

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 13TH SEPTEMBER 2016**

Question

Will the Minister advise Members for each year between 2008 and 2015 (or the last year for which full figures are available) of the number of financial services businesses that are paying tax at the 10% rate and of the amount of tax they generated, and explain why there have been changes during that period in the number of firms paying at the 10% rate and in the tax take?

Answer

	2009	2010	2011	2012	2013	2014
Number of companies paying tax at the 10% “Financial Services Companies” rate	189	182	196	206	209	215
	£m	£m	£m	£m	£m	£m
Tax paid by those companies	43.8	39.0	48.1	67.0	62.7	70.0

1. The zero-ten regime was introduced in 2008 only for companies registered on or after 3 June 2008. It was not until the 2009 year of assessment that all companies were included within the zero-ten regime; 2008 data has not therefore been included in the table above.
2. The data is presented on a year of assessment basis.
3. Complete and final 2015 year of assessment data will not be available until 2017.
4. The total number of “financial services companies” outlined above excludes those companies (e.g. nominee and secretarial companies) which are regulated such that they fall within the definition of “financial services company” under the Income Tax Law, but which report no profits themselves. The fees for the provision of these services (e.g. nominee and secretarial services) are reported by the parent trust company which is subject to tax at 10%. No corporate income tax is lost as a consequence.
5. The information requested in this question has largely been provided in answer to Deputy Mezec’s earlier questions (9341 and 9383) tabled in April 2016. Those answers provide further information (including adjusted profits) in relation to corporate tax receipts.
6. Part of the reason for the increase in the tax paid by financial services companies in 2012 can be attributed to the repeal of the International Business Company regime with effect from 1 January 2012. A result of the repeal is that a number of companies that were International Business Companies in 2011 are included within the 10% financial services companies in 2012.
7. The tax adjusted profits of financial services companies (see question 9383 referred to above) and therefore the tax payable will vary for many reasons which will include :-
 - Impact of the global financial crisis
 - Corporate restructuring
 - Changing interest rate environment
 - Movement of financial services firms both into and out of the island as a result of Head Office restructuring