

MULTINATIONAL CORPORATE INCOME TAX (JERSEY) LAW 2025

Official Consolidated Version

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MULTINATIONAL CORPORATE INCOME TAX (JERSEY) LAW 2025

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Jersey

MULTINATIONAL CORPORATE INCOME TAX (JERSEY) LAW 2025

A LAW to impose a corporate income tax in respect of entities that are members of large multinational enterprise groups, and for connected purposes.

Commencement [see endnotes]

PART 1

INTRODUCTORY

1 Interpretation

(1) In this Law –

"basic covered taxes amount" is defined in Article 15;

"blended CFC amount" is defined in Article 16(3);

"chargeable MNE group" is defined in Article 5;

"Comptroller" means the Comptroller of Revenue described in Article 2 of the Revenue Administration (Jersey) Law 2019;

"creditable blended CFC amount" is defined in Article 17;

"in-scope MNE group" is defined in Article 3(2);

"instalment due date" is defined in Article 19(1);

"ITL 1961" means the Income Tax (Jersey) Law 1961;

"Jersey constituent entity" is defined in Article 7;

"Jersey permanent establishment" is defined in Article 9;

"MCIT return" is defined in Article 25;

"Model Rules" means the model rules published by the OECD on 20 December 2021 as "Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS";

"multinational corporate income tax" (or "MCIT") is defined in Article 10;

"OECD" means the Organisation for Economic Co-operation and Development;

"OECD commentary" means –

(a) the consolidated commentary published on 25 April 2024 by the OECD as "Tax Challenges Arising from the Digitalisation of the Economy –

Consolidated Commentary to the Global Anti-Base Erosion Model Rules (2023)"; and

(b) the OECD June guidance;

"OECD June guidance" means the fourth set of agreed administrative guidance published on 17 June 2024 by the OECD as "Tax Challenges Arising from the Digitalisation of the Economy – Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two), June 2024";

"reporting entity" is defined in Article 8;

"return due date" is defined in Article 24(2).

(2) References in this Law to a Rule are references to the corresponding Article in the Model Rules.

2 Application of definitions used in the Model Rules

(1) Terms used in this Law that are defined in the Model Rules (and are not defined differently in this Law) have the meaning given by the Model Rules.

(2) For the purpose of paragraph (1), references in the Model Rules to an implementing jurisdiction are treated as references to Jersey.

(3) For the purpose of interpreting the terms defined in the Model Rules, the Comptroller must have regard to the OECD commentary.

(4) Schedule 1 contains a list of terms used in this Law that are defined in the Model Rules.

3 Application of this Law: large multinational enterprise groups

(1) This Law applies in relation to an in-scope MNE group and its constituent entities, for fiscal years beginning on or after 1 January 2025.

(2) An MNE group is an "in-scope MNE group" for a fiscal year if –

(a) the revenue requirements of Rule 1.1.1 (modified, if appropriate, by Rules 1.1.2 and 6.1) are met in respect of the MNE group for that year; and

(b) at least 1 constituent entity of the MNE group is, at any time in that year, located in Jersey.

4 Location of an entity

(1) The location of an entity, for the purposes of this Law (including for the purpose of determining an amount or any other matter under a Rule referred to in this Law), is to be determined in accordance with Rule 10.3, subject to the exceptions in paragraphs (2) to (5).

(2) Paragraph (3) applies in relation to an entity –

(a) that is a flow-through entity created in Jersey; and

(b) is not an entity to which paragraph (5) applies.

(3) The entity is treated as a stateless entity (instead of its location being determined under Rule 10.3.2).

(4) Paragraph (5) applies in relation to an entity that –

(a) is a reverse hybrid entity; and

(b) is regarded as resident in Jersey for the purposes of Jersey law.

(5) The entity is treated as being located in Jersey (and is not treated as a stateless entity under Rule 10.3.2(b)).

(6) Article 9(2) makes provision about the location of a Jersey permanent establishment.

PART 2

"CHARGEABLE MNE GROUP" AND OTHER DEFINITIONS

5 Chargeable MNE group

(1) An in-scope MNE group is a "chargeable MNE group", in relation to a fiscal year, unless the exemption under paragraph (2) applies.

(2) The exemption applies, in relation to an in-scope MNE group for a fiscal year, if –

(a) either Condition A or Condition B is met (or both are met); and

(b) the reporting entity in relation to the group elects for the exemption to apply.

