



Jersey

INCOME TAX (JERSEY) LAW 1961

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Jersey

INCOME TAX (JERSEY) LAW 1961

Arrangement

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Jersey

INCOME TAX (JERSEY) LAW 1961¹

A LAW relating to income tax

Commencement [[see endnotes](#)]

PART 1

PRELIMINARY

1 Charge of income tax

Where any Law enacts that income tax shall be charged for any year at any rate,² then, subject to the provisions of this Law, the tax at that rate shall be charged for that year in respect of all property, profits or gains respectively described or comprised in the Schedules contained in the Articles of this Law enumerated below, that is to say –

Schedule A – Article 51;

Schedule D – Article 61,

and in accordance with the provisions of this Law respectively applicable to those Schedules.³

2 Yearly assessments

Every assessment and charge to tax shall be made for a year commencing on 1st January and ending on the following 31st December.

PART 2

INTERPRETATION

3 General provisions as to interpretation

(1) In this Law, unless the context otherwise requires –

“approved drawdown contract” means a contract approved under Article 131D;⁴

“approved trust” means a trust approved under Article 131E;⁵

“assessable income” means the amount of that income as calculated in accordance with the provisions of this Law, and, in the case of earned income, as ascertained in accordance with the provisions of Article 92;⁶

“authorized insurance company” means a person who is –

(a) authorized by a permit granted under Article 7 of the Insurance Business (Jersey) Law 1996;⁷ or

(b) registered, or exempted from registration, under section 7 or section 5 respectively of the Insurance Business (Bailiwick of Guernsey) Law 2002 (other than a protected cell company within the meaning of that Law),

and who carries on business through a branch or agency in Jersey or in Guernsey as the case may be;⁸

“body of persons” means any body politic, corporate or collegiate, and any company, fraternity, fellowship and society of persons, whether corporate or not corporate;

“Commissioners” means a Commission of Appeal constituted in accordance with Article 10;

“Comptroller” has the meaning assigned thereto by Article 6;

“connected” and “unconnected” shall be construed in accordance with Article 3A;⁹

“document” includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to its being furnished include references to furnishing a copy of the information in legible form;¹⁰

“earned income” means –

(a) any income arising in respect of any remuneration from any office or employment of profit held by the individual, or in respect of any pension, superannuation, or other allowance, deferred pay, or compensation for loss of office, given in respect of the past services of the individual or of the husband, wife or parent of the individual in any office or employment of profit, or given to the individual in respect of the past services of any deceased person, whether the individual or husband, wife or parent of the individual has contributed to such pension, superannuation allowance or deferred pay or not;

- (b) any income from any property which is attached to or forms part of the emoluments of any office or employment of profit held by the individual; and
- (c) any income which is charged under Schedule D, and is immediately derived by the individual from the carrying on or exercise by the individual of the individual's trade, profession or vocation, either as an individual or, in the case of a partnership, as a partner personally acting therein;

“emoluments” means –

- (a) all salaries, fees, wages, perquisites or profits or gains whatsoever arising from an office or employment, including any other benefit (whether or not convertible into cash) –
 - (i) derived by the office holder or employee or by a member of that person's family or household from that office or employment or from its commencement or termination or in consequence of a change in its terms, and
 - (ii) provided by the office holder's or employee's employer or by a person connected with the employer; and
- (b) the amount of any pension;¹¹

“enactment” includes any enactment of the United Kingdom;¹²

“fixed place of business” includes a building site or a construction project;

“general notice” means a notice published in the Jersey Gazette;

“Guernsey” means any Island in the Bailiwick of Guernsey in which is in force the Income Tax (Guernsey) Law 1950, or any Law amending or replacing that Law;¹³

“lifetime annuity” means an annuity guaranteed to be payable for the remainder of the life of an individual and guaranteed not to reduce in amount;¹⁴

“minimum retirement income” has the meaning assigned by Article 131F;¹⁵

“Minister” means the Minister for Treasury and Resources;

“motor vehicle” means any mechanically propelled vehicle intended or adapted for use on roads;¹⁶

“partnership” includes a partnership established under the Limited Liability Partnerships (Jersey) Law 1997;¹⁷

“trade” includes every disposal, on a commercial basis, of property deriving its value from land or from any building or structure or from any part thereof, and every trade, manufacture, adventure or concern in the nature of trade.

- (2) References in this Law to any enactment include references to any other enactment in so far as it amends that enactment.

3A Connected persons¹⁸

- (1) For the purposes of this Law any question whether a person is connected with another shall be determined in accordance with the following provisions of this Article.
- (2) A person is connected with an individual if that person is the individual's wife or husband, or is a relative, or the wife or husband of a relative, of the individual or of the individual's wife or husband.
- (3) A person is connected with any person with whom the person is in partnership, and with the wife or husband or relative of any individual with whom the person is in partnership.
- (4) A company is connected with another company –
 - (a) if the same person has control of both, or a person has control of one and persons connected with the person, or the person and persons connected with the person, have control of the other; or
 - (b) if a group of 2 or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person with whom the member is connected.
- (5) A company is connected with another person if that person has control of it or if that person and persons connected with that person together have control of it.
- (6) In this Article "relative" means brother, sister, ancestor or lineal descendant.

