

3.7 The Deputy of St. Martin of the Minister for Treasury and Resources regarding share transfer legislation:

Will the Minister advise members of the progress made, if any, in introducing the share transfer legislation, and whether still on course for inclusion in this year's budget?

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

Progress, the Deputy will be pleased to know, is slow but ongoing. I have previously informed Members that this issue has proved to be far more complex than it appeared at the time when Projet 211 was passed. Nowhere in the States do we capture any information on share transfers, hence, it is not simply a case of sending a tax demand to a purchaser. Nonetheless, progress is being made, and meetings are being held with the Law Society as a result of which some changes have been made to our original approach, in that we now envisage assessing the individual purchases of shareholders, rather than the company. We believe that this is a workable solution, and officers will be working with the Law Draftsman and law drafting requests. The intention remains to bring a law draft to the States in December, as part of the 2008 budget proposals.

3.7.1 The Deputy of St. Martin:

As the Minister knows, I think I have been pressing for this ever since the States approved it unanimously, I think it was, way back in 2004. In a previous answer, the Minister said that he would be sending it out to consultation. A draft consultation process would go out about June-July. Is that able also to go out to States' members, including myself?

Senator T.A. Le Sueur:

I think, Sir, at this stage, that consultation with States' members would not be particularly meaningful, until we have agreed with the Law Society and the estate agents the *modus operandi* for doing this. I suggest that it may be simpler for the Deputy to come and discuss with the officers of my department and myself, the way which we are making this progress, in order that we can perhaps clarify or understand what we are trying to do, and then if he has any shortcomings, take them up with me at that time.

3.7.2 Deputy R.G. Le Hérissier of St. Saviour:

In the gloom and doom of the Minister's answer, can he tell us whether eventually he will be able to solve these problems, or is this going to be another one of these never-ending sagas?

Senator T.A. Le Sueur:

There will be a solution, but I cannot at this stage say it will be a solution as good as I would like, or members would have liked, because it is not a problem that is as simple to solve as members would like to think it is. Nonetheless, yes, there will be a solution, if imperfect.

3.7.3 Deputy A. Breckon:

I wonder if the Minister could give any indication how much he thinks this would raise, if at the similar level to other property stamp duty?

Senator T.A. Le Sueur:

At the moment it is still uncertain, but we have put into the Business Plan for next year and subsequent years the sum of £1 million a year.

Deputy A. Breckon:

That was my question. I was going to ask, would he confirm that each year that was delayed cost the taxpayer at least £1 million a year, and the answer is obviously yes.

Senator T.A. Le Sueur:

The answer is, certainly we would have a reduction in revenue of £1 million if this law is not introduced.