



POLICY COUNCIL

THE STATES OF GUERNSEY

CHIEF MINISTER STATEMENT – STATES OF DELIBERATION NOVEMBER MEETING

RE: CORPORATE TAX REVIEW.

Sir

I am grateful for the opportunity to provide a short update on the progress of Guernsey's corporate tax review and specifically to inform this Assembly of the timing of the formal review by the EU Code of Conduct Group.

As I have made very clear throughout the course of the last two years, Guernsey will not undermine its economy through any revisions to its regime, nor by the timing of those revisions. To that end I make it very clear again that front and centre of the review is ensuring that Guernsey's corporate tax regime preserves our international competitiveness. Thus it is very important to be clear once again that the zero product for the clients of Guernsey's business is paramount and will be retained irrespective of the outcome of the review.

As I communicated to this Assembly just two months ago, the Code Group has deemed the zero/10 regime of Jersey and the Isle of Man without any deemed distribution or attribution arrangements to be Code Compliant. That decision does still remain to be ratified by Ecofin.

As we confirmed in a public statement in late October the Code Group, in the absence of Guernsey concluding its own independent review, has determined that it would resume the process of the review of Guernsey's existing regime that it had suspended some 18 months ago. We welcomed that resumption, as it will provide technical clarity on unique aspects of Guernsey's current regime that we believe it necessary for

us to conclude our review in an orderly and considered fashion. As Deputy Parkinson communicated on the unveiling of the Budget, the formal review will take commence early next year, at the meeting of the Code Group in early February.

Whilst we may regret that it will not be possible to conclude the review process in this States term, we believe strongly that it is most important that the right conclusion is reached and it is important that decisions, and any revisions that may be proposed, are not made in haste, particularly those that may affect the States fiscal position.

I would like to conclude that by reassuring this Assembly and the public at large, particularly in light of continuing global economic uncertainty that the outcome that Guernsey's regime will remain internationally competitive and as competitive, if not more so, than our closest competitors, is not in doubt.

LS Trott

Chief Minister, States of Guernsey