension scheme, where the Comptroller has given prior written approval following notification by the scheme manager of the matters detailed in Article 131CH(2), including the date of the proposed transfer, the name of the schemes from and to which the transfer is to be made, and the names of each member whose fund is to be transferred or not transferred, as the case may be. Article 131CI creates a rule against avoidance of liability to tax by persons permitted to transfer their fund value to equivalent pension schemes established outside Jersey who subsequently receive a lump sum payment from the receiving scheme but then become resident in Jersey within any of the 3 years of assessment following the year of assessment in which the transfer out took place.

Special provision for high value residents

Article 10 amends Article 135A of the Law to make new provision with regard to the taxation regime for those who have been granted Entitled status under Regulation 2(1)(e) of the Control of Housing and Work (Residential and Employment Status) (Jersey) Regulations 2013, or who have acquired property or a right to occupy land in the case described in Regulation 1(1)(k) of the Housing (General Provisions) (Jersey) Regulations 1970, pursuant to consent under the Housing (Jersey) Law 1949 ("high value residents", by Article 135A(1) of the Law as substituted, or – in what follows – HVRs).

Article 10(1) substitutes paragraphs (1) to (4) of Article 135A, to create a new basis of taxation for Regulation 2(1)(e) HVRs as from 1st January 2018, and to permit existing HVRs taxed under the regimes applicable before that date to elect to be taxed in accordance with the new regime. In other respects the various positions relating to the taxation of existing HVRs are preserved, though where a grant of Regulation 2(1)(e) status has been made prior to 1st January 2018 but the HVR in question does not relocate to Jersey until on or after 1st January 2019, the new regime will apply (new Article 135A(2A)(b)).

Where the new regime applies, new draft Article 135A(3A)(b) provides that if, for a year of assessment, a HVR's income does not exceed the prescribed limit for that year, the HVR will be deemed to have received sufficient income to top up their actual income to that limit, and the notional amount thus produced will be charged to tax at the standard rate. The result in each case will be a guaranteed minimum tax yield.

Article 10(2) and (3) make consequential amendments to paragraphs (6) and (9) to (12) of Article 135A and *Article 10(3)* also introduces new paragraphs (12A) and (12B), conferring powers for the Minister to reconsider, by 1st January 2023 and every 5 years thereafter, whether the prescribed limits and rates are appropriate and, having done so, to recommend to the States any revaluation of the prescribed limits (in the case of an increase, not exceeding any increase in RPI).

Limits and rates for the purposes of each of Article 135A(3), (3A) and (5) are prescribed by the Income Tax (Prescribed Limit and Rate) (Jersey) Regulations 2013, which are consequentially amended for the purposes of the new regime by *Article 11*, creating a new prescribed limit of £725,000 for those to whom the new regime applies, including HVRs choosing to opt in under the provision newly enabling them to do so

in Article 135A(2A)(c), but excepting those who obtained 1(1)(k) consent before 30th December 2011, for whom the prescribed limit is £500,000.

Reliefs

Article 12 inserts a new transitional provision in Schedule 5 for companies who (a) fall within the definition of “large corporate retailer” in the new Article 123I or (b) fall within the substituted definition “financial services company” after, but not before the date the substituted definition takes effect. The effect of the provision is to allow the Comptroller to grant relief in respect of any income, profits and gains arising during 2016 and 2017 which are taken into account for the purpose of assessing the company’s liability to tax for year of assessment 2018 if the financial period, or aggregate financial period, that is taken into account for that year of assessment ends on 31st December 2018.

Goods and services tax

Part 2 of this Law makes amendments to the Goods and Services Tax (Jersey) Law 2007 and subordinate legislation.

Part 12 of the Goods and Services Tax (Jersey) Law 2007 contains special provisions relating to the treatment, for the purposes of GST, of international services entities (“ISEs”). Entities which are listed by the Comptroller as ISEs are not taxable persons and GST is not chargeable on supplies to ISEs. An entity wishing to be listed as an ISE must pay the fee prescribed in relation to an entity of its type by the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008 (“the Regulations”). *Article 13(1)* would amend Article 60 of the Goods and Services Tax (Jersey) Law 2007 to add alternative investment funds (that is, schemes or arrangements defined as such according to Regulation 3 of the Alternative Investment Funds (Jersey) Regulations 2012) to the list of entities which may be registered as ISEs. *Article 14* would make corresponding amendments to the Regulations, and widen the range of entities which must pay fees for listing, to include also entities registered with the Jersey Financial Services Commission under Article 2(11) of the Financial Services (Jersey) Law 1998 to carry on alternative investment funds services business, and entities which are so registered to carry on fund services business as a manager in relation to one or more unclassified funds but are not also so registered as an administrator, registrar or custodian; and entities holding a permit as a managed entity under the Collective Investment Funds (Jersey) Law 1988, which are not themselves collective investment funds and are not also permit holders as administrator, registrar or custodian. *Article 14* would also add uprate certain of the fees prescribed by the Regulations.

A separate, freestanding amendment is also made by *Article 13(2)* to Schedule 5 to the Goods and Services Tax (Jersey) Law 2007. The effect of this is to add, to the list of GST-exempt services, the non-commercial supply of medical services or goods (such as the administration of influenza vaccines) provided by pharmacists and retail pharmacies under contracts entered into under Article 20A of the Health Insurance (Jersey) Law 1967. (This amendment is brought into immediate effect following the commencement of this Law by an Act of the States.)

Part 3 of this Law would amend the Customs and Excise (Jersey) Law 1999. *Article 15* is the interpretation provision for the purposes of this Part. *Article 16* increases duty on spirits, wines, beer, cider and all other alcoholic beverages. *Article 17* increases duty on tobacco, and *Article 18* increases duty on hydrocarbon oil.

Article 19 increases the rates for vehicle emissions duty (“VED”) payable in respect of motor vehicles.

Part 4 inserts an anti-avoidance provision in the Stamp Duties and Fees (Jersey) Law 1998. *Article 20* amends Article 10 of that Law to allow the “designated officer” (that is, the officer designated in the Schedule to that Law to cancel stamps) to make a determination that a transaction or series of transactions is for the purpose of avoiding or reducing liability to pay stamp duty and the amount of stamp duty that should be payable. Under Article 8 of that Law, a chargeable document cannot be registered in the Public Registry or with the Royal Court until the correct stamp duty has been paid. Article 10 provides a right to appeal to the Royal Court against a determination made under that Article.

