

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 15th FEBRUARY 2011**

Question

Will the Minister clarify how much each of the two groups (companies trading locally and those that are clients of the finance industry) which comprise the 17,600 foreign-owned non-finance companies subject to 0% tax pays –

- (a) in annual company return fees;
- (b) in International Service Entities (ISE) fees, and;

Would he also give an estimate of how much each group contributes in terms of –

- (i) employer social security contributions;
- (ii) employee income tax and social security contributions, along with the proportion of the £14.6 million of exempt company fees and annual company return fees paid by each in 2008?

Answer

Neither the Taxes Office nor the Social Security Department electronically record the ownership profile of the companies with which they deal, nor do they distinguish between clients of the finance industry and other types of company. It is therefore impossible to provide the Deputy with the figures requested with any degree of precision, without a manual review of each file.

Figures provided in response to the Deputy's earlier questions on this topic (see responses of 1 February and 18 January 2011) were estimates based on reasonable assumptions regarding the ownership profile of Jersey companies. However, the information now requested would require investigation at such a granular level that it would be difficult to draw meaningful assumptions.

To answer this question accurately would require a company by company analysis which would take months of valuable resource. If the Deputy could provide an indication of what he is trying to achieve, it may be possible to collate some more useful information.

To give an indication, ITIS records do not distinguish between formerly exempt companies and 0% trading companies, nor do they hold any information relating to the location of the ownership of employing companies. In 2010, approximately £100 million was collected through ITIS by companies which are taxed at the 0% rate, in respect of approximately 43,000 individual employees.

The Social Security Department does classify contributions from different industries, which could allow it to identify total contributions from "non-financial services companies". The contributions for these entities cannot be collated in the short period given. However, this figure is also likely to be incomplete as it will not reflect the contributions from companies which are classified as falling within the financial services sector but which are subject to income tax at the 0% rate.