(3) Condition A is that –

(a) the group's average GloBE revenue of Jersey for the fiscal year is less than the amount specified in Rule 5.5.1(a); and

(b) the group's average GloBE income or loss of Jersey for the fiscal year is a loss or is less than the amount specified in Rule 5.5.1(b).

(4) Condition B is that the amount determined under Article 12(1)(d) for the fiscal year is less than the minimum threshold amount.

(5) For the purposes of paragraph (3), an in-scope MNE group's average GloBE revenue of Jersey, and average GloBE income or loss of Jersey, are to be determined in accordance with Rules 5.5.2, 5.5.3 and 5.5.4 but as if –

(a) the references in those rules to the GloBE income or loss of the jurisdiction were references to the amount determined under Article 12(1)(d); and

(b) Rule 5.5.3(b) were omitted.

(6) For the purposes of paragraphs (4) and (5)(a), Articles 12 and 13 apply in relation to an in-scope MNE group (and, for those purposes, the reference in Article 12(1) to the "chargeable MNE group" is to be treated as a reference to the "in-scope MNE group").

(7) The Minister for Treasury and Resources must, by Order, specify the minimum threshold amount for the purpose of paragraph (4).

6 Elections under Article 5

An election under Article 5(2)(b) –

(a) is made, in relation to a fiscal year, by giving written notice to the Comptroller –

(i) on or before the return due date for the fiscal year, and

(ii) in the form and manner specified by the Comptroller; and

(b) has effect –

(i) for the purposes of multinational corporate income tax, for that fiscal year, and

(ii) for the purposes of income tax charged in accordance with the ITL 1961, for the year of assessment in which that fiscal year ends.

7 Jersey constituent entity

(1) "Jersey constituent entity", in relation to an in-scope MNE group, means a constituent entity of the group that –

(a) is located in Jersey; and

(b) is not –

(i) an investment entity,

(ii) an insurance investment entity, or

(iii) a securitisation entity.

(2) In this Article, "securitisation entity" has the meaning given by paragraph 24 of Chapter 6 (treatment of securitisation vehicles) of the OECD June guidance.

8 Reporting entity

(1) The "reporting entity" in relation to an in-scope MNE group is –

(a) a Jersey constituent entity that is the ultimate parent entity of the group;

(b) if there is no entity within sub-paragraph (a), a Jersey constituent entity that –

(i) is an intermediate parent entity of the group, and

(ii) is the only Jersey constituent entity that is an intermediate parent entity of the group; or

(c) if there is no entity within sub-paragraph (a) or (b), a Jersey constituent entity of the group that is designated by the Comptroller for the purposes of this Article.

(2) In determining which entity to designate under paragraph (1)(c), the Comptroller must have regard to the nomination (if any) made by the constituent entities of the MNE group.

(3) The Comptroller must, within a reasonable period of determining to designate an entity, give written notice of the designation to the entity.

9 Jersey permanent establishment

(1) "Jersey permanent establishment" means a place of business that –

(a) is, or would be, treated as a permanent establishment in Jersey for the purposes of the ITL 1961; or

(b) would be treated as a permanent establishment for the purposes of the ITL 1961 if, in the definition of that term in Article 3(1) of that Law –

(i) the references to a company included references to another type of entity, and

(ii) the reference to the directors of a company included a reference to the equivalent officers of that type of entity.

(2) For the purpose of determining an amount or any other matter under a Rule referred to in this Law (for the purposes of this Law), a Jersey permanent establishment –

(a) is treated as being located in Jersey; and

(b) is treated as if it were within paragraph (b) of the definition of "permanent establishment" in Rule 10.1 (and not within any other paragraph of that definition).

PART 3

CHARGING PROVISIONS: MULTINATIONAL CORPORATE INCOME TAX

DIVISION 1 – CHARGE TO MULTINATIONAL CORPORATE INCOME TAX

10 Multinational corporate income tax

A tax called "multinational corporate income tax" is charged, in respect of the Jersey constituent entities of a chargeable MNE group, in accordance with this Part.

11 Charge to tax

The amount of multinational corporate income tax charged for a fiscal year is determined by –

(a) calculating 15% of the chargeable MNE group's MCIT net GloBE income for the fiscal year (see Article 12); and

(b) reducing that amount by the chargeable MNE group's creditable tax amount for the fiscal year (see Article 14).

