

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.C.L. BAUDAINS OF ST. CLEMENT
ANSWER TO BE TABLED ON TUESDAY 11th DECEMBER 2012**

Question

Does the Chief Minister agree that the external circumstances which forced us to change our tax structure (with consequential shifting of approximately £100 million taxation annually from corporate to personal taxation) appear to be becoming an increasing threat to our finance industry?

What long term future does he consider the finance industry has and does he consider it prudent to continue to pump more effort and funding into finance in the hope that it will survive rather than attempting to manage its decline?

Answer

No, I do not agree. The certainty that we have achieved for our corporate tax structure, in particular the provision of tax neutrality, has helped and will continue to help in ensuring the success of Jersey as an international finance centre.

The future of the finance industry also depends on our continued ability to increasingly take advantage of the market opportunities that are being presented through economic growth and wealth generation in the Middle East, the Far East and other economically growing areas in the world. Given the determined competition from other international finance centres, Jersey can only benefit from these opportunities through a level of commitment which more than equates with that of our major competitors. I am confident about the future for our finance industry, and for the many benefits that Island residents enjoy arising from our continued success as an international finance centre, which more than justify the level of investment being made to ensure that we can compete successfully in growing markets around the world.