Article 21 provides that Part 4 shall come into force on 3rd October 2017. It also makes a transitional provision in respect of a chargeable document which is registered in the Public Registry or with the Royal Court during the period starting on 3rd October 2017 and ending on the date that the States makes an Act declaring that this Law has immediate effect. During this transitional period, the designated officer may make a determination under the anti-avoidance provision described above after such registration. In such circumstances stamp duty that is liable to be paid is recoverable as a civil debt due to the Treasurer of the States.

Part 5 contains general provision in *Article 22* which gives the title by which this Law may be cited and provides it to come into force, apart from Article 13(2) and Part 4, on 1st January 2018.



Jersey

DRAFT FINANCE (2018 BUDGET) (JERSEY) LAW 201-

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Jersey

DRAFT FINANCE (2018 BUDGET) (JERSEY) LAW 201-

A LAW to set the standard rate of income tax for 2018 and to amend further the Income Tax (Jersey) Law 1961, the Goods and Services Tax (Jersey) Law 2007, the Customs and Excise (Jersey) Law 1999, and the Stamp Duties and Fees (Jersey) Law 1998

Adopted by the States [date to be inserted]

Sanctioned by Order of Her Majesty in Council [date to be inserted]

Registered by the Royal Court [date to be inserted]

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

PART 1

STANDARD RATE OF INCOME TAX SET FOR 2018 AND INCOME TAX (JERSEY) LAW 1961 AMENDED

Interpretation and standard rate of income tax

1 Interpretation of Part 1

In this Part, except where the context otherwise requires, a reference to an Article or Schedule by number and without more is to the Article or Schedule of that number in the Income Tax (Jersey) Law 1961¹.

2 Standard rate of income tax for 2018

There shall be levied and charged in Jersey for the year 2018, in accordance with and subject to the provisions of the Income Tax (Jersey) Law 1961², income tax at the standard rate of 20 pence in the pound.

*Allowances and reliefs: general***3 Article 52 amended**

- (1) In Article 52(2) –
- (a) after the words “paragraph (1),” there shall be inserted the words “and subject to paragraphs (2A) and (2B),”;
 - (b) sub-paragraph (b) shall be deleted;
 - (c) for the colon at the end of sub-paragraph (c) there shall be substituted a full stop, and the proviso following that sub-paragraph shall be deleted.
- (2) After Article 52(2) there shall be inserted the following paragraphs –
- “(2A) No deductions shall be made –
 - (a) for any interest of money, or any annuity or other annual payment;
 - (b) for or in respect of rates –
 - (i) which, under the Rates (Jersey) Law 2005³, are charged on the owner of the land, and
 - (ii) which the person chargeable in respect of the profits and gains is liable to defray.
 - (2B) For the further avoidance of doubt, no deduction shall be made for any payment, or part of a payment –
 - (a) which is or which represents payment in respect of such rates as mentioned in paragraph (2A)(b)(i); and
 - (b) which is made to the owner of the land by the person chargeable in respect of the profits and gains (including by any agent on behalf of such a person).
 - (2C) In paragraphs (2A) and (2B), reference to the owner of the land is to be construed in accordance with the Rates (Jersey) Law 2005.”.

4 Article 92A amended

In Article 92A –

- (a) in paragraphs (2)(ii) and (2A)(ii) for the amount “£23,350” in each place there shall be substituted the amount “£23,950”;
- (b) in paragraphs (4)(i) and (4A)(i) for the amount “£5,000” in each place there shall be substituted the amount “£5,850”; and
- (c) in paragraph (6)(b) for the amount “£14,550” there shall be substituted the amount “£14,900”.

*Special provisions as to bodies corporate***5 Articles 3, 3AA and 123D amended**

- (1) In Article 3(1), for the definition “financial services company” there shall be substituted the following definition –
- “‘financial services company’ has the meaning given in Article 123D;”.
- (2) At the end of Article 3 there shall be added the following paragraph –
- “(3) The Minister may by Order amend the definition ‘collective investment fund’.”.
- (3) Article 3AA shall be deleted.
- (4) At the end of Article 123D there shall be added the following paragraphs –
- “(4) A ‘financial services company’ is a company described in any of the following sub-paragraphs, namely one which –
- (a) is registered under the Financial Services (Jersey) Law 1998⁴ to carry out –
 - (i) investment business,
 - (ii) trust company business,
 - (iii) fund services business, as an administrator, custodian or registrar in relation to an unclassified fund or an unregulated fund, or
 - (iv) general insurance mediation business as described in either class P or class Q in Part 3 of the Schedule to the Financial Services (Financial Service Business) (Jersey) Order 2009⁵;
 - (b) is registered under the Banking Business (Jersey) Law 1991⁶, other than a company registered for business continuity under that Law, pursuant to Article 9A of the Banking Business (General Provisions) (Jersey) Order 2002⁷;
 - (c) holds a permit under the Collective Investment Funds (Jersey) Law 1988⁸ by virtue of being a functionary who is an administrator, registrar or custodian mentioned in Part 2 of the Schedule to that Law;
 - (d) holds either a Category A or Category B permit under the Insurance Business (Jersey) Law 1996⁹; or
 - (e) is a company trading in the provision of credit facilities to customers by way of making any advance or granting of any credit including (but not limited to) –
 - (i) the provision, in connection with the supply of goods by hire purchase, leasing, conditional sale or credit sale, of credit in instalments for which a separate charge is made and disclosed to the customer, and

- (ii) any assignment to the company of an advance or credit repayable by the customer to a person other than the company.
- (5) The Minister may by Order amend the definition ‘financial services company’ in paragraph (4).
 - (6) For the purposes of paragraph (4)(e), ‘customer’ shall not include any person which, in relation to the company by which credit facilities are provided, is a connected person, and for this purpose ‘connected person’ has the meaning given by Article 3A(4) and (5).”.