4 Meaning of, and provisions as to, total income

- (1) References in this Law to the total income of an individual for any year of assessment shall be construed as references to the total of the sums for which the individual has been or is liable to be assessed for that year and the sums in respect of which the individual is liable to allow the deduction of tax, less the amounts of so much of any interest of money allowed under this Law and of any annuity or other annual payment to be made out of the property or profits or gains assessed on the individual.¹⁹
- (2) In calculating under this Law the total income of any person, any income which is chargeable with income tax by way of deduction at the standard rate in force for any year, shall be deemed to be income of that year, and any deductions which are allowable on account of sums payable under deduction of income tax at the standard rate in force for any year out of the property or profits of that person shall be allowed as deductions in respect of that year, notwithstanding that the income or sums, as the case may be, accrued or will accrue in whole or in part before or after that year.²⁰

PART 3**ADMINISTRATION****5 Interpretation of Part 3**

In this Part, “officer” means a States’ employee within the meaning of Article 2 of the Employment of States of Jersey Employees (Jersey) Law 2005.²¹

6 Comptroller of Income Tax

- (1) The administration of this Law shall be entrusted to an officer to be known as the Comptroller of Income Tax (in this Law referred to as the “Comptroller”).
- (2) The appointment of the Comptroller shall be subject to the approval of the States, which shall first deliberate on the subject *in camera*, and shall then vote in public assembly by ballot, the votes of an absolute majority of the members present being necessary for such approval.

7 Removal of Comptroller

If the Comptroller is found guilty of any malpractice or incapacity, or if for any reason the Comptroller is considered to be unsuitable for the appointment, the Minister shall report the facts to the States, which, after deliberating upon them *in camera*, may remove the Comptroller from office.

8 Deputy Comptroller, Assistant Comptroller and staff

There shall be appointed such number of officers, including a Deputy Comptroller and an Assistant Comptroller of Income Tax, as may be necessary to assist the Comptroller in the exercise of the Comptroller’s functions under this Law.

9 Exercise of functions of Comptroller in event of absence or vacancy in office

In the event of the absence from duty of the Comptroller either by reason of illness or for any other cause, or in the event of a vacancy in the office of Comptroller, the duties imposed and the powers conferred on the Comptroller by this Law shall be exercised by the Deputy Comptroller of Income Tax, and in the event of the absence from duty of both the Comptroller and the Deputy Comptroller, the said powers and duties shall be exercised by the Assistant Comptroller of Income Tax.

10 Commissioners of Appeal

- (1) For the purpose of hearing appeals under this Law from decisions of the Comptroller, a Commission of Appeal shall be constituted, consisting of

any 3 out of a total of 8 Commissioners of Appeal appointed by the States, on the recommendation of the Minister.²²

- (2) The Commissioners of Appeal shall hold office for such period as the States may determine on their appointment.
- (3) The Commissioners of Appeal shall be chosen from residents in Jersey of experience in financial matters, who are not actively interested in any trade, business or profession, assessable to tax under Schedule D, which is of such a nature as would cause their appointment to be objected to by competitors in similar trades, businesses or professions carried on in Jersey.
- (4) The Commissioners of Appeal shall, with the consent of the Minister, have power to obtain expert advice in cases in which they consider it to be necessary, and the Minister shall defray any expenses so incurred.
- (5) The Minister may appoint a clerk to the Commissioners of Appeal, and shall fix his or her salary and determine the conditions of his or her appointment.

11 Oath of office

Every person appointed under this Part and every person employed to carry out the audit of the accounts of the Comptroller shall, before he or she begins to act in execution of this Law, take oath before the Royal Court in the form set out in Schedule 1 appropriate to the office to which he or she has been appointed.²³

12 Audit

For the purposes of audit, the Comptroller is authorized to place at the disposal of the Comptroller and Auditor General all books and information that the Comptroller and Auditor General may require.

13 Power of Comptroller to disclose statistical information

- (1) Notwithstanding anything in this Law contained, the Comptroller may disclose to the Minister or the Chief Minister, or to an officer in an administration of the States for which either the Minister or the Chief Minister is assigned responsibility, such statistical information as he or she may require for the purpose of the preparation of the general estimate of the revenue of the States for any year or for any other purpose affecting the revenue of the States.²⁴
- (2) In this Article, “officer” shall have the same meaning as in Article 25(7) of the States of Jersey Law 2005.²⁵

13A Power of Comptroller to disclose information for approved purposes²⁶

Notwithstanding anything in this Law contained, the Comptroller may disclose information to the administration of the States for which the Minister for Social Security is assigned responsibility for any purpose approved by the Minister.

14 Power to administer oaths

The Comptroller shall have power to administer oaths for the purpose of this Law.

