Draft Order in Council laid before the House of Commons under section 5(2) of the Taxation (International and Other Provisions) Act 2010 and section 173(7) of the Finance Act 2006, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

2015 No.

CORPORATION TAX

INCOME TAX

The Double Taxation Relief and International Tax Enforcement (Jersey) Order 2015

Made - - - - ***

At the Court at Buckingham Palace, the *** day of ***

Present,

The Queen's Most Excellent Majesty in Council

A draft of this Order was laid before the House of Commons in accordance with section 5(2) of the Taxation (International and Other Provisions) Act 2010(**a**) and section 173(7) of the Finance Act 2006(**b**) and approved by a resolution of that House.

Accordingly, Her Majesty, in exercise of the powers conferred upon Her by section 2 of the Taxation (International and Other Provisions) Act 2010 and section 173(1) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the Double Taxation Relief and International Tax Enforcement (Jersey) Order 2015.

Double taxation and international tax enforcement arrangements to have effect

2. It is declared that—

(a) there has been made with the Government of Jersey—

(i) the Exchange of Letters set out in Part 1 of the Schedule to this Order; and

(ii) the Arrangement referred to in the Exchange of Letters, as set out in Part 2 of that Schedule, which varies the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Jersey) Order 1952(**c**), as amended by the

(**a**) 2010 c. 8.
(**b**) 2006 c. 25.
(**c**) S.I. 1952/1216.

arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Jersey) Order 1994(**a**) and the Schedule to the Double Taxation Relief and International Tax Enforcement (Jersey) Order 2009(**b**),

with a view to affording relief from double taxation in relation to income tax or corporation tax and taxes of a similar character imposed by the laws of either party; and

(b) it is expedient that those arrangements should have effect.

Name

Date

Clerk of the Privy Council

(**a**) S.I. 1994/3210.
(**b**) S.I. 2009/3012.

SCHEDULE

Article 2

PART 1

EXCHANGE OF LETTERS BETWEEN HER MAJESTY'S GOVERNMENT AND THE GOVERNMENT OF

JERSEY

CONCERNING

AN ARRANGEMENT 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

London, 22 09 2015

Dear Chief Minster,

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.

For the Government of the United Kingdom of Great Britain and Northern Ireland

David Gauke

Saint Helier, 01 10 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.

Senator Ian Gorst

Chief Minister of Jersey

PART 2

APPENDIX 1 TO THE EXCHANGE OF LETTERS

ARRANGEMENT BETWEEN HER MAJESTY'S GOVERNMENTAND 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. To substitute for the existing definition of the United Kingdom at paragraph 2(1)(a) of the 1952 Arrangement:

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;

3. To insert at paragraph 2(1) as subparagraph "(aa)" of the 1952 Arrangement:

the term "Jersey" means the Bailiwick of Jersey including the territorial sea

4. 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 thereupon 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.

EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to the Order contains an Exchange of Letters between the United Kingdom and Jersey concerning an Arrangement amending the 1952 Arrangement between the two parties for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, which was scheduled to the Double Taxation Relief (Taxes on Income) (Jersey) Order 1952 (S.I. 1952/1216) and subsequently amended in 1994 and 2009. The Schedule also contains the text of the Arrangement referred to in the Exchange of Letters.

Article 2 provides that it is expedient that the Arrangement should have effect. The Arrangement relates to the avoidance of double taxation and varies the arrangements set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Jersey) Order 1952.

The Arrangement will enter into force on the date of the later of the notifications of each territory of the completion of its legislative procedures. It will take effect in the United Kingdom—

(a) in respect of income tax, for any year of assessment beginning on or after 6th April next following the date on which the Arrangement enters into force; and

(b) in respect of corporation tax, for any financial year beginning on or after 1st April next following the date on which the Arrangement enters into force.

The Arrangement will take effect in Jersey in respect of income tax, for any year of assessment beginning on or after 1st January next following the date on which the Arrangement enters into force.

The date of entry into force will, in due course, be published in the *London*, *Edinburgh* and *Belfast Gazettes*.

A Tax Information and Impact Note has not been produced for this Order as it gives effect to a previously announced policy to enact a double taxation agreement.

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