Foreign limited liability partnerships

6 Article 76E inserted

After Article 76D there shall be inserted the following Article –

“76E Foreign limited liability partnerships

- (1) For the purposes of this Law, a trade, profession, business or vocation carried on by a foreign limited liability partnership with a view to profit or gain shall be treated as carried on in partnership by its partners, and not by the foreign limited liability partnership as such.
- (2) Accordingly, the property of the foreign limited liability partnership shall be treated for those purposes as partnership property of the partners, and not as property of the foreign limited liability partnership.
- (3) Subject to the provisions of this Article, the provisions of this Law apply to the profits or gains of a partner in a foreign limited liability partnership.
- (4) Paragraph (3) shall not apply to the profits or gains derived from international activities of a partner in a foreign limited liability partnership who is not resident in Jersey.
- (5) Articles 74 and 76 shall not apply to a partner in a foreign limited liability partnership.
- (6) Articles 86 and 87 shall not apply where a payment referred to in those Articles is made by or through a foreign limited liability partnership.
- (7) Paragraph (8) applies where a partner in a foreign limited liability partnership is resident in Jersey, or is non-resident in Jersey and entitled to profits or gains other than those excluded from the provisions of this Law by paragraph (4).
- (8) Where this paragraph applies the responsible partner shall, when required to do so by any general notice or by notice sent to the responsible partner in accordance with paragraph (9), prepare and

deliver a statement of the profits or gains arising to the partners from the activities of the foreign limited liability partnership.

- (9) For the purposes of paragraph (8) the ‘responsible partner’ is –
- (a) an individual partner of the foreign limited liability partnership who is resident in Jersey, and if there is more than one such individual, the first such individual named in the partnership agreement;
 - (b) in the case where there is no such individual as described in sub-paragraph (a), but there is a partner in the foreign limited liability partnership having a registered address in Jersey, that partner; or
 - (c) in the case where there is no such individual as described in sub-paragraph (a) nor such a partner as described in sub-paragraph (b), the first partner named in the partnership agreement.

- (10) In this Article –
- ‘foreign limited liability partnership’ refers to an arrangement –
- (a) whereby a trade, profession, business or vocation is carried on by 2 or more persons in partnership;
 - (b) formed outside Jersey in a jurisdiction approved by the Comptroller for the purposes of this Article;

‘partnership agreement’ means such an agreement of the partners in writing as the Comptroller may reasonably consider to be equivalent in nature and effect to the declaration of a limited liability partnership;

‘profits or gains’ does not include profits or gains of a capital nature,

and in this paragraph ‘declaration’ and ‘limited liability partnership’ have the meanings given by Article 76D.”.

Large corporate retailers

7 Part 17 1A inserted

After Part 17 there shall be inserted the following Part –

“PART 17 1A

LARGE CORPORATE RETAILERS

123H Interpretation of Part 17 1A

- (1) In this Part –
- ‘associated company’ means a company –

- (a) whose retail turnover is 60% or more of the total amount it derives during a relevant financial period from any trade carried on in Jersey; and
- (b) which is controlled by one or more persons who have control over another company whose retail turnover is 60% or more of the total amount it derives during a relevant financial period from any trade carried on in Jersey;

‘control’, in relation to a company (‘controlled company’), means the power of one or more persons (‘controlling person’) to secure that the affairs of the controlled company are conducted in accordance with the wishes of the controlling person by means of any of the following (or any combination of them) –

- (a) the holding of shares (whether in the controlled company or any other company);
- (b) the possession of voting power in or in relation to the controlled company;
- (c) the holding of powers conferred by the articles of association or other document regulating the controlled company or any other company;

‘group’ means 2 or more associated companies which have the same controlling person;

‘gross amount retail turnover test’ has the meaning given in Article 123J;

‘Jersey retail sale’ means a retail sale to a person resident in Jersey or who, at the time of the sale, is physically present in Jersey;

‘large corporate retailer’ has the meaning given in Article 123I;

‘percentage retail turnover test’ has the meaning given in Article 123K;

‘relevant financial period’, in relation to a particular year of assessment, means a company’s financial period, or aggregate of financial periods if more than one, which is taken into account for the purpose of calculating the company’s liability to tax for that particular year of assessment;

‘retail sale’ means the sale of any goods for consumption or use other than where –

- (a) the goods are sold for the purpose of onward sale or supply (including goods sold for the purpose of being incorporated into other goods for onward sale or supply) in the course of a trade or business; or
- (b) the goods comprise food or drink which is –
 - (i) intended for consumption at the point of sale (regardless of whether the food or drink is consumed elsewhere than at the point of sale), or
 - (ii) prepared to order at the point of sale for immediate consumption off the premises;

‘retail turnover’ means the cumulative total amount derived from Jersey retail sales during a relevant financial period.

- (2) The Minister may, by Order, amend the definition ‘retail sale’.

123I Meaning of ‘large corporate retailer’ and application of Article 123C

- (1) A ‘large corporate retailer’ is a company which –
- (a) is regarded as resident in Jersey or which has a permanent establishment in Jersey;
 - (b) meets the gross amount retail turnover test; and
 - (c) meets the percentage retail turnover test.
- (2) A company which is a large corporate retailer for a year of assessment is not a company to which Article 123C applies for that year of assessment.

123J Meaning of ‘gross amount retail turnover test’

- (1) Subject to paragraph (2), a company meets the gross amount retail turnover test if its retail turnover is not less than £2 million for a relevant financial period.
- (2) Subject to paragraph (4), if the relevant financial period for a company is greater or less than 12 months, for the figure of £2 million in paragraph (1), there is substituted the figure calculated as follows –

$$(A/365) \times \text{£2 million}$$

Where –

A is the number of days in the relevant financial period.

- (3) Where a company is an associated company, the value of its retail turnover is calculated for the purposes of this Article by aggregating the retail turnover of all the associated companies in the same group.
- (4) If an associated company has a relevant financial period that is greater or less than 12 months, for the figure of £2 million in paragraph (1), there is substituted the figure calculated as follows –

$$(A/365) \times \text{£2 million}$$

Where A is the number of days –

- (a) in the relevant financial period of the associated company, if all the associated companies in the group have relevant financial periods of the same length; or
- (b) in the shortest relevant financial period of an associated company in the group if the relevant financial periods of the associated companies in the group are not all of the same length.

123K Meaning of ‘percentage retail turnover test’

A company meets the percentage retail turnover test if its retail turnover is 60% or more of the total amount it derives during a relevant financial period from any trade carried on in Jersey.