DIVISION 2 – DETERMINING MCIT NET GLOBE INCOME

12 MCIT net GloBE income

(1) The reporting entity in relation to a chargeable MNE group must determine, for a fiscal year –

(a) the GloBE income or loss of each Jersey constituent entity, in accordance with Rules 3.1 to 3.5;

(b) the sum of the GloBE income of all Jersey constituent entities determined, in each case, under sub-paragraph (a) (the "income amount");

(c) the sum of the GloBE losses of all Jersey constituent entities determined, in each case, under sub-paragraph (a) (the "loss amount"); and

(d) the amount given by deducting the loss amount from the income amount.

(2) The group's MCIT net GloBE income for the fiscal year –

(a) is the amount determined under paragraph (1)(d), reduced in accordance with Article 20 (relief for losses); or

(b) if the amount determined under paragraph (1)(d) is a negative amount (a loss), is nil.

13 Supplementary provision about determining amounts under Article 12

(1) This Article applies for the purpose of determining amounts, in relation to a fiscal year, under Article 12.

(2) Rule 9.1 applies in determining those amounts as it would apply for determining the effective tax rate under the Model Rules.

(3) In determining those amounts, the reporting entity must also comply with the following Rules, if and so far as the conditions for the application of those Rules are met –

(a) the Rules contained in Chapter 6 of the Model Rules (corporate restructurings and holding structures);

(b) the Rules contained in Chapter 7 of the Model Rules (tax neutrality and distribution regimes).

(4) For the purpose of paragraph (3)(b), the reference in Rule 7.3.8(b) to the net GloBE income of the jurisdiction, determined in accordance with Rule 5.1.2, is to be treated as a reference to the MCIT net GloBE income.

DIVISION 3 – CREDITABLE TAX

14 Creditable tax

A chargeable MNE group's creditable tax amount is the aggregate of –

(a) the group's basic covered taxes amount (see Article 15); and

(b) if Article 16 applies in relation to the chargeable MNE group, the group's creditable blended CFC amount (see Article 17).

15 Basic covered taxes amount

(1) The "basic covered taxes amount", in relation to a Jersey constituent entity ("E") for a fiscal year, is an amount equal to the covered taxes of the entity for the fiscal year –

(a) including, if E is a constituent entity-owner in relation to a tax transparent entity, the covered taxes referred to in Rule 4.3.2(b) that are allocated to E under Rule 3.5.1(b) for the purpose of determining E's GloBE income or loss; but

(b) excluding –

(i) if E is a Jersey permanent establishment, the covered taxes referred to in Rule 4.3.2(a),

(ii) if E is a constituent entity whose constituent entity-owners are subject to a controlled foreign company tax regime, the covered taxes referred to in Rule 4.3.2(c),

(iii) if E is a hybrid entity, the covered taxes referred to in Rule 4.3.2(d),

(iv) if E is a reverse hybrid entity, the covered taxes included in the financial accounts of a constituent entity-owner on income of E,

(v) covered taxes referred to in Rule 4.3.2(e) on distributions from E, and

(vi) the amount (if any) of multinational corporate income tax.

(2) For the purposes of Article 14, a chargeable MNE group's basic covered taxes amount is the aggregate of the basic covered taxes amount for all of the Jersey constituent entities of the group.

16 Blended CFC tax regimes

(1) This Article applies in relation to a chargeable MNE group if the ultimate parent entity of the group is located in a jurisdiction that charges tax under a blended CFC tax regime.

(2) A "blended CFC tax regime" is a controlled foreign company tax regime that would be treated as a blended CFC tax regime for the purposes of the application of paragraph 58 of Chapter 4 of the OECD commentary (computation of adjusted covered taxes: CFCs).

(3) A chargeable MNE group's "blended CFC amount" for a fiscal year is an amount equal to the total amount of covered taxes that –

(a) are included in the group's consolidated financial statements for the fiscal year and are attributable to a blended CFC tax regime; and

(b) are charged on constituent entity-owners by reference to the income of constituent entities that are controlled foreign companies.

17 Creditable blended CFC amount

(1) The "creditable blended CFC amount", in relation to a chargeable MNE group for a fiscal year, is an amount equal to the lower of –

(a) the group's blended CFC amount; and

(b) the group's tax credit cap.