PART 4
RETURNS**A15 Interpretation of Part 4²⁷**

- (1) In this Part, unless the context otherwise requires –
- “building contractor” means, subject to paragraphs (4) and (5), a person carrying on any business in the building or construction industry;
- “earnings” means all salaries, fees, wages, perquisites or profits or gains arising from an office or employment;
- “effective rate” means the rate applicable in a person’s case in accordance with Article 41B(2);
- “employee” includes –
- (a) a director of a company;
 - (b) a person engaged in the management of a company; and
 - (c) any office holder, whether or not of a company,
- and any reference to a person being employed or commencing employment shall be construed accordingly;
- “exemption certificate” means a certificate issued under Article 41F.
- (2) For the purposes of this Part, a person is a sub-contractor of a building contractor if, under a contract for building or construction work –
- (a) the person is under a duty to the building contractor to carry out building or construction work or to furnish his or her own labour (that is to say, in the case of a company, the labour of employees or officers of the company) or the labour of others in the carrying out of the work or to arrange for the labour of others to be furnished in the carrying out of the work; or
 - (b) the person is answerable to the building contractor for the carrying out of the work by others, whether under a contract or under other arrangements made or to be made by the person.
- (3) In determining, for the purposes of paragraph (2), whether a person is carrying out building or construction work or furnishing labour for another person, the supply by or on behalf of the first-mentioned person to the other person of any materials which are incidental to the work shall be disregarded.
- (4) Subject to paragraph (5), where a building contractor is not resident in Jersey, any officer (by whatever name called) of the building contractor or other person who is –

- (a) engaged in the management of the building contractor; and
 - (b) resident in Jersey,shall be deemed to be the building contractor.
- (5) Where a building contractor is a body of persons, the secretary of the body or other officer (by whatever name called) performing the duties of secretary shall, if resident in Jersey, be deemed to be the building contractor.
- (6) Subject to paragraph (7), where an employer is not resident in Jersey, any officer (by whatever name called) of the employer or other person who is –
 - (a) engaged in the management of the employer; and
 - (b) resident in the Island,shall be deemed to be the employer.
- (7) Where an employer is a body of persons, the secretary of the body or other officer (by whatever name called) performing the duties of secretary shall, if resident in Jersey, be deemed to be the employer.

15 Comptroller to ascertain income liable to tax

The Comptroller shall annually take such steps as may be necessary for ascertaining the amount of income in respect of which tax is to be levied in accordance with and subject to the provisions of this Law.

16 Delivery of statements in pursuance of notices

- (1) Every person chargeable under this Law, when required so to do by any general notice or by a notice served on him or her by the Comptroller, shall, within the time limited by the notice, prepare and deliver to the Comptroller, a true, complete and correct statement in writing, signed by the person, containing such of the following particulars as may be required by the notice, namely –
 - (b) the amount of the profits or gains arising to the person from each and every source (whether or not tax under this Law is deductible therefrom) chargeable according to the respective Schedules, calculated for the period specified in the notice and according to the provisions of this Law.²⁸
- (2) The said statement shall include a declaration by the person preparing and delivering it –
 - (a) that the statement contains all the amounts required under paragraph (1)(b), after deducting only such sums as are allowed; and
 - (b) that the statement is, to the best of the person's knowledge and belief, true, complete and correct.²⁹
- (3) Every such statement shall be made exclusive of any interest of money or other annual payment arising out of the property of any other person charged in respect thereof.

- (4) Every person on whom a particular notice has been served by the Comptroller requiring the person to deliver a statement of any profits, gains or income in respect of which he or she may be chargeable under Schedule D, shall deliver a statement in the form required by the notice whether or not the person is so chargeable.

16A Furnishing of documents in pursuance of notices³⁰

The Comptroller may serve notice on any person chargeable under this Law requiring the person to furnish in support of a statement delivered by him or her under Article 16, within the time limited by the notice and at such place as is specified in the notice, such documents as the Comptroller may require.

17 Delivery of statements by persons acting for others

- (1) Every person acting in any character on behalf of any incapacitated person or persons absent from or not resident in Jersey who, by reason of such incapacity, absence or non-residence, cannot be personally charged under this Law, shall, when required so to do by any general notice, or by a notice served on the first person by the Comptroller, within the time limited by the notice, deliver such a statement as is described in Article 16 of the profits or gains in respect of which the tax is to be charged on the first person on account of that other person, together with the declaration referred to in that Article.
- (2) Where 2 or more such persons are liable to be charged for the same person, one statement only shall be required to be delivered, and such statement may be made by them jointly or by any one or more of them.

17A Penalty for late delivery of Article 16 statement³¹

- (1) Where a person required to deliver to the Comptroller a true, complete and correct statement described in Article 16 does not do so by the specified time, the person shall be liable to pay to the Comptroller a penalty of £200.
- (2) In this Article “specified time” means –
 - (a) in the case of a statement delivered on behalf of the person by another person whose business or profession includes the preparation of such statements and in the course of that other person’s business or profession, 6 pm on the last Friday in July in the year next following the year of assessment to which the statement relates;
 - (b) in any other case, 6 pm on the last Friday in May in the year next following the year of assessment to which the statement relates.
- (3) Paragraph (1) shall not apply to –
 - (a) a company required to deliver a statement in respect of its own charge to tax; or

