

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 23rd OCTOBER 2012**

Question

Following his recent acceptance that implementation of the US Foreign Account Tax Compliance Act (FATCA) is necessary for Jersey's finance industry to remain competitive and doing so through an intergovernmental agreement is considered to be the best course of action to adopt, will the Chief Minister state whether -

- (a) Jersey has been asked by the Organisation for Economic Co-operation and Development (OECD) to join the multilateral Convention on Mutual Administrative Assistance in Tax Matters and, if so, what was Jersey's response;
- (b) the UK government has requested that Jersey should move to automatic information exchange under the EU Savings Tax Directive and, if so, what was Jersey's response; and,
- (c) the UK government has formally requested that Jersey concludes a FATCA equivalent automatic information exchange system and, if so, what was Jersey's response?

Answer

I have been informed that these same questions were posed of us by Mr Richard Murphy in his Blog on the 10th October. It is not my practice to respond to such Blogs but if I had my answers would have been the same as what follows –

- a) At present the OECD/Council of Europe Multilateral Convention on Mutual Administrative Assistance in Tax Matters cannot be signed by Jersey because signatories are restricted to Sovereign States. We have asked that the Convention be amended so that jurisdictions such as Jersey that, while not a Sovereign State, are fiscally autonomous can sign in their own right as they are able to do for bilateral tax information exchange agreements;
- b) Jersey's position on automatic information exchange under the EU Savings Tax Directive is well known. While committed to supporting the EU in the application of the Directive as part of our 'good neighbour' policy we have wanted to know when the EU Member States as a whole will be fully committed to automatic exchange of information before making a move in this direction. In our regular visits to Brussels we always meet with officials from the Member State that is to take on the Presidency to find out what their expectations are that the present opposition of Austria and Luxembourg to a move to automatic exchange of information will be overcome in their period of office;
- c) In correspondence at official level reference has been made by HM Treasury to their wish to consider the wider implications for information exchange arising from the signing of an intergovernmental agreement between Jersey and the USA for FATCA, and an offer has been made to meet at official level to explore this further.