(2) A chargeable MNE group's "tax credit cap" for a fiscal year is an amount equal to 7.5% of the group's MCIT net GloBE income for the fiscal year.

DIVISION 4 – PAYMENT

18 Reporting entity liable to pay multinational corporate income tax

(1) The reporting entity in relation to a chargeable MNE group is liable to pay the multinational corporate income tax charged in relation to the group for a fiscal year.

(2) The reporting entity must –

(a) on or before the instalment due date, pay to the Comptroller an instalment for the fiscal year (determined in accordance with Article 19); and

(b) on or before the return due date for the fiscal year, pay to the Comptroller the amount determined in accordance with Article 11, less the amount paid under sub-paragraph (a).

19 Instalments

(1) The "instalment due date" is the date that is 5 months after the end of the fiscal year.

(2) The amount of an instalment for a fiscal year, payable under Article 18(2)(a), is the amount equal to 50% of the reporting entity's reasonable estimate of the amount of multinational corporate income tax payable by the entity for the fiscal year.

(3) If the reporting entity fails to pay an instalment on or before the instalment due date, the amount of the instalment is treated for the purposes of Article 30 (interest for late payment) and Article 38(2) (proceedings for recovery of tax) as being the amount equal to 50% of the Comptroller's reasonable estimate of the amount of multinational corporate income tax payable by the entity for the fiscal year.

DIVISION 5 – RELIEF FOR LOSSES

20 Relief for losses

(1) This Article applies for the purposes of determining a chargeable MNE group's MCIT net GloBE income for a fiscal year under Article 12(2)(a).

(2) If the chargeable MNE group has an available loss amount for the fiscal year, the amount determined under Article 12(1)(d) is reduced by the group's available loss amount for the fiscal year (but is not reduced below zero).

(3) A chargeable MNE group's available loss amount for a fiscal year is the total of –

(a) the amount of each of the group's ITL losses (if any) acquired in that fiscal year (see Article 21); and

(b) the amount of the group's combined carried forward loss (if any) for that fiscal year (see Article 22).

21 ITL losses

(1) A chargeable MNE group acquires an ITL loss in a fiscal year (the "reference year") if –

(a) a Jersey constituent entity of the group was, at any time in an earlier year of assessment, an ITL chargeable entity;

(b) the entity sustained a loss in the earlier year of assessment;

(c) if the entity were an ITL chargeable entity in a year of assessment after the year of assessment in which the loss is sustained, it would be entitled to claim relief for that loss under the ITL 1961 (disregarding Articles 107(1A) and 107A(1A));

(d) relief in respect of the loss, or in respect of part of it, has not been given under the ITL 1961; and

(e) the reference year is the first fiscal year, after the loss is sustained, in which the entity is a Jersey constituent entity of a chargeable MNE group.

(2) The amount of the ITL loss acquired is the amount of the loss, or the part of the loss, referred to in paragraph (1)(d) that has not been –

(a) relieved under the ITL 1961; or

(b) taken into account, in accordance with Rule 9.1 as applied by Article 13, in determining an amount for the purposes of Article 12(1) (for any fiscal year).

(3) In this Article –

(a) "earlier year of assessment", in relation to the reference year, means a year of assessment that ends before the beginning of the reference year;

(b) "ITL chargeable entity", in relation to a time in a year of assessment, means an entity that is not, at that time, a "relevant MNE group entity" for the purposes of the ITL 1961 (see Article 120AB of that Law);

(c) "year of assessment" has the same meaning as in the ITL 1961.

22 Combined carried forward losses

(1) A chargeable MNE group has a combined carried forward loss for a fiscal year if –

(a) either or both of the following apply –

(i) for 1 or more earlier fiscal years, the amount determined under Article 12(1)(d) was a negative amount (a loss),

(ii) the group acquired an ITL loss in 1 or more earlier fiscal years; and

(b) the accrued losses amount exceeds the relieved losses amount.

(2) The amount of a chargeable MNE group's combined carried forward loss for a fiscal year is the difference between the accrued losses amount and the relieved losses amount.