123L Computation of tax under Schedule D

- (1) In this Article, ‘income, profits and gains’ means income, profits and gains chargeable under Schedule D for a relevant financial period after deduction of allowances or reliefs except that, for the purpose of calculating the amount of income, profits and gains no account shall be taken of any of the following –
 - (a) deductions and credits under Article 88; and
 - (b) credits under Article 112.
- (2) A large corporate retailer whose income, profits or gains are of an amount less than £500,000 shall be charged to tax under Schedule D at the rate of 0%.
- (3) A large corporate retailer whose income, profits and gains are of an amount greater than £750,000 shall be charged to tax under Schedule D at the rate of 20%.
- (4) A large corporate retailer whose income, profits and gains are of an amount that is equal to or greater than £500,000 but not exceeding £750,000 shall be charged to tax under Schedule D of an amount calculated as follows –
 - (a) Step 1
calculate $A \times 20\%$;
 - (b) Step 2
calculate $(£750,000 - A) \times 40\%$;
 - (c) Step 3
calculate $B - C$Where –
 - A is the amount of profits or gains chargeable to tax under Schedule D;
 - B is the amount after applying Step 1;
 - C is the amount after applying Step 2.
- (5) References in this Law to a rate charged under this Article mean, in a case where paragraph (4) applies, a rate calculated as follows –
$$(D/A) \times 100$$
Where –
 - D is the amount charged to tax under paragraph (4);
 - A is the amount of profits or gains chargeable to tax under Schedule D.
- (6) If a large corporate retailer has a relevant financial period that is greater or less than 12 months, for the figures of £500,000 and

£750,000 wherever they appear in paragraphs (2), (3) and (4), there shall be deemed to be substituted the figure calculated as follows –

$(A/365) \times £500,000$ or £750,000 as the case requires

Where A is the number of days in the relevant financial period.

- (7) For the purpose of this Article, where a large corporate retailer is an associated company, paragraph (2), (3) or (4), as appropriate, is applied to the aggregate income, profits and gains of all the associated companies in the same group except that, for the purpose of calculating such income, profits and gains, any loss suffered by any associated company in the group shall be deemed as zero (regardless of whether the loss is surrendered under Article 123EA).
- (8) If an associated company has a relevant financial period that is greater or less than 12 months, for the figures of £500,000 and £750,000 wherever they appear in paragraphs (2), (3) and (4), there shall be deemed to be substituted the figure calculated as follows –
- $(A/365) \times £500,000$ or £750,000 as the case requires
- Where A is the number of days –
- (a) in the relevant financial period of the associated company, if all the associated companies in the group have financial periods of the same length; or
- (b) in the shortest relevant financial period of an associated company in the group if the financial periods of associated companies in the group are not all the same length.
- (9) Where paragraph (4) applies to any associated companies in a group, the amount charged to tax under Schedule D shall be apportioned between those companies to which paragraph (4) applies on a pro rata basis.

123M Application of Article 81O (shareholder loans)

In Article 81O(1), the reference to a company to which Article 123C or 123D applies shall include a reference to a company which is a large corporate retailer and the remaining provisions of that Article and Article 81P shall be construed accordingly.

123N Application of Case IX – Articles 81Q to 81Z (company distributions)

- (1) This Article applies where a company is either or both of the following –
- (a) a company to which Article 123C applies in respect of a year of assessment and, in respect of another year of assessment, a large corporate retailer; or
- (b) in respect of a year of assessment, a large corporate retailer chargeable to tax under Article 123L at the rate of 0%,

and such a company is referred to in this Article as a ‘zero rated retailer’.

- (2) Articles 81Q to 81Z shall apply to a zero rated retailer with the following modifications –
 - (a) in Article 81Q(1) –
 - (i) the definition ‘relevant company’ shall be deemed to include a zero rated retailer,
 - (ii) in sub-paragraph (a) of the definition ‘specified profits’, the reference to a financial period of a company to which Article 123C applies shall be deemed to include the financial period of a large corporate retailer chargeable to tax under Article 123L at the rate of 0% for that financial period;
 - (b) in relation to a distribution made by a zero rated retailer, for the purposes of determining when a ‘relevant time’ occurs, as defined in Article 81Q(1), the rate of tax at which the zero rated retailer is charged for the year of assessment in which the distribution is made is irrelevant.

123O Application of Article 88 (dividends)

- (1) This Article applies where –
 - (a) the rate of tax charged on a large corporate retailer under Article 123L is greater than 0% and less than 20%; and
 - (b) the large corporate retailer declares a dividend out of income, profits or gains charged at that rate.
- (2) Where this Article applies, Article 88 shall apply with the following modifications –
 - (a) references to the standard rate in Article 88(2) shall be deemed to refer to the rate charged under Article 123L;
 - (b) the reference in Article 88(5)(a) to a person being a company to which Article 123C applies shall include a large corporate retailer taxed at a rate of 0% under Schedule D for that year of assessment;
 - (c) where the person chargeable to tax on the dividend is a large corporate retailer, Article 88(5A) shall be subject to a requirement that the credit shall be of an amount equal to whichever is the lesser of –
 - (i) the amount of the deduction from the dividend under Article 88(2), and
 - (ii) the amount of the dividend multiplied by the rate of tax charged on the person chargeable to tax under Article 123L.

123P Application of Articles 107, 107A (relief for losses)

A company which is a large corporate retailer shall not be entitled to make an application under Article 107(1) or 107A(1).

123Q Application of Part 14A – Articles 114A to 114C (foreign company income relief)

In Article 114A, the definition ‘qualifying company’ shall be deemed to include a large corporate retailer and the remaining provisions of Part 114A shall be construed accordingly.

123R Application of Article 118B (non-resident exemption)

A person who is not resident in Jersey and who is paid a dividend from which tax is deducted by a large corporate retailer under Article 88 as applied by Article 123O, shall, where the deduction is less than the standard rate, be exempt from the balance of tax that would otherwise be due in respect of the dividend.

123S Application of Article 123EA (group relief)

Article 123EA shall apply to a large corporate retailer with the following modifications –

- (a) the definition ‘qualifying company’ shall be deemed to include a large corporate retailer;
- (b) a ‘group’, as defined in that Article, may consist of –
 - (i) only qualifying companies which are large corporate retailers, or
 - (ii) qualifying companies 2 or more of which are large corporate retailers and one or more of which is a company to which Article 123C applies; and
- (c) the claimant company and surrendering company must each be a large corporate retailer.”.

