

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 4th DECEMBER 2012**

Question

Do the “wider implications for information exchange arising from the signing of an intergovernmental agreement between Jersey and the USA of a Foreign Account Tax Compliance Act (FATCA) ,” mentioned in his response to question 7147 on 23rd October 2012, extend to the introduction by the UK of a similar FATCA agreement?

What credence, if any, does the Chief Minister give to the report in the International Tax Review that the UK government has already drafted its own version of the US FATCA legislation which it will seek to impose on its Crown Dependencies and Overseas Territories by January 2014?

What assistance, if any, has he or the Minister for Treasury and Resources had from the UK government in responding to the US FATCA approach?

What discussion, or contact, if any, has he had with his colleagues in Guernsey and the Isle of Man to develop a joint approach to the US FATCA demands or the automatic exchange of tax information and, if none, why not?

What implications for Jersey arise from any agreement which requires disclosure of full details of all beneficial owners of relevant accounts, including those whose identities might otherwise be hidden by trusts or companies?

Answer

Taking the Deputy’s questions in turn.

Interest has been shown by the OECD and the EU in the possible wider application of the principles behind the US FATCA arrangements and the UK has approached the Crown Dependencies and the Overseas Territories with a view to the principles possibly being more widely applied to an exchange of information with the UK. Officials have met with HM Treasury officials to discuss this.

To facilitate the discussions between officials, HM Treasury officials sent us a draft of what an intergovernmental agreement might look like if equivalent to that negotiated with the US. If such an agreement was to be concluded appropriate legislative provision would then need to be made before it could be implemented. There is absolutely no question of the UK ‘imposing’ on the Island its own legislation required to implement the US FATCA agreement between the UK and the USA.

Officials met with HM Treasury officials in August 2012 to hear more about and better understand the US/UK FATCA agreement as a prelude to our own negotiations with the US. These negotiations have been undertaken by the Crown Dependencies entirely independently from the UK as provided for by the Letter of Entrustment from the UK that applies to our negotiation of international tax agreements generally.

The negotiations with the US have been undertaken by the Crown Dependencies acting in concert, as have the discussions with the UK.

Jersey is committed to compliance with the international standards on tax information exchange and has seen no disadvantage in being actively engaged in such compliance so long as there is a level playing field. Jersey is a jurisdiction, unlike many others including individual OECD and EU Member States, that is not only committed to the exchange of information on beneficial ownership but also ensures that it has that information available to give, something recognised publicly by the World Bank among others.