(3) For the purposes of this Article –

(a) the "accrued losses amount" for a fiscal year is –

(i) the total amount of losses referred to in paragraph (1)(a)(i) and (ii) relating to earlier fiscal years, less

(ii) any amount in respect of those losses that has been taken into account, in accordance with Rule 9.1 as applied by Article 13, in determining an amount for the purposes of Article 12(1) (for any fiscal year);

(b) the "relieved losses amount" is the total amount in respect of which relief has been given under this Article (by way of reductions under Article 20) for earlier fiscal years.

PART 4

REGISTRATION, RETURNS AND INTEREST

DIVISION 1 – REGISTRATION

23 Registration

(1) A reporting entity in relation to an in-scope MNE group must register each Jersey constituent entity with the Comptroller.

(2) An entity is registered by providing the following information to the Comptroller –

(a) the name of the entity;

(b) the tax identification number issued by the Comptroller for the entity;

(c) the name of the ultimate parent entity of the in-scope MNE group; and

(d) the other information, if any, reasonably required by the Comptroller by notice.

(3) The information must be provided in the form and manner specified by the Comptroller.

(4) The information must be provided –

(a) before the end of the first fiscal year for which this Law applies to the in-scope MNE group; or

(b) if an entity subsequently becomes a Jersey constituent entity in relation to the in-scope MNE group (and, accordingly, liable to be registered), before the end of the period of 6 months beginning with the day on which the entity becomes a Jersey constituent entity.

(5) The reporting entity must notify the Comptroller of any change to the information registered, in relation to a Jersey constituent entity of the in-scope MNE group, under this Article (including where a registered entity ceases to be a Jersey constituent entity of the group).

(6) A notification under paragraph (5) must be provided –

(a) in the form and manner specified by the Comptroller; and

(b) no later than 6 months after the day on which the change occurs.

(7) If the reporting entity is required to provide information under paragraph (2), or a notification under paragraph (5), that information or notification may be provided on behalf of the reporting entity by another Jersey constituent entity of the in-scope MNE group.

DIVISION 2 – MCIT RETURN

24 Reporting entity required to file MCIT return

(1) A reporting entity in relation to a chargeable MNE group must, on or before the return due date, submit to the Comptroller an MCIT return for the fiscal year.

(2) The "return due date", for a fiscal year, is the date that is 12 months after the end of the fiscal year.

25 Self-assessment: content and form of MCIT return

(1) An "MCIT return" is a return containing –

(a) an assessment by the reporting entity in relation to the chargeable MNE group of the amount of multinational corporate income tax payable by the entity for the fiscal year;

(b) the financial statements of each Jersey constituent entity of the chargeable MNE group; and

(c) the other information reasonably required by the Comptroller by notice.

(2) An MCIT return must be submitted in the form and manner specified by the Comptroller by notice.

DIVISION 3 – AMENDMENTS TO MCIT RETURNS

26 Amendment by a reporting entity

(1) A reporting entity may, by notice to the Comptroller, amend an MCIT return submitted by it.

(2) No amendment may be made under paragraph (1) after the end of the period of 5 years beginning with the return due date.

(3) A notice of amendment to an MCIT return must be submitted in the form and manner specified by the Comptroller by notice.

27 Amendment by the Comptroller

(1) If the Comptroller considers that an MCIT return submitted by a reporting entity is, or has become, inaccurate, the Comptroller may amend the return.

(2) Except in a case within paragraph (3), (5) or (6), the Comptroller must not amend an MCIT return later than 2 years after the return submission date.

(3) If the inaccuracy is due to a careless action by a person, the Comptroller must not amend the MCIT return later than 5 years after the return submission date.

(4) In paragraphs (2) and (3), "return submission date", in relation to an MCIT return, means the later of –

(a) the return due date;

(b) the date the MCIT return is submitted; and

(c) if the MCIT return is amended by the reporting entity under Article 26, the date the notice of amendment to the return is submitted.

(5) If the inaccuracy is deliberate, or due to a deliberate act or omission by a person, the Comptroller may amend the MCIT return at any time.

(6) If the inaccuracy is due to an alteration (after the submission of the MCIT return) to the amount of tax for which a constituent entity of the MNE group is liable under the law of a jurisdiction other than Jersey, the Comptroller may amend the MCIT return at any time.

(7) If the Comptroller amends an MCIT return, the Comptroller must give written notice to the reporting entity of –

(a) the amendment;

(b) the revised amount of multinational corporate income tax that the reporting entity is required to pay for the fiscal year to which the MCIT return relates; and

(c) if the revised amount of multinational corporate income tax exceeds the amount of multinational corporate income tax paid, the date by which the additional amount must be paid.