*Special provisions as to pensions***8 Articles 131, 131CE, 131D, 131K and 131L amended**

- (1) In Article 131, paragraphs (13) and (14) shall be deleted.
- (2) In Article 131CE –
 - (a) in paragraph (1) –
 - (i) sub-paragraph (b) shall be deleted,
 - (ii) in sub-paragraph (c), for the amount “£30,000” there shall be substituted the amount “£35,000”, and
 - (iii) in sub-clause (c)(ii)(A) for the word “Article” there shall be substituted the word “paragraph”;

- (b) after paragraph (2) there shall be added the following paragraph –
- “(3) An approved Jersey scheme may permit the pension holder to elect to commute the whole of the fund value if, at the time the election is made –
- (a) the value of the fund to be commuted does not exceed £19,000; and
- (b) the aggregate of –
- (i) the value of the fund to be commuted, and
- (ii) all lump sums that the pension holder has previously commuted under this paragraph, does not exceed £50,000.”.
- (3) In Article 131D(4)(c)(ii) the words “or under the Investors (Prevention of Fraud) (Jersey) Law 1967¹⁰” shall be deleted.
- (4) In Article 131K(1) –
- (a) for the full stop at the end of sub-paragraph (c) there shall be substituted a semi-colon; and
- (b) at the end there shall be added –
- “and
- (d) an amount paid to the pension holder pursuant to an election made under Article 131CE(3).”.
- (5) In Article 131L(3)(b), for the word “131CE” there shall be substituted the word “131CE(1)”.

9 Articles 131CH and 131CI inserted

After Article 131CG there shall be inserted the following Articles –

“131CH Permitted transfers – bulk transfers

- (1) The scheme manager of an approved Jersey occupational pension scheme may, where notification is given in accordance with paragraph (2) and subject to the prior written approval of the Comptroller, transfer the whole or part of the fund to another approved Jersey occupational pension scheme.
- (2) The scheme manager of the approved Jersey occupational pension scheme must notify the Comptroller, in writing, of –
- (a) the date of the proposed transfer;
- (b) the name of the scheme from which the transfer is proposed to be made;
- (c) the name of the scheme to which the transfer is proposed to be made;
- (d) the name of each member of the scheme whose fund value is proposed to be transferred (an ‘included member’);
- (e) the name of each member of the scheme (if any) who is not an included member;

- (f) in relation to each included member –
 - (i) the amount to be transferred, and whether that amount represents the whole or part (and if so, what part) of that member’s fund value, and
 - (ii) whether benefits have commenced from the scheme from which the transfer is to be made.
- (3) In paragraph (1), reference to the ‘fund’ is to the aggregate of the fund values of all the pension holders in the scheme from which the transfer is to be made.

131CI Permitted transfers overseas – rule against legal avoidance

- (1) This Article applies where –
 - (a) a permitted transfer of fund value has taken place pursuant to an election under Article 131CG(4);
 - (b) after that transfer, the pension holder becomes resident in Jersey –
 - (i) in the same year of assessment as that in which the transfer took place, or
 - (ii) in any of the ensuing 3 years of assessment; and
 - (c) after that transfer, but before the pension holder becomes resident in Jersey as described in sub-paragraph (b), a lump sum payment is made to the pension holder of the whole or part of the fund value transferred by that transfer.
- (2) Where this Article applies, the amount of the payment mentioned in paragraph (1)(c) shall be treated as the recipient’s income and chargeable to tax under Case III(d)(ii) of Schedule D.”.

Special provision for high value residents

10 Article 135A amended

- (1) For paragraphs (1) to (4) of Article 135A there shall be substituted the following paragraphs –
 - “(1) This Article applies to determine the basis of taxation of a person who –
 - (a) has, pursuant to a 1(1)(k) housing consent, acquired land or property conferring a right to occupy land (such consent not having been revoked); or
 - (b) has been granted Regulation 2(1)(e) status (such status not having been revoked or relinquished),
 and such persons are referred to generically in this Article as ‘high value residents’.
- (2) Paragraph (3) applies where –

- (a) the consent mentioned in paragraph (1)(a) was granted following an application for such consent made on or after 22nd July 2011;
- (b) subject to paragraph (2A)(b), the Regulation 2(1)(e) status was granted before 1st January 2018 and was not a deemed grant under the Control of Housing and Work (Transitional and Consequential Provisions) (Jersey) Regulations 2013¹¹; or
- (c) the consent mentioned in paragraph (1)(a) was granted following an application for such consent made before 22nd July 2011 and, before 1st January 2018 –
 - (i) the high value resident applied to the Minister for paragraph (3), as it was then in force, to apply to him or her, and
 - (ii) the Minister granted that application in accordance with paragraph (6) as it was then in force.

(2A) Paragraph (3A) applies where –

- (a) the Regulation 2(1)(e) status is granted on or after 1st January 2018;
- (b) the Regulation 2(1)(e) status is granted before 1st January 2018, and the person to whom it is granted –
 - (i) is not, at that date, but
 - (ii) becomes, on or after 1st January 2019, a person on whom tax is chargeable under this Law; or
- (c) in the case of any other person who is, before 1st January 2018, a high value resident –
 - (i) the person makes an application to the Comptroller (in such form, if any, as the Comptroller may require) for paragraph (3A) to apply to him or her, and
 - (ii) the Comptroller grants the application (subject to such conditions, if any, as the Comptroller may determine).

(2B) Paragraph (3A)(b) only shall further apply in any case where –

- (a) a high value resident makes an application to the Comptroller (in such form, if any, as the Comptroller may require) for paragraph (3A)(b) to apply to him or her; and
- (b) the Comptroller grants the application (subject to such conditions, if any, as the Comptroller may determine).

- (3) Where this paragraph applies and, for a year of assessment, so much of the high value resident's income as is chargeable to tax under Schedule D exceeds the prescribed limit for that year of assessment, the amount of that excess shall (notwithstanding the rate of tax required by Article 1 to be charged for that year of assessment) be charged to tax at the prescribed rate.

