

**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

Can the Minister confirm that the High Level Working Group set up to report on the extent of the EU Code on Business Taxation and Jersey's current position with respect to zero/ten has already met and confirmed that zero/ten is harmful, and if so, does he accept that the time has come to join Guernsey in making a commitment to abandon zero/ten?

Answer

The High Level Working Party met on 31 January 2011 and considered Jersey's zero/ten corporate tax regime. The formal report to ECOFIN dated 4 February 2011 (reference 6054/11) is publicly available on the Council of Europe's website: http://register.consilium.europa.eu/servlet/driver?lang=EN&ssf=DATE_DOCUMENT+DESC&fc=REGAISEN&srm=25&md=400&typ=Simple&cmsid=638&ff_TITRE=code+of+conduct+business+taxation&ff_FT_TEXT=&ff_SOUS_COTE_MATIERE=&dd_DATE_REUNION=&rc=1&nr=286&page=Detail.

The High Level Working Party has confirmed the earlier findings of the EU Code of Conduct Group that the combination of the Deemed Distribution rules and zero/ten does give rise to harmful effects.

Ministers are considering what action would be appropriate to take in response to this report and an announcement will be made shortly.