(8) A reference (however expressed) in this Article to amending an MCIT return includes a reference to amending the assessment contained in it.

28 Request for an amendment by the Comptroller

(1) This Article applies if an MCIT return becomes inaccurate (after its submission by a reporting entity) due to an alteration to the amount of tax for which a constituent entity of the MNE group is liable under the law of a jurisdiction other than Jersey.

(2) The reporting entity in relation to the MNE group may, by written notice, request that the Comptroller exercises the power to amend the MCIT return under Article 27(6).

(3) The Comptroller must, within the period of 40 days beginning with the date on which the request is received –

(a) decide whether to accept or reject the request; and

(b) either –

(i) if the request is rejected, give written notice to that effect to the reporting entity, or

(ii) if the request is accepted, comply with the notice requirement under Article 27(7).

(4) Notice given under paragraph (3)(b)(i) must state the Comptroller's reasons for rejecting the request.

29 Assessments by the Comptroller

(1) If a reporting entity fails to comply with Article 24 (requirement to file MCIT return) in relation to a fiscal year, the Comptroller may make an assessment of the amount of multinational corporate income tax payable by the entity for that year.

(2) The Comptroller may, at any time –

(a) amend an assessment made under paragraph (1); or

(b) make an additional assessment under that paragraph.

(3) The Comptroller must give notice to the reporting entity of an assessment made under paragraph (1).

(4) The notice of assessment must include –

(a) the amount of the assessment; and

(b) the date by which the amount must be paid.

(5) An entity has no right of appeal against an assessment made under paragraph (1).

(6) But an assessment made in relation to a reporting entity for a fiscal year under paragraph (1) is disregarded if, before the end of the period of 12 months beginning with the date on which notice of that assessment is given, the reporting entity submits an MCIT return for the same fiscal year to the Comptroller.

(7) Article 27 applies in relation to the MCIT return referred to in paragraph (6) as it applies to an MCIT return submitted in accordance with Article 24.

DIVISION 4 – INTEREST

30 Interest for late payment of multinational corporate income tax

(1) This Article applies if –

(a) an entity fails to pay –

(i) an instalment of multinational corporate income tax, payable under Article 18(2)(a) for a fiscal year, on or before the instalment due date, or

(ii) an amount of multinational corporate income tax, payable under Article 18(2)(b) for a fiscal year, on or before the return due date for that fiscal year; and

(b) the States have, by Regulations made under this paragraph, specified a rate of interest for the purposes of this Article.

(2) The entity is liable to pay simple interest, at the rate specified by Regulations under paragraph (1)(b), on the amount outstanding for the period –

(a) beginning with the day following –

(i) the instalment due date (in a case within paragraph (1)(a)(i)), or

(ii) the return due date (in a case within paragraph (1)(a)(ii)); and

(b) ending with the day on which the amount of tax is fully paid.

(3) The amount of interest payable under this Article is treated for all purposes (including collection and recovery) as if it were an amount of tax charged and payable under this Law.

(4) No interest is payable if the amount on which interest is calculated under paragraph (2) is less than £300.

(5) The Comptroller may waive an entity's liability to interest if the Comptroller is satisfied that exceptional circumstances prevented the reporting entity from complying with Article 18(2)(a) or (b) (as the case may be) at the required time.

PART 5

OFFENCES AND PENALTIES

DIVISION 1 – OFFENCES

31 Offences

(1) It is an offence for a reporting entity in relation to a chargeable MNE group to fail, without reasonable excuse, to comply with a requirement imposed by Article 24(requirement to file MCIT return).

(2) An entity that commits an offence under paragraph (1) is liable to a fine.

(3) Article 21C of the ITL 1961 (offences by bodies corporate and others) applies in relation to an offence under paragraph (1) as it applies to an offence under Article 21B of that Law.

DIVISION 2 – CIVIL PENALTIES

32 Penalty for failure to register

(1) This Article applies if a reporting entity in relation to an in-scope MNE group –

(a) fails to register 1 or more entities under Article 23 on or before the relevant date; or

(b) fails to notify the Comptroller of a change to the registered information, in relation to an entity, on or before the relevant date.