(3A) Where this paragraph applies –

- (a) if, for a year of assessment, so much of the high value resident's income as is chargeable to tax under Schedule D

- exceeds the prescribed limit for that year of assessment, the amount of that excess shall (notwithstanding the rate of tax required by Article 1 to be charged for that year of assessment) be charged to tax at the prescribed rate; but
- (b) if, for a year of assessment, a high value resident's income chargeable to tax under Schedule D (the 'actual income') does not exceed the prescribed limit for that year of assessment –
- (i) the high value resident shall be deemed to have received such further amount of income chargeable to tax under Schedule D (the 'deemed income') as would (without deduction of any allowances, exemptions or reliefs due under this Law to that person) in addition to his or her actual income, be equal to that prescribed limit, and
- (ii) the aggregate amount of the actual income and the deemed income shall be charged to tax at the rate required by Article 1 to be charged for that year of assessment.
- (4) In calculating, for the purposes of paragraphs (3) and (3A)(a), the amount of a high value resident's income chargeable to tax under Schedule D, there shall be disregarded any dividend declared out of profits or gains charged to tax at the standard rate on any body of persons.”.
- (2) In Article 135A(6) for the words “paragraph (3)(b)” there shall be substituted the words “paragraph (2)(c)(i)”.
- (3) For Article 135A(9) to (12) there shall be substituted the following paragraphs –
- “(9) No application to the Comptroller under paragraph (2A)(c), or to the Minister under paragraph (6), shall be granted where –
- (a) the application is made after 31st October in the first year of assessment in respect of which the application is made; or
- (b) the Comptroller or, as the case may be, the Minister has previously granted such an application.
- (10) A paragraph of this Article applying to a person by virtue of a grant –
- (a) by the Comptroller, of an application made by a person under paragraph (2A)(c) or (2B); or
- (b) by the Minister, of an application made by a person under paragraph (6),
- shall apply (subject to paragraph (11)) to the person for the year of assessment for which the application is made and for ensuing years.
- (11) If a person breaches any condition imposed by the Comptroller or (as the case may be) by the Minister in connection with the grant of such an application as mentioned in paragraph (10), the paragraph

applying to that person by virtue of that grant shall cease to apply, in accordance with such transitional arrangements, if any, as the Comptroller or Minister may determine.

(12) The States may by Regulations make provision prescribing limits and rates for the purposes of paragraphs (3), (3A) and (5) (and in this Article, a reference to a prescribed limit or rate is to a limit or rate so prescribed for the purposes of the paragraph in question), and such provision may in particular specify –

- (a) different limits in respect of different cases whereby paragraphs (3) and (3A) apply; and
- (b) different rates applying to different portions of so much of a person's income as is chargeable to tax in accordance with a particular paragraph.

(12A) The Minister shall –

- (a) no later than 1st January 2023; and
- (b) thereafter, once in each subsequent period of 5 years beginning with that date,

consider whether the prescribed limits and rates continue to be appropriate in all the circumstances for the purposes of this Part.

(12B) Following the consideration described in paragraph (12A), the Minister may recommend to the States such revaluation of the prescribed limits as the Minister may consider appropriate, except that no increase may be recommended which exceeds the percentage increase, if any, in the RPI in the same period as that in respect of which the Minister's recommendation is made (and for this purpose 'RPI' means the Retail Prices Index published by the Statistics Unit in the Chief Minister's Department)."

11 Income Tax (Prescribed Limit and Rate) (Jersey) Regulations 2013 amended

For Regulations 1 to 3 of the Income Tax (Prescribed Limit and Rate) (Jersey) Regulations 2013¹² there shall be substituted the following Regulations –

“1 Interpretation

In these Regulations, a reference to an Article by number is a reference to the Article of that number in the Income Tax (Jersey) Law 1961¹³.

2 Prescribed limit

- (1) The limit prescribed for the purposes of Article 135A(3) is £625,000.
- (2) The limit prescribed for the purposes of Article 135A(3A)(a) is £725,000.
- (3) The limit prescribed for the purposes of Article 135A(3A)(b) where only that sub-paragraph applies to a high value resident by

reason of a request by that high value resident granted under Article 135A(2B), is –

- (a) in relation to a high value resident to whom the grant of consent mentioned in Article 135A(1)(a) was made before 30th December 2010 (other than one to whom sub-paragraph (b) applies), £500,000;
 - (b) in relation to a high value resident –
 - (i) such as described in sub-paragraph (a), and
 - (ii) to whom Article 135A(3) applies by reason of a request by that high value resident granted by the Minister as described in Article 135A(2)(c), £625,000;
 - (c) in relation to a high value resident –
 - (i) to whom the grant of consent mentioned in Article 135A(1)(a), or the grant of Regulation 1(1)(e) status, as the case may be, was made on or after 30th December 2010 and before 1st January 2018,
 - (ii) other than such a high value resident as described in Article 135A(2A)(b) or (c),
£625,000.
- (4) The limit prescribed for the purposes of Article 135A(5) is £1 million.

3 Prescribed rate

- (1) The rate prescribed for the purposes of Articles 135A(3) and (3A)(a) is 1 pence in the pound.
- (2) The rate prescribed for the purposes of Article 135A(5) is –
 - (a) on the first £500,000 of the income to be charged to tax in accordance with that paragraph, 10 pence in the pound;
 - (b) on the remainder of that income, 1 pence in the pound.”.

Reliefs

12 Schedule 5 amended

In Schedule 5 after paragraph 20 there shall be inserted the following paragraph –

“21 Finance (2018 Budget) (Jersey) Law 201-: relief from taxation for large corporate retailers and certain financial services companies

- (1) In this paragraph –
 - (a) ‘0% company’ means either –
 - (i) a large corporate retailer, or

- (ii) a company which is a financial services company because it falls within a description in the definition ‘financial services company’ that existed in that definition after, but not before, the date Article 5 of the Finance (2018) Budget (Jersey) Law 201-¹⁴ has effect.’;
 - (b) ‘relevant financial period’ means such part of the financial period of a 0% company occurring during all or any part of the period from 1st January 2016 to 31st December 2017 that is taken into account for the purpose of assessing the company’s liability to income tax for the year of assessment 2018.
- (2) If the condition in paragraph (3) is met in relation to a 0% company, the Comptroller shall grant such relief on the company’s income, profits and gains arising during the relevant financial period as the Comptroller considers to be fair, just and reasonable.
 - (3) That condition is that the latest accounting date of a financial period of the 0% company (whether or not aggregated with another financial period) that is taken into account for the purpose of assessing the company’s liability to income tax for the year of assessment 2018 is 31st December 2018 (regardless of whether the accounting date is changed to that date for the purposes of this paragraph).
 - (4) The Comptroller may determine the extent to which any person’s liability to tax is affected by relief given under paragraph (2) and make such adjustments to that person’s liability as the Comptroller considers to be fair, just and reasonable.”.

