

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 4th DECEMBER 2012**

Question

Does the Chief Minister accept Treasury figures which indicate that the “lion’s share” of interest subject to EU Savings Tax Directive (EUSTD), and declared under voluntary disclosure, referred to in the Minister’s response to question 7233, is 80% of the total?

In the context of the decline in the totals of tax subject to the EUSTD, detailed in the table below, which show that his “good neighbour policy” has improved rates of voluntary disclosure to 80%, and reduced the return from the withholding tax, would the Chief Minister consider a move to automatic tax information exchange which would result in the loss of only £1.5 m of withholding tax and the loss of 20% of European deposits in Jersey which are clearly evading tax?

Year	2006	2007	2008	2009	2010	2011
Tax retained, £, m	29.1	34.98	35.62	11.8	5.3	6.1
Tax to EU (75%) £, m	21.9	26.24	26.71	8.85	4.0	4.6
Tax to Jersey (25%) £, m	7.2	8.74	8.91	2.95	1.3	1.5
Withholding Tax rate	15%	15%	20%	20%	20%	35%
% voluntary disclosed	----	----	57%	65%	80%	---
% of total EU to UK	62%	63%	58%	56%	55%	59%

Answer

As was made clear in my response to the Deputy’s written question tabled on the 20th November 2012 we are committed to engage in automatic exchange of information under the EU Savings Tax Directive as soon as the EU Member States themselves have reached agreement that this will apply to all the Member States. In the meantime the Member States are able to benefit from the retention tax payments and the voluntary disclosure of information of which the latter account for the largest and an increasing proportion of the interest payments paid to individuals resident in the Member States which are in the scope of the Directive.