

Deputy Jonathan Renouf  
Chair  
OECD Pillar 2 Implementation Sub-Panel  
*By email*

07 August 2024

Dear Chair,

**Corporate Services Scrutiny Sub-Panel – OECD Pillar 2 Implementation**

**Lodging and Debate Timeline.**

We refer to your letter of 2 August 2024, requesting a response by 9 August 2024.

We are concerned to learn of your desire to extend the lodging period and debate date for the forthcoming Pillar 2 legislation in the States Assembly.

During many briefings for Scrutiny on this matter<sup>1</sup>, we have explained that the timelines for lodging the Pillar 2 legislation would always be concise. The OECD guidance continues to evolve on a monthly basis and the pattern of global Pillar 2 implementation is still unfolding. These are important factors for Jersey to monitor as a small and open International Finance Centre and create a delicate balance that needs to be struck on the timeline for lodging. Lodged legislation should reflect the most up to date and clearest proposal that Jersey can offer to its international investment base. Affected stakeholders also require the certainty of States Assembly passed legislation with sufficient time to prepare for implementation from 2025.

Pillar 2 is an important corporate tax reform measure, but the scope of its application is very targeted. The legislation will affect only a very small proportion of large multinational groups in Jersey – only those with global annual revenues in excess of €750m. More than 95% of all companies in Jersey will not be in scope of the proposed legislation and will remain within the scope of the current 0/10 corporate income tax regime.

Furthermore, the form of the legislation follows the model of incorporation by reference. This means that Jersey's Pillar 2 legislation will link directly to specific agreed Pillar 2 Model Rules and will adopt the terms and definitions from the model text produced by the OECD. This sets the boundaries of the legislation being adopted but should also significantly simplify the scrutiny of it.

Given the above, our firm aim is to lodge the legislation next week (commencing 12 August) and will seek to debate the legislation in the States Assembly sitting beginning on 1 October.

---

<sup>1</sup> Ministers and officers held six separate Pillar 2 briefings with Scrutiny between March 2021 and October 2023 and three meetings with the new panels over the past ten weeks – the most recent of which was dedicated specifically to the draft legislation.

The introduction of Pillar 2 legislation is by no means the end of the journey. We hope to work with your sub-Panel constructively on issues such as maintaining a globally competitive business environment as we align with evolving international tax standards and providing our global investors with administrative simplicity and excellent customer service, underpinned by use of technology.

We remain at your disposal for continued discussion on these matters.

Yours sincerely,



**Deputy Elaine Millar**  
**Minister for Treasury & Resources**



**Deputy Ian Gorst**  
**Minister for External Relations**