

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 1st FEBRUARY 2011**

**Question**

Following his answers to question 5945, will the Minister inform members how much was raised from the payment of fees and charges from the number of foreign-owned non-finance companies which existed under the “exempt company” rules prior to the “zero/ten” regime?

How much is currently raised from the 17,600 foreign-owned non-finance companies currently registered at the JFSC in fees and charges?

Does the Minister have any plans to increase these charges on these zero-rated companies, and if not why not?

**Answer**

Approximately £14.6 million of exempt company and annual company return fees were collected by the States from exempt companies in 2008, the last year in which exempt status was available.

The approximately 17,600 foreign-owned non-financial services companies includes all foreign owned companies which pay tax at 0% including those which are clients of the finance industry. These companies pay approximately £2.6 million in annual company return fees and £3.6 million in ISE fees, totalling £6.2 million of direct contributions to States revenues in Jersey. They also pay business rates, though revenues are not analysed by reference to the ownership of the businesses in question nor by the type of activity undertaken.

These companies also bring benefits to Jersey beyond their direct tax contributions. As employers, they pay social security in respect of their Jersey employees. As consumers, they buy products from Jersey suppliers who themselves pay fees and taxes. Individual employees pay income tax and social security on their earnings and GST on the goods and services they buy. Finally, by providing the goods and services that Jersey residents need, they help to ensure the efficient operation of the local economy.

The Minister committed during the 2011 Budget debate to bring forward proposals to increase the fees or taxes payable by some of these companies during 2011, if to do so would not compromise Jersey’s competitive position or its international commitments. Work is being done to explore the options regarding this.