- (b) a person not liable to pay any tax for the period to which the statement relates.
- (4) Where a statement is delivered after the specified time and the Comptroller is satisfied that, for the period to which the statement relates, a person is liable to pay tax of less than £200 –
 - (a) the person's liability under paragraph (1) shall be abated to an amount equal to the tax he or she is liable to pay; and
 - (b) the Comptroller shall repay to the person any amount paid by the person in discharge of his or her liability under paragraph (1) which exceeds the abated amount.
- (5) The Comptroller shall issue a written notice to a person of his or her liability under paragraph (1).
- (6) A person may, within 40 days of the issue of a notice under paragraph (5), apply to the Comptroller in writing for a discharge or waiver under paragraph (7).
- (7) The Comptroller may –
 - (a) discharge a person's liability under paragraph (1) if satisfied that a statement delivered by the person to the Comptroller, by the specified time, is true, complete and correct; or
 - (b) waive a person's liability under paragraph (1) if satisfied that death, serious illness or other grave and exceptional circumstance prevented the person delivering the statement to the Comptroller by the specified time.
- (8) Where a person applies under paragraph (6), the Comptroller shall give notice to the person of whether or not he or she has discharged or waived the person's liability.
- (9) A person aggrieved by the Comptroller's refusal to discharge or waive liability under paragraph (7) may appeal to the Commissioners, on giving notice to the Comptroller within 40 days of the issue of the notice of refusal.
- (10) The following provisions of this Law shall apply, with the necessary modifications, to an appeal under paragraph (9) as they apply to an appeal against any assessment –
 - (a) the proviso to Article 27(1);
 - (b) Article 27(2);
 - (c) Article 28(1);
 - (d) Article 29, with the omission of paragraphs (4) and (5);
 - (e) Articles 29A and 31 to 36.
- (11) Subject to paragraph (12) –
 - (a) this Law shall apply to the collection and recovery of the penalty as if it were an amount of tax charged and payable under this Law; and
 - (b) the penalty shall not be deductible for any purposes of this Law.

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- (12) The penalty shall be disregarded when determining the amount of a surcharge under Article 26(2).
- (13) ³²

18 Delivery of lists by persons in receipt of taxable income belonging to others

- (1) Every person who, in whatever capacity, is in receipt of any money or value, or of any profits or gains arising from any of the sources mentioned in this Law, of or belonging to any other person who is chargeable in respect thereof, or who would be so chargeable if that other person were resident in Jersey and not an incapacitated person, shall, whenever required so to do by a notice served on the first person by the Comptroller, prepare and deliver, within the time limited by the notice, a list in the form required by the notice, signed by that first person, containing –
- (a) a true and correct statement of all such money, value, profits or gains;
 - (b) the name and address of every person to whom the same belong; and
 - (c) a declaration whether every such person is of full age, or is a married woman, or is resident in Jersey, or is an incapacitated person.
- (2) If any person described in paragraph (1) is acting jointly with any other person, he or she shall, in like manner, deliver a list of the names and addresses of all persons joined with him or her at the time of delivery of the list mentioned in that paragraph.

19 Lists of lodgers and inmates

Every person, when required so to do by any general notice or by a notice served on the person by the Comptroller, shall, within the time limited by the notice, prepare and deliver to the Comptroller a list, signed by the person, containing to the best of his or her belief the name of every lodger or inmate resident in his or her dwelling-house who has resided in Jersey for 6 months.

19A Duty of employer or building contractor to register³³

- (1) A person who becomes an employer shall, no later than one month after so becoming, notify the Comptroller, in writing, of the date the person became an employer.
- (2) A building contractor shall, no later than one month after first entering into a contract with a sub-contractor, notify the Comptroller, in writing, of the date the building contractor first entered into such a contract.
- (3) A person who fails to comply with paragraph (1) or (2) shall be guilty of an offence and liable to a fine of level 3 on the standard scale.
- (4) Where the secretary or another officer of a body corporate or any other person engaged in the management of the body corporate is deemed to be

the employer by virtue of Article A15(6) or (7), the body corporate, as well as that person, shall be liable to a penalty for failure to comply with paragraph (1).

- (5) Where the secretary or another officer of a body corporate or any other person engaged in the management of the body corporate is deemed to be the building contractor, by virtue of Article A15(4) or (5), the body corporate, as well as that person, shall be liable to a penalty for failure to comply with paragraph (2) of this Article.

20 Returns of information regarding employees³⁴

- (1) An employer shall, when required to do so by a general notice or by a notice served on the employer by the Comptroller, and within the time limited by the notice, prepare and deliver to the Comptroller a true, complete and correct return containing, as required by the notice, all or any of the specified information for the period or year of assessment specified in the notice in respect of each person employed by the employer at any time during that period or year.
- (2) The specified information in respect of each person employed by the employer at any time during the period or year specified is –
- (a) the person's full name and place or places of residence;
 - (b) in the case of a woman, the full name of the woman's spouse (if any);
 - (c) the reference number (if any) assigned to the person by the Comptroller;
 - (d) the reference number (if any) assigned to the employer by the Comptroller;
 - (e) the reference number assigned to the person for the purposes of the Social Security (Jersey) Law 1974;³⁵
 - (f) a description of the person's employment;
 - (g) the earnings paid to the person in respect of the employment;
 - (h) the benefits provided to the person, whether by the employer or by a person connected with the employer, other than any benefit left out of account by virtue of Article 65B(2)(b), and the amount attributable to each benefit determined in accordance with Article 65B;
 - (i) the amounts deducted from the earnings paid to the person in respect of superannuation;
 - (j) the amounts required, pursuant to Article 41B, to be deducted from the earnings paid to the person and the effective rate applied to each deduction;
 - (k) where the employment commenced in the period or year of assessment in question, the date of such commencement; and
 - (l) where the employment ceased in the period or year of assessment, the date of such cessation.
- (3) The Comptroller –

- (a) may require a return to be in a form, and delivered in a manner, approved by the Comptroller; and
 - (b) may require an employer to sign a declaration that the information given in the return is true, complete and correct to the best of the employer's knowledge.
- (4) Where the secretary or another officer of a body corporate or any other person engaged in the management of the body corporate is deemed to be the employer, by virtue of Article A15(6) or (7), the body corporate, as well as that person, shall be liable to a penalty for failure to deliver a return when required to do so by or under this Article.

