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By email

Dear Simon

**Corporate Services Scrutiny Panel
Review of the Draft Revenue Administration (Jersey) Law**

I am writing in response to your letter dated 18 December 2018 regarding the above. Thank you for giving EY the opportunity to comment on the proposed law. For the avoidance of doubt, the points I have set out below I have also raised directly with the Comptroller of Revenue.

Overall, and consistent with my response to the consultation on the proposed law, I am supportive of the introduction of a Revenue Administration law. Indeed it is necessary to introduce such a law as the administration elements of the current law are outdated, can lead to uncertainty and they lack certain protections for taxpayers. As an example, at present there is nothing in the law that determines the timeframe in which an enquiry can be made. Therefore a taxpayer's tax affairs are essentially open for an infinite period resulting in a taxpayer never really knowing whether the Taxes Office will raise queries in future. Most other jurisdictions require the tax authorities to raise enquiries within a specified window, at the end of which the taxpayer's tax affairs for a particular year of assessment are considered to be agreed (other than, of course, in the case of fraud).

My general concern with the current draft legislation is that it is addressing only part of the required administration law and it focuses on providing additional powers to the Comptroller of Revenue without adequate protection for taxpayers. It also does not address the current lack of taxpayer protection such as the example noted above. I appreciate that the full administration law is being introduced in stages. The Comptroller has provided a written commitment to consider certain issues in future (see next paragraph). However, speaking frankly and based on previous and recent experience of non-delivery on commitments, I am concerned about this piecemeal approach and the ability to deliver the further commitments.

To expand on this point, heads of tax from the 'Big 6' accounting firms met with the Comptroller and Treasury Minister on 17 December 2018 to discuss this draft law. I was unable to attend but received written feedback from the Comptroller and I discussed the meeting with some of those who did attend. The main concern amongst all of the Big 6 is the increase in power of the Comptroller without adequate protection for taxpayers. The Comptroller has agreed to provide us with 'something by the end of January' in relation to the proposed 'bigger picture' of the tax law reform, including a focus on introducing taxpayer protections. However, this will not be known before the draft Revenue Administration Law is debated by the States on 29 January 2019. It is therefore difficult to fully support this specific piece of law without knowing what protections and further changes may be introduced.