

3.7 Deputy G. P. Southern of the Minister for Treasury and Resources regarding tax reforms:

Will the Minister give further details of the combination of attribution and distribution-only methods referred to in his answer of 28th March 2006, to enable "look-through" provisions without loss of revenue?

Senator T.A. Le Sueur (The Minister for Treasury and Resources):

Yes, Sir, I will, but not today. As I made clear in my answer to the Deputy's question of 28th March, a consultation paper will be published later this month setting out in detail the proposed arrangements. I am not prepared to issue any details until I am satisfied that the proposals are feasible and that I have signed them off. Once I have satisfied myself, all States Members, including the Deputy, will be notified of them.

3.7.1 Deputy G.P. Southern:

On the question of feasibility, in last week's answers the Minister spoke of the ability of his methods to meet the European Code on Business Taxation. He made no reference to the second part of that question, which suggested that it may breach either Company Law or Human Rights Law. Is he prepared to say whether the method he has chosen for attribution will not be open to challenge on Human Rights and Company Law?

Senator T.A. Le Sueur:

As I said in my answer, Sir, I have not yet finally resolved the final details, but I am satisfied that whatever is proposed will in my view be human rights compliant and will meet whatever requirements are necessary.

3.7.2 Deputy G.P. Southern:

Has the Minister consulted further on the significant reservations expressed by PricewaterhouseCoopers on the Guernsey method for attribution?

Senator T.A. Le Sueur:

I have taken those matters into account, Sir, and I am satisfied that my proposals, when finalised, will deal with the issues that the Deputy raises.

3.7.3 Deputy G.P. Southern:

On a fresh subject, has the Minister examined the details of capping corporate tax liabilities produced by the Isle of Man income tax department and does he accept that this is a further step on the downward spiral that he has joined in with the Isle of Man and Guernsey, which if pursued will actually end up with the ruination of this Island's economy?

The Deputy Bailiff:

Deputy, I know that we now give very wide interpretation to follow-up questions, but I think that is going too far, so it does not arise.