20A Returns of information regarding building sub-contractors³⁶

- (1) A building contractor shall, when required to do so by a general notice or by a notice served on the building contractor by the Comptroller, and within the time limited by the notice, prepare and deliver to the Comptroller a true, complete and correct return containing, as required by the notice, all or any of the specified information for the period or year of assessment specified in the notice in respect of each person who is a sub-contractor of the building contractor at any time during that period or year.
- (2) The specified information in respect of each person who is a sub-contractor of the building contractor at any time during the period or year specified is –
 - (a) the person's full name and place or places of residence;
 - (b) in the case of a woman, the full name of the woman's spouse (if any);
 - (c) the reference number (if any) assigned to the person by the Comptroller;
 - (d) the reference number (if any) assigned to the building contractor by the Comptroller;
 - (e) the reference number assigned to the person for the purposes of the Social Security (Jersey) Law 1974;³⁷
 - (f) the payments made to the person, or to a person he or she has nominated for the purpose, under or in relation to the contract and the date such payments are made;
 - (g) the amounts required, pursuant to Article 41E, to be deducted from the payments described in sub-paragraph (f) in respect of tax;
 - (h) the making of any payment without deduction of tax pursuant to Article 41E, by virtue of paragraph (2) of that Article;
 - (i) where the contract commenced in the period or year of assessment in question, the date of such commencement; and
 - (j) where the contract ceased in the period or year of assessment, the date of such cessation.
- (3) The Comptroller –

- (a) may require a return to be in a form, and delivered in a manner, approved by the Comptroller; and
 - (b) may require a building contractor to sign a declaration that the information given in the return is true, complete and correct to the best of his or her knowledge.
- (4) Where the secretary or another officer of a body corporate or any other person engaged in the management of the body corporate is deemed to be the building contractor, by virtue of Article A15(4) or (5), the body corporate, as well as that person, shall be liable to a penalty for failure to deliver a return when required to do so by or under this Article.

PART 5

ASSESSMENT

22 Assessment of income

- (1) The Comptroller shall assess the income to be charged to tax under Schedules A and D in accordance with the provisions of this Law.
- (3) In the case of assessments of rentes under Schedule A and assessments under Schedule D, the Comptroller shall prepare lists containing –
 - (a) the full and just assessment of the profits or gains; and
 - (b) the names of the persons to be charged with tax in respect of the same.

23 Provision for making assessments where no returns are received

If the Comptroller does not receive a statement from a person liable to be charged to income tax, the Comptroller shall to the best of the Comptroller's information and judgment make an assessment on that person of the amount at which the person ought to be charged under this Law, and shall include such assessment in the appropriate list.

24 Additional assessments

- (1) If the Comptroller discovers –
 - (a) that any properties or profits chargeable to tax have been omitted from the first assessments or have not been assessed;
 - (b) that a person chargeable has not delivered any statement, or has not delivered a full and proper statement, or has not been assessed to tax, or has been undercharged in the first assessments; or
 - (c) that a person chargeable has been allowed, or has obtained from and in the first assessments, any deduction, or reduction of rate not authorized by this Law,

then and in every such case the Comptroller shall amend the assessment or make such additional assessment as will render the person liable to the full amount of tax with which he or she ought to be charged:

Provided that any such amended or additional assessment shall be subject to appeal and other proceedings as in the case of a first assessment.³⁸

- (2) An assessment may be amended, or an additional assessment may be made, at any time not later than 5 years after the expiration of the year of assessment:

Provided that where any form of fraud, wilful default or neglect has been committed by or on behalf of the person chargeable in relation to income tax for the year of assessment, assessments and additional assessments on that person for that year may be amended or made at any time.

25 Notices of assessment

As soon as the assessments under Schedules A and D have been made, the Comptroller shall serve on each person assessed a notice of the amount of the assessment, the latest date on which an appeal against the assessment may be made and the date by which the said amount, failing the making of an appeal, is required to be paid.