(2) The "relevant date" means –

(a) for the purpose of paragraph (1)(a), the last day by which the information is required to be provided, in order to register, under Article 23(4);

(b) for the purpose of paragraph (1)(b), the last day of the period specified in Article 23(6)(b).

(3) The entity that was, at the end of the relevant date, the reporting entity in relation to the in-scope MNE group is liable to a penalty in respect of the failure.

(4) The penalty, in relation to 1 or more failures by a reporting entity under paragraph (1) in a fiscal year, is £3,000.

33 Penalty for failure to submit an MCIT return

(1) This Article applies if a reporting entity in relation to a chargeable MNE group fails to submit an MCIT return, for a fiscal year, to the Comptroller on or before the return due date.

(2) The entity that was, at the end of the return due date, the reporting entity in relation to the chargeable MNE group is liable to a penalty in respect of the failure.

(3) The amount of the penalty, in relation to each failure, is –

(a) if the return is submitted before the end of the period of 1 month beginning with the return due date, the basic penalty amount;

(b) in any other case, the lower of –

(i) the basic penalty amount plus the additional penalty amount, and

(ii) the maximum penalty.

(4) The basic penalty amount is £300.

(5) The additional penalty amount is £100 multiplied by the number of complete months, after the end of the period referred to in paragraph (3)(a) for which the entity fails to submit the return.

(6) The maximum penalty is £1,200.

34 Penalty for inaccurate return

(1) If a reporting entity, in relation to a chargeable MNE group, carelessly or deliberately provides to the Comptroller an MCIT return that is incorrect in a material particular, the entity is liable to a penalty.

(2) The amount of the penalty is determined by the Comptroller in accordance with this Article.

(3) If the MCIT return is incorrect in more than 1 material particular, the entity is liable to a penalty for each incorrect material particular.

(4) If the act was done –

(a) carelessly, the amount of penalty is not more than 30% of the difference;

(b) deliberately, the amount of penalty is not less than 30% and not more than 100% of the difference.

(5) But if the entity admits to the Comptroller the fact of the incorrect statement other than in response to a discovery, or likely imminent discovery, of it by the Comptroller –

(a) in the case of paragraph (4)(a), the amount of penalty is not more than 10% of the difference;

(b) in the case of paragraph (4)(b), the amount of penalty is not less than 10% and not more than 80% of the difference.

(6) The amount of penalty is additional to the amount of tax that is chargeable on the entity (calculated as if the statement were corrected).

(7) In this Article –

(a) "act" means the conduct described in paragraph (1);

(b) "difference" means the difference between the amount of tax that would be chargeable on the entity if it were calculated on the basis of the incorrect return and the amount if the return were correct.

DIVISION 3 – ADMINISTRATION OF CIVIL PENALTIES

35 Penalty notice and payment

(1) If an entity is liable to a penalty under Article 32, 33 or 34, the Comptroller may serve a written notice (a "penalty notice") on the entity in accordance with this Article.

(2) In the case of a penalty under Article 32 or 33, the penalty notice must specify the amount of the penalty.

(3) In the case of a penalty under Article 34, the penalty notice must specify –

(a) the amount of multinational corporate income tax that would be chargeable calculated on the basis of the incorrect statement;

(b) the amount of multinational corporate income tax that is chargeable (calculated as if the statement were corrected);

(c) the difference between the amounts calculated under sub-paragraphs (a) and (b);

(d) the amount of penalty determined by the Comptroller; and

(e) whether the penalty is calculated under Article 34(4)(a) or (b) and, if relevant, that Article 34(5) applies.

(4) Subject to Article 37(3), an entity on which a penalty notice is served must pay the amount of the penalty no later than 40 days after the day on which the notice is served.

36 Application for a waiver

(1) This Article applies if –

(a) an entity is liable to a penalty under Article 32 or 33; and

(b) a penalty notice, in respect of that penalty, is served on the entity under Article 35.

(2) The entity may, before the end of the period of 40 days beginning with the day on which the penalty notice is served, apply to the Comptroller in writing for a waiver under this Article.

(3) The Comptroller may waive an entity's liability to a penalty if satisfied that exceptional circumstances prevented the reporting entity from complying with Article 23 or 24 (as the case may be) at the required time.

(4) If an entity makes an application under paragraph (2), the Comptroller must notify that entity of whether or not the liability has been waived.

