

Tuesday, 12 March 2019

Jersey a 'cooperative' financial jurisdiction

Today EU Finance Ministers (ECOFIN) formally confirmed Jersey's position as a cooperative jurisdiction.

In December 2017 ECOFIN had placed Jersey, along with many other jurisdictions, in "Annex II". This meant that Jersey had been assessed as cooperative, but subject to the implementation by the end of 2018 of commitments made to the EU's Code of Conduct Group on Business Taxation.

In Jersey's case those commitments related to concerns identified by the Group about the possibility that profits from relevant activities were registered in Jersey without adequate economic activity taking place in the island. ECOFIN today confirmed that Jersey had delivered on its commitment and accordingly removed Jersey from Annex II.

Today's announcement acknowledges the significant work undertaken by the Government of Jersey to introduce economic substance legislation.

The Minister for External Relations, Senator Ian Gorst, commented: "Jersey has consistently maintained that we are a jurisdiction of substance, and we have worked quickly and effectively to introduce economic substance legislation, meeting a commitment made to the Code Group in November 2017. I welcome the decision today by ECOFIN to remove Jersey from Annex II, reaffirming our reputation as a cooperative and well-regulated jurisdiction that is committed to the development of new international standards in fair taxation.

"We have welcomed the positive opportunities for engagement with the Code Group and Commission Services, to ensure that we fully understood their objectives, and that our proposed legislation achieved that purpose.

"I would like to take this opportunity to again thank the Jersey Financial Services Commission and members of the financial services industry for their productive engagement in the consultation, which took place against a tight timetable over summer 2018. I also wish to thank officials in Jersey, the Channel Islands Brussels Office and across the Crown Dependencies – with whom we worked in partnership – for their hard work and commitment which has led to this positive result.

"We will continue to work proactively with the Code Group, as part of our commitment to meeting global standards on financial services regulation and to further our good neighbour policy with the EU."

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Notes to Editors

1. The Commission press release can be found here: http://europa.eu/rapid/press-release_IP-19-1606_en.htm and a fact sheet here: http://europa.eu/rapid/press-release_MEMO-19-1629_en.htm
2. The fact sheet confirms: "25 jurisdictions which "Following the commitments in 2017, have now delivered the reforms and improvements that they promised" and which "have now been cleared": Andorra, Bahrain, Faroe Islands, Greenland, Grenada, Guernsey, Hong Kong, Isle of Man, Jamaica, Jersey, Korea, Liechtenstein, Macao SAR, Malaysia, Montserrat, New Caledonia, Panama, Peru, Qatar, San Marino, Saint Vincent and the Grenadines, Taiwan, Tunisia, Turks and Caicos, and Uruguay."
3. The conclusions can be found here:
<https://www.consilium.europa.eu/media/38450/st07441-en19-eu-list-oop.pdf>
4. For further information, please contact the press office on 01534 440430 or pressoffice@gov.je