26 Surcharge for late payment of tax³⁹

PART 6

APPEALS AND RELIEF FOR MISTAKE

27 Right of appeal⁴⁰

- (1) A person aggrieved by any assessment on him or her made by the Comptroller in any first or additional assessment, shall be entitled to appeal to the Commissioners, on giving notice in writing to the Comptroller, within 40 days of the notice of such assessment:

Provided that if it is shown to the satisfaction of the Comptroller that, owing to absence, sickness or other reasonable cause, any person has been prevented from appealing within that time, the Comptroller may admit the appeal if notice of it is given to the Comptroller without unreasonable delay.⁴¹

- (2) If an appellant fails to attend or to be represented at a hearing of which the appellant has been duly notified, the Commissioners may –
- (a) unless they are satisfied that there is good and sufficient reason for such absence, hear and determine the proceedings in the absence of the appellant or the appellant's representative; or
 - (b) postpone or adjourn the hearing:

Provided that, if any representations in writing or otherwise have been submitted by or on behalf of the appellant in response to the notice of the hearing, the Commissioners shall consider such representations and shall give the Comptroller an opportunity to be heard in regard to those

representations before they decide to hear and determine any proceedings in the absence of the appellant or the appellant's representative.⁴²

28 Other provisions as to appeals

- (1) In the case of an appeal against any assessment, the appellant shall, in the notice of appeal, specify the grounds of the appeal:

Provided that, if on the hearing of the appeal the appellant desires to go into any ground of appeal which was not specified in the notice and the omission of that ground from the notice was, in the opinion of the Commissioners, not wilful or unreasonable, the Commissioners shall not, by reason of anything in this paragraph, be precluded from allowing the appellant to go into that ground or taking it into their consideration.

- (2) In the case of an appeal against any assessment the appellant shall, in the notice of appeal, enter the appellant's estimate of the tax that will become payable on the determination of the appeal, appending an explanation in the event that the appellant's estimate is that no tax will become payable or a greater amount of tax will become payable than the amount demanded in the assessment.⁴³
- (3) Notwithstanding that an appeal against an assessment is pending –
- (a) the tax estimated to be due in accordance with paragraph (2) shall be collected and paid in all respects as if it were tax charged by an assessment of which no appeal was pending; and
 - (b) on determination of the appeal, any balance of tax chargeable in accordance with the determination shall be paid, or any tax overpaid shall be repaid, as the case may require.⁴⁴
- (4) Where the amount of tax paid by virtue of paragraph (3) exceeds the tax payable on determination of the appeal, there shall be added to the tax overpaid for the year of assessment, at the time of repayment, such a sum, not being income for the purposes of Article 61, representing interest at the rate of 0.3% for each complete month from the date of payment to the date of refund.⁴⁵

29 Procedure on appeals

- (1) The Commissioners shall cause not less than 21 days' notice of the day for hearing appeals to be given to every appellant and shall meet together for the hearing of appeals from time to time, with or without adjournment, until all appeals have been determined.⁴⁶
- (2) The Comptroller shall attend every appeal and may be present for all of the hearing and the determination.⁴⁷
- (3) On an appeal the following persons shall have right of audience, either viva voce or in writing, before the Commissioners –
- (a) the Law Officers of the Crown or an advocate or solicitor of the Royal Court;
 - (b) a member of an incorporated society of accountants; and

- (c) any other person, except that if in a particular case the Commissioners are satisfied that there are good and sufficient reasons for so doing, they may refuse to permit a particular person to represent the appellant.⁴⁸
- (4) If, on any appeal, it appears to the majority of the Commissioners present at the hearing, by examination of the appellant on oath, or by other lawful evidence, that the appellant is overcharged by any assessment, they shall direct the assessment to be abated or reduced accordingly, but otherwise every such assessment shall stand good.
- (5) If, on an appeal, it appears to the Commissioners that the person assessed ought to be charged in an amount exceeding the amount contained in the assessment, they shall direct that the person be charged with the excess.
- (6) At the beginning of the hearing of any proceedings the Commissioners shall –
 - (a) explain the order of proceedings which they propose to adopt unless they consider it unnecessary to do so;
 - (b) conduct the hearing in the manner they consider most suitable for the clarification and determination of the issues before them and, so far as it appears appropriate, avoid formality in procedure; and
 - (c) determine in which order the parties to the proceedings shall be heard.⁴⁹
- (7) The appellant and the Comptroller shall be entitled –
 - (a) to give evidence;
 - (b) to call witnesses;
 - (c) to question any witnesses including other parties who give evidence; and
 - (d) to address the Commissioners both on the evidence and generally on the subject matter of the proceedings.⁵⁰

29A Power of the Commissioners to review final determination⁵¹

- (1) If, on application by the appellant or the Comptroller, or of their own motion, the Commissioners are satisfied that –
 - (a) their final determination was wrongly made as a result of a clerical or administrative error on their part or on the part of the appellant or the Comptroller;
 - (b) an appellant, who was entitled to be heard at a hearing but failed to appear or to be represented, had good and sufficient reason for the appellant's failure; or
 - (c) accounts or other information relevant to an appellant's case had been sent to the Commissioners or the Comptroller prior to the hearing of the proceedings but had not been received by the Commissioners until after the hearing,the Commissioners may review and set aside or vary the final determination.

- (2) The appellant and the Comptroller shall have an opportunity to be heard on a review, or in relation to any application or proposal for review.
- (3) An application for a review by the appellant or the Comptroller shall be made to the Commissioners, in writing, stating the grounds in full, within 21 days of the date of the final determination or by any later time as the Commissioners may allow.

