

**WRITTEN QUESTION TO THE
MINISTER FOR ECONOMIC DEVELOPMENT, TOURISM, SPORT AND CULTURE
BY THE CONNÉTABLE OF ST. MARTIN
QUESTION SUBMITTED ON TUESDAY 1st JUNE 2021
ANSWER TO BE TABLED ON TUESDAY 8th JUNE 2021**

Question

In relation to the High Value Residents scheme and the work of Locate Jersey, will the Minister outline –

- (a) what analysis, if any, is undertaken of the difference between the net income lost by not charging the standard rate of tax on such individuals' income and the estimated net benefit to the Island gained from each individual participant through this scheme;
- (b) whether such analysis is undertaken on an annual basis;
- (c) how, if at all, the information collected on each participant to the Scheme contributes to studies into the Island's past, present and predicted economic performance; and
- (d) whether there are any plans to change the way in which information on the impact of High Value Residents on Jersey's economy is publicly presented?

Answer

- (a) We do not have access to the tax returns of 2(1)(e) residents and therefore do not have the ability to carry out an analysis of the net income lost by not charging the standard rate on all income. Analysis is however carried out by the Tax Policy Team and reported on an annual basis.
- (b) Yes - by the Tax Policy Team.
- (c) Information is collected on applicants as part of the application dossier but post-arrival information collected on 2(1)(e) residents is anecdotal as there is no requirement on them other than meet the minimum tax contribution.
A number of studies have however been done on the 2(1)(e) scheme in recent years and a list is attached in appendix 1.
- (d) I am considering a review of the 2(1)(e) scheme in 2022 in line with previous reviews details of which can be found in the following table.

Appendix 1 – Reports into the High Value Schemes

	Report	Author	Year of publication
1	History of the 1(1)K regime	Colin Powell Treasury & Resources	September 2010
2	Review of 1(1)(k) Regime for the States of Jersey	Withers LLP & Panopticon Policy	October 2010
3	Report on Jersey's regime for High Net Worth Individuals	Treasury & Resources Department – Tax Policy Unit	July 2011
4	Tax Regime for High Net Worth Individuals Review 2013	Treasury & Resources	October 2013
5	Tax data relating to high value residents (HVR's) – update 4 March 2015	Treasury & Resources Department – Tax Policy Unit	March 2015
6	2015 Survey of Intermediaries and relocated HNWIs and Businesses	Island Ark	June 2015
7	Comparative analysis of High Value Residency regimes	KPMG	November 2016
8	Post-Implementation Review of Jerseys High Value Residents Regime Applicable since July 2011	Tax Policy Unit for the Council of Ministers and the States Assembly	December 2016