

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 29th JANUARY 2013**

Question

What advice from his international finance advisors has the Minister had on the implications, if any, to Jersey's intention to sign a US FATCA agreement, of warnings from the European Commission for Taxation and Customs to Austria and Luxembourg that, should they sign FATCA agreements with the US, then other EU countries will use their "most favoured status" to achieve automatic exchange of tax information?

What further advice, if any, has he received on the EU Commission decision to extend this pressure for automatic exchange to Switzerland, along with a threat of blacklisting within 6 months if current tax information practices are not improved?

Do his advisors consider that these moves within the EU in response to the potential extension of US FATCAs have brought closer the advent of the automatic exchange of tax information within Europe, including the Crown Dependencies, and if not, why not?

Answer

I am advised that Jersey's intention to sign a US FATCA agreement, to which my statement of the 7th December 2012 referred, is not affected by any warnings from the European Commission to Austria and Luxembourg. However, as a result of signing FATCA agreements with the US Austria and Luxembourg may be expected to withdraw their present opposition to adopting automatic exchange of information in respect of the requirements of the EU Directive on the Taxation of Savings Income. Under the terms of our savings tax agreements with the 27 Member States Jersey would then be required for the purposes of those agreements to move to the automatic exchange of information in place of the present retention tax and voluntary disclosure arrangements.

I am further advised that the position of the European Commission on third countries, which will include Switzerland, has been clearly set out in a recommendation published last month regarding measures intended to encourage third countries to apply minimum standards of good governance in tax matters. This refers to the publishing of black lists of third countries not complying with the minimum standards specified. These standards are those of the Global Forum on Transparency and Exchange of Information for Tax Purposes and the EU Code of Conduct Group all of which Jersey satisfies.