31 Power of Commissioners on appeal to issue precepts

- (1) If the Commissioners have received notice of appeal against an assessment made by the Comptroller, they may issue a precept to the appellant ordering the appellant to deliver to them, within the time limited by the precept, a schedule containing such particulars, for their information, as they may demand respecting –
 - (a) the property of the appellant;
 - (b) the trade, profession, employment or vocation carried on or exercised by the appellant;
 - (c) the amount of the appellant's profits or gains, distinguishing the particular amounts derived from each separate source; or
 - (d) any deductions made in arriving at the appellant's profits or gains,and the Commissioners are empowered to demand the said particulars at their discretion whenever it appears to them necessary to do so for the purposes of this Law.
- (2) The Commissioners may issue further precepts whenever they consider it necessary for the purposes aforesaid, until complete particulars have been furnished to their satisfaction.
- (3) The Comptroller may, at all reasonable times, inspect and take copies of or extracts from any schedule.

32 Objection by Comptroller to schedules

- (1) The Comptroller may, within a reasonable time to be allowed by the Commissioners, object to any schedule or any part thereof, and in that case shall state, in writing, the cause of the Comptroller's objection, according to the best of the Comptroller's knowledge or information.
- (2) In every such case, the Comptroller shall give notice in writing of the Comptroller's objection to the person to be charged, in order that he or she may, if he or she thinks fit, appeal against the same.
- (3) No assessment shall be confirmed or altered until any appeal against such objection has been heard and determined.

33 Power on appeal to confirm or amend assessments

If –

- (a) the Commissioners see cause to disallow an objection of the Comptroller to a schedule; or

- (b) on the hearing of an appeal, the Commissioners are satisfied with the assessment made by the Comptroller, or if, after the delivery of a schedule, they are satisfied therewith, and have received no information as to its insufficiency,

they shall direct the assessment to be confirmed or to be altered in accordance with any such schedule, as the case may require.

34 Power of putting questions as to assessments or schedules

- (1) Whenever the Commissioners require further information relating to a schedule, they may, at any time and from time to time, by precept, put any questions in writing concerning the schedule, or any matter which is contained or ought to be contained therein, or concerning any deductions made in arriving at the profits or gains, and the particulars thereof, and may require true and particular answers, signed by the person to be charged, to be given within 7 days after the service of the precept.
- (2) The person to be charged shall within the time limited, either answer any such questions in writing or shall tender himself or herself to be examined orally before the Commissioners; and may object to, and refuse to answer, any question, but the substance of any answer given by the person orally shall be taken down in writing in his or her presence, and be read over to him or her, and after the person has had liberty to amend any such answer, he or she may be required to verify the same on oath, and every such oath shall be subscribed by the person by whom it is made.
- (3) Where any clerk, agent or servant of the person to be charged tenders himself or herself, on behalf of such person, to be examined orally before the Commissioners, the same provisions shall apply to the clerk, agent or servant's examination as in the case of the person to be charged who tenders himself or herself to be examined orally.

35 Power to summon and examine witnesses

- (1) The Commissioners may through the Département du Vicomte summon any person, whom they think able to give evidence respecting an assessment made or to be made on another person, to appear before them to be examined, and may administer an oath to and examine such person on oath, except the clerk, agent, servant or other person confidentially employed in the affairs of a person to be charged, who shall be examined in the manner laid down in Article 34(2).
- (2) The oath shall be that the evidence to be given, touching the matter in question by the person sworn, shall be the truth, the whole truth, and nothing but the truth.
- (3) A person who, after being duly summoned –
- (a) neglects or refuses to appear before the Commissioners at the time and place appointed for that purpose;
- (b) appears, but refuses to be sworn or to subscribe the oath; or

- (c) refuses to answer any lawful question touching the matters under consideration,

shall be liable to a fine not exceeding level 2 on the standard scale:

Provided that the penalty imposed in respect of any offence under subparagraph (b) or (c) shall not apply to any clerk, agent, servant or other person as aforesaid.⁵²

36 Appeals to the Royal Court

- (1) Immediately after the determination by the Commissioners of an appeal under this Law, either party, if dissatisfied with the determination, may give notice to the Commissioners of the party's intention to appeal and the Commissioners shall immediately notify the Judicial Greffier that such notice of appeal has been given to them.
- (2) If such appeal be not brought before the Royal Court within 21 days, it shall be void and the determination by the Commissioners shall be final.
- (3) Appeals under this Article shall be heard, either in term or vacation, before the Inferior Number of the Royal Court sitting in camera.
- (4) No appeal shall lie from the decision of the Inferior Number of the Royal Court under this Article except on a point of law.

37 Provision against double assessment

- (1) A person who, either on his or her own account, or on behalf of another person, has been assessed to tax, and is by any error or mistake again assessed for the same year for the same cause and on the same account, may apply to the Comptroller for relief, and the Comptroller, on proof to the Comptroller's satisfaction of the double assessment, shall cause the said assessment, or so much thereof as constitutes a double assessment, to be vacated.
- (2) If it appears, to the satisfaction of the Comptroller, that a person has been assessed more than once for the same cause and for the same year, the Comptroller shall cause the whole, or such part of any such assessment as appears to be an overcharge, to be vacated.
- (3) If it is proved, to the satisfaction of the Comptroller, that any such double assessment as aforesaid has been made, and that payment has been made on both assessments, the Comptroller shall cause the amount of the overpayment to be repaid to the applicant.

38 Relief in respect of error or mistake

- (1) Where the amount of tax paid or borne by any person was excessive by reason of some error or mistake in a return made by the person or on his or her behalf, he or she shall, on a claim being made for the purpose, be entitled to be given by way of repayment such relief as is reasonable and just.