PART 2

GOODS AND SERVICES TAX

13 Goods and Services Tax (Jersey) Law 2007 amended

- (1) In Article 60 of the Goods and Services Tax (Jersey) Law 2007¹⁵ –
 - (a) in paragraph (1) –
 - (i) at the end of sub-paragraph (f) the word “or” shall be deleted, and
 - (ii) for sub-paragraph (g) there shall be substituted the following sub-paragraphs –
 - “(g) an alternative investment fund; or
 - (h) a person or arrangement prescribed by Regulations made by the States, or specified by direction, that meets the conditions set out in paragraph (3).”;
 - (b) in paragraph (3), for the word “(1)(g)” there shall be substituted the word “(1)(h)”;
 - (c) at the end of paragraph (5) –

- (i) for the full stop there shall be substituted a semi-colon, and
 - (ii) there shall be added the following sub-paragraph –
 - “(c) to an alternative investment fund is a reference to a scheme or arrangement which is an AIF within the meaning given by Regulation 3 of the Alternative Investment Funds (Jersey) Regulations 2012¹⁶.”.
- (2) At the end of paragraph 4(1) of Schedule 5 to the Goods and Services Tax (Jersey) Law 2007¹⁷ –
- (a) for the full stop there shall be substituted a semi-colon; and
 - (b) there shall be added the following clause –
 - “(f) the supply of any medical service (within the extended meaning of that expression given by Article 20A of the Health Insurance (Jersey) Law 1967¹⁸) or goods by the contractor under a contract entered into under Article 20B of that Law.”.
- (3) Paragraph (2) shall come into force immediately following the commencement of an Act of the States declaring that the Finance (2018 Budget) (Jersey) Law 201-¹⁹ shall have immediate effect.

14 Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008 amended

- (1) In this Article, a reference to a provision by number and without more is to the provision of that number in the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008²⁰.
- (2) In Regulation 1 –
- (a) before the definition “collective investment fund” there shall be inserted the following definitions –
 - “ ‘AIF services business’ has the meaning given by Article 1(1) of the Financial Services (Jersey) Law 1998²¹;
 - ‘alternative investment fund’ means a scheme or arrangement which is an AIF within the meaning given by Regulation 3 of the Alternative Investment Funds (Jersey) Regulations 2012²²;”;
 - (b) for the definition “managed manager” there shall be substituted the following definitions –
 - “ ‘managed entity’ means a person who –
 - (a) is registered to carry on fund services business under the Financial Services (Jersey) Law 1998 because the person falls within the classes of person specified in Article 2(10)(a) of that Law; and
 - (b) is managed under a service contract by a person registered to carry on fund services business under that Law because the person falls within any of the classes specified in Article 2(10) of that Law;
 - ‘managed manager’ means a person who –

- (a) holds a permit under the Collective Investment Funds (Jersey) Law 1988²³ as a functionary falling within Group 2 of Part 2 of the Schedule to that Law; and
- (b) is managed under a service contract by a functionary holding a permit under that Law.”.
- (3) In Regulation 4(1) –
- (a) in each place listed in column 1 of the following table, for the amount in that place (the “current amount”) which is specified in column 2 of the table there shall be substituted the amount (the “new amount”) which is specified in column 3 of the table:

<i>Sub-paragraph of Regulation 4(1)</i>	<i>Current amount</i>	<i>New amount</i>
(a)(i)(A)	£7,500	£9,350
(a)(iii)(A)	£7,500	£9,350
(b)	£50,000	£58,000
(c)	£2,500	£3,120
(d)	£500	£625
(e)	£2,500	£3,120
(f)	£500	£625
(g)	£200	£500
(j)	£200	£500;

- (b) after sub-paragraph (c) there shall be inserted the following sub-paragraph –
- “(ca) in the case of an entity that holds a permit as manager under the Collective Investment Funds (Jersey) Law 1988, is not a collective investment fund, and holds the permit as a managed entity but is not also a permit holder as –
- (i) an administrator,
- (ii) a registrar, or
- (iii) a custodian,
- one amount of £3,120, however many other permits the entity holds under that Law as a managed manager;”;
- (c) after sub-paragraph (d) there shall be inserted the following sub-paragraph –
- “(da) in the case of an entity that is registered under the Financial Services (Jersey) Law 1998 in respect of AIF services business, one amount of £3,120;”;
- (d) in sub-paragraphs (e) and (f), for the word “manager” in each place in which it occurs there shall be substituted the word “entity”;

- (e) after sub-paragraph (f) there shall be inserted the following sub-paragraph –
- “(fa) in the case of an entity that is registered under the Financial Services (Jersey) Law 1998 to carry on fund services business as a manager in relation to one or more unclassified funds within the meaning of that Law, and is so registered as a managed entity but is not also registered as –
- (i) an administrator,
 - (ii) a registrar, or
 - (iii) a custodian,
- one amount of £3,120, however many unclassified funds there are in relation to which the entity is so registered to carry on fund services business as a manager;”;
- (f) in sub-paragraph (i) –
- (i) for the words “a collective investment fund” there shall be substituted the words “an alternative investment fund or a collective investment fund”, and
 - (ii) for the words “an amount of £200;” there shall be substituted the words “one amount of £200, notwithstanding that the entity in question may be both an alternative investment fund and a collective investment fund;”.
- (4) In Regulation 4(2) after sub-paragraph (b) there shall be inserted the following sub-paragraph –
- “(ba) a reference to an administrator, a manager, a registrar or a custodian –
- (i) in sub-paragraph (ca), is to such a person as so called in, and for the purposes of, Part 2 of the Schedule to the Collective Investment Funds (Jersey) Law 1988, and
 - (ii) in sub-paragraph (fa), is to such a person as so called in, and for the purposes of, Article 2(10) of the Financial Services (Jersey) Law 1998;”.

PART 3

CUSTOMS AND EXCISE (JERSEY) LAW 1999 AMENDED

15 Interpretation

In this Part, the “Law” means the Customs and Excise (Jersey) Law 1999²⁴, and a reference to a paragraph by number and without more is to the paragraph of that number in Part 2 of Schedule 1 to the Law.