PART 6

APPEALS, RECOVERY AND SUPPLEMENTARY ADMINISTRATIVE PROVISIONS

37 Appeals

(1) An entity may appeal to the Commissioners against –

(a) an amendment to an MCIT return made by the Comptroller under Article 27;

(b) a decision under Article 28 to reject a request for an amendment to an MCIT return;

(c) a penalty notice served under Article 35;

(d) a decision to refuse an application for a waiver of a penalty under Article 36.

(2) An appeal is brought by giving notice to the Comptroller before the end of the period of 40 days beginning with the day on which notice of the amendment or decision, or the penalty notice, is given.

(3) If an appeal is brought under paragraph (1)(c) or (d), the penalty notice is of no effect pending the final determination or withdrawal of the appeal.

(4) Part 6 of the ITL 1961 applies, with the necessary modifications, to an appeal under this Article as if it were an appeal under that Law against an assessment.

(5) In paragraph (1), "Commissioners" means a Commission of Appeal constituted under Article 5 of the Revenue Administration (Jersey) Law 2019.

38 Proceedings for recovery of tax and penalties

(1) Proceedings for the recovery of unpaid tax, or for the recovery of a penalty, due under this Law may be instituted by the Treasurer of the States –

(a) in the case of multinational corporate income tax –

(i) at any time after the return due date, or

(ii) in the case of an additional amount of multinational corporate income tax required to be paid by a date specified in a notice given by the Comptroller under Article 27(7), at any time after the specified date;

(b) in the case of a penalty –

(i) at any time after the expiry of the period specified in Article 35(4) if no appeal is brought, or

(ii) if an appeal is brought, at any time after the payment of the penalty is due following the final determination of the appeal or at any time after the withdrawal of the appeal.

(2) Proceedings for the recovery of an instalment of multinational corporate income tax due under Article 19 may be instituted by the Treasurer of the States at any time after the instalment due date.

(3) Article 44 of the ITL 1961 (certificate of Comptroller admissible in evidence) applies for the purpose of the recovery of tax due under this Law as it applies for the purpose of the recovery of income tax, but as if –

(a) references to income tax in paragraph (1) were references to multinational corporate income tax; and

(b) the reference to the year ended 31 December in paragraph (1) were a reference to the last day of the fiscal year.

39 Payments to, and repayments by, States' Treasurer

Articles 46 to 48 of the ITL 1961 apply in relation to multinational corporate income tax as they apply in relation to income tax (and, for that purpose, references in those Articles to the ITL 1961 are to be treated as references to this Law).

PART 7

QUALIFIED REFUNDABLE TAX CREDITS

40 Power to make provision for qualified refundable tax credits

(1) The States may, by Regulations, make provision for a qualified refundable tax credit (a "QRTC") in relation to multinational corporate income tax.

(2) Regulations under paragraph (1) may, in particular –

(a) impose conditions for receiving the QRTC;

(b) make provision about the credit or refund of the QRTC;

(c) amend this Law for the purpose of applying the QRTC.

PART 8

CITATION, COMMENCEMENT AND OTHER MATTERS

41 Power to amend definitions

The States may, by Regulations, amend this Law to amend the definition of any term defined in this Law, other than the definition of "Model Rules".

42 [1]

43 Citation and commencement

This Law may be cited as the Multinational Corporate Income Tax (Jersey) Law 2025 and comes into force on 1 January 2025.

SCHEDULE 1

(Article 2(4))

TERMS DEFINED IN THE MODEL RULES

agreed administrative guidance
average GloBE income or loss
average GloBE revenue
commentary
constituent entity
constituent entity-owner
controlled foreign company tax regime
covered taxes
effective tax rate
entity
fiscal year
flow-through entity
GloBE income or loss
hybrid entity
insurance investment entity
intermediate parent entity
investment entity
MNE group
qualified refundable tax credit
reverse hybrid entity
tax transparent entity
ultimate parent entity

SCHEDULE 2[2]

ENDNOTES

Table of Legislation History

Legislation	Year and No	Commencement	◦Projet No (where applicable)
Multinational Corporate Income Tax (Jersey) Law 2025	L.7/2025	1 January 2025 Adopted Law given effect as if enacted on 22 October 2024 by R&O.59/2024	P.54/2024

◦Projets available at statesassembly.gov.je

Table of Endnote References

[1] *Article 42* *spent, omitted*
[2] *Schedule 2* *spent, omitted*