16 Excise duty: alcohol

- (1) In paragraph 1 (spirits) –

- (a) in sub-paragraph (a) for the amount “£17.56” there shall be substituted the amount “£18.00”;
- (b) in sub-paragraph (b) for the amount “£35.09” there shall be substituted the amount “£35.97”.
- (2) In paragraph 2 (wines) for the table there shall be substituted the following table –

<i>“Strength of wines</i>	<i>Rate per hectolitre</i>
Wines exceeding 1.2% volume but not exceeding 5.5% volume	£77.56
Wines exceeding 5.5% volume but not exceeding 15% volume	£203.55
Wines exceeding 15% volume but not exceeding 22% volume	£249.43
	<i>Rate per litre</i>
Wines exceeding 22% volume	£35.97”.

- (3) In each of paragraphs 3 (beer) and paragraph 4 (cider) –
- (a) in sub-paragraph (a)(i) to (iii) for the amounts “£15.76”, “£31.50” and “£53.98” there shall be substituted respectively the amounts “£16.15”, “£32.29” and “£55.33”;
- (b) in sub-paragraph (b)(i) to (iii) for the amounts “£31.50”, “£63.01” and “£107.95” there shall be substituted respectively the amounts “£32.29”, “£64.59” and “£110.65”.
- (4) In paragraph 5 (other alcoholic beverages) for the amount “£35.09” there shall be substituted the amount “£35.97”.

17 Excise duty: tobacco

For the table in paragraph 6 there shall be substituted the following table –

<i>“Type of tobacco</i>	<i>Rate of excise duty per kilogramme</i>
(a) unprocessed tobacco	£327.88
(b) cigars	£353.00
(c) cigarettes	£441.41
(d) hand-rolling tobacco	£390.81
(e) processed tobacco other than types (b) to (d)	£341.66”.

18 Excise duty: hydrocarbon oil

In paragraph 7(1) –

- (a) in sub-paragraph (a) for the amount “£49.19” there shall be substituted the amount “£50.42”;
- (b) in sub-paragraphs (b) and (c) for the amount “£47.37” in each place there shall be substituted the amount “£48.55”;
- (c) in sub-paragraph (d) for the amount “£51.04” there shall be substituted the amount “£52.32”.

19 Excise duty: motor vehicles

In paragraph 8(4), for Tables 1 and 2 there shall be substituted the following Tables –

“Table 1	
Vehicles with established CO₂ mass emission figure	
<i>1</i>	<i>2</i>
<i>Established CO₂ mass emission figure in grams</i>	<i>Rate of vehicle emissions duty £</i>
0-50	0
51-125	52.38
126-150	157.13
151-175	261.89
176-200	419.02
201-225	785.66
226-250	1,309.44
251 or more	1,885.59

Table 2	
Vehicles without an established CO₂ mass emission figure	
<i>1</i>	<i>2</i>
<i>Cylinder capacity of engine in cubic centimetres</i>	<i>Rate of vehicle emissions duty £</i>
500 or less	0
501 - 1400	209.51
1401 - 1800	366.64
1801 - 2000	523.78
2001 - 2500	733.29
2501 - 3000	1,047.55

3001 - 3500	1,361.82
3501 or more	1,885.59”.

PART 4

STAMP DUTIES AND FEES (JERSEY) LAW 1998

20 Stamp Duties and Fees (Jersey) Law 1998 amended

- (1) In Article 10 of the Stamp Duties and Fees (Jersey) Law 1998²⁵ –
 - (a) after paragraph (1) there shall be inserted the following paragraphs –

“(1A) If the designated officer is of the opinion that the main purpose, or one of the main purposes, of a transaction or combination or series of transactions giving rise to a chargeable document is the avoidance or reduction of a person’s liability to pay stamp duty, the designated person may determine the amount of stamp duty payable to counteract such avoidance or reduction of liability.

(1B) No determination shall be made under paragraph (1A) if the person shows to the satisfaction of the designated officer that the purpose of avoiding or reducing liability to pay stamp duty was not the main purpose, or one of the main purposes, of the transaction or the combination or series of transactions.”.
 - (b) in paragraph (2) after the words “paragraph (1)” there shall be inserted the words “ or (1A)”.

21 Commencement of Part 4 and transitional provision

- (1) This Part shall come into force on 3rd October 2017.
- (2) A determination may be made under Article 10(1A) of the Stamp Duty (Jersey) Law 1998²⁶ in respect of a chargeable document which is registered in the Public Registry or with the Royal Court during the period starting on 3rd October 2017 and ending on the date that the States makes an Act declaring that the Finance (2018 Budget) (Jersey) Law 201-²⁷ shall have immediate effect.
- (3) If a determination is made in the circumstances described in paragraph (2), Article 8(2) of the Stamp Duty (Jersey) Law 1998 (“1998 Law”) shall not apply from the date of the determination under Article 10(1A) of the 1998 Law until such date as the amount of stamp duty is paid or, if an appeal is made against such a determination under Article 10(2) of the 1998 Law, the appeal is upheld.
- (4) Stamp duty that is liable to be paid following a determination made in the circumstances described in paragraph (2) shall be recoverable as a civil debt due to the Treasurer of the States.

PART 5

CITATION AND COMMENCEMENT

22 Citation and commencement

- (1) This Law may be cited as the Finance (2018 Budget) (Jersey) Law 201-.
- (2) Except as provided in Articles 13(3) and 21, this Law shall come into force on 1st January 2018.

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- 1 *chapter 24.750*
 - 2 *chapter 24.750*
 - 3 *chapter 24.950*
 - 4 *chapter 13.225*
 - 5 *chapter 13.225.04*
 - 6 *chapter 13.075*
 - 7 *chapter 13.075.50*
 - 8 *chapter 13.100*
 - 9 *chapter 13.425*
 - 10 *chapter 13.450*
 - 11 *chapter 18.150.80*
 - 12 *chapter 24.750.38*
 - 13 *chapter 124.750*
 - 14 *P.98/2017*
 - 15 *chapter 24.700*
 - 16 *chapter 17.245.51*
 - 17 *chapter 24.700*
 - 18 *chapter 26.500*
 - 19 *P.98/2017*
 - 20 *chapter 24.700.25*
 - 21 *chapter 13.225*
 - 22 *chapter 17.245.51*
 - 23 *chapter 13.100*
 - 24 *chapter 24.660*
 - 25 *chapter 24.960*
 - 26 *chapter 24.960*
 - 27 *P.98/2017*