- (2) A claim under this Article shall not be allowed unless it is made not later than 5 years after the end of the year in which the assessment in pursuance of the return was made.
- (3) No relief shall be granted under this Article in respect of an error or mistake as to the basis on which the liability of the claimant ought to have been computed, if the return was in fact made on the basis of or in accordance with the practice prevailing at the time when the return was made.
- (4) In determining a claim under this Article, regard shall be had to all the relevant circumstances of the case and in particular it shall be considered whether the granting of the relief would result in the exclusion from charge of any part of the income of the claimant, and for this purpose the liability of the claimant, the assessments of the claimant's income, and the amounts of tax with which the claimant has been charged, or which the claimant has borne, for other years may be taken into consideration.

PART 7

COLLECTION AND REPAYMENTS

A39 Interpretation of Part 7

Expressions defined in Article A15 shall, unless the context otherwise requires, have the same meaning in this Part.

39 Tax when due

Subject to Article 41A, 41B and 41E, income tax contained in an assessment for any year shall be deemed to be due and payable on the day next after the day on which the assessment is made.⁵³

40 Demand for payment

The notices of assessment given under Article 25 to persons assessed to tax shall be deemed to be a demand for payment for the purposes of this Law.

41 General notice to persons by whom tax is payable

The Comptroller shall, as the need may be, cause to be published a general notice to the effect that –

- (a) income tax for the year specified in the notice is due and payable; and
- (b) persons who fail to pay the income tax due by them for the year specified in the notice before such date as may be so specified will be liable to legal proceedings for the recovery of the same:

Provided that the publication of such a notice shall not be necessary before instituting legal proceedings for the recovery of tax.

41A Duty to pay instalment in April⁵⁴

- (1) Subject to paragraph (12), a person who is not a body corporate shall, in accordance with this Article, pay an instalment of income tax for a year of assessment.
- (2) The instalment –
 - (a) shall be due and payable no later than 6 p.m. on the last Friday in April of the year next following the year of assessment; and
 - (b) subject to this Article, shall be an amount equal to 50% of the person's liability to income tax for the year preceding the year of assessment, less the amount of any tax already paid in respect of the year of assessment (disregarding any amount paid by way of deduction under Article 41B or 41E).
- (3) Where –
 - (a) part of a person's income for the year preceding the year of assessment comprises earnings; and
 - (b) those earnings comprise 25% or less of the person's total income for that year,paragraph (2)(b) shall have effect with the substitution for the amount "50%" of the amount "40%".
- (4) A person shall not be required to pay an instalment pursuant to this Article where the instalment would be less than £100.
- (5) A person shall be liable to pay the instalment whether or not an assessment has been raised for the year of assessment for which the instalment is due.
- (6) The Comptroller may, on an application made by a person no later than the end of March preceding the day an instalment is due, reduce the amount of the instalment or waive the instalment where the Comptroller is satisfied –
 - (a) that 50% of the person's liability to income tax for the year of assessment is likely to be substantially less than the instalment determined in accordance with paragraph (2)(b); or
 - (b) that the person's income for the year of assessment from sources other than earnings is likely to be substantially less than the person's income for the preceding year from such sources.
- (7) Where a person applies for a reduction or waiver under paragraph (6), the Comptroller shall give notice to the person of whether or not the Comptroller has reduced the amount of or waived the instalment.
- (8) A person aggrieved by the Comptroller's refusal to reduce the amount of or waive an instalment under paragraph (6) may appeal to the Commissioners, on giving notice in writing to the Comptroller, within 40 days of the issue of the notice under paragraph (7).
- (9) The instalment determined in accordance with paragraph (2)(b) shall be due and payable notwithstanding that an appeal is pending under paragraph (8).

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- (10) On the determination of an appeal under paragraph (8), any balance of the instalment due in accordance with the determination shall be paid, or any amount determined to have been overpaid shall be repaid, as the case may require.
 - (11) Save as provided in paragraphs (8) to (10), Part 6 shall apply, with the necessary modifications, to an appeal under paragraph (8) as it applies to an appeal against any assessment.
 - (12) This Article shall not apply –
 - (a) where more than 25% of a person's total income for the year preceding the year of assessment comprises earnings; or
 - (b) in the case of a trustee liable to tax for the year of assessment by virtue of Article 6(2) of the Income Tax (Superannuation Funds) (Jersey) Order 1972.⁵⁵

41B Duty of employer to deduct and account for tax⁵⁶

- (1) An employer shall, in accordance with this Article, deduct tax at the effective rate from earnings payable by the employer to an employee.
- (2) The effective rate shall be –
 - (a) where the employer has received a copy of a notice issued by the Comptroller under Article 41C specifying a rate applicable on the day the deduction is made, the rate so specified;
 - (b) where the employer has not received a copy of such a notice –
 - (i) for deductions made in the years 2006 and 2007, 15%,
 - (ii) for deductions made in the year 2008 and ensuing years, 20%.
- (3) When making a deduction under paragraph (1), an employer shall give the employee written notice of the amount of the deduction and the effective rate applied to the deduction.
- (4) An employer shall maintain a record of the amount of tax deducted and the effective rate applied to the deduction in respect of each of his or her employees.
- (5) An employer shall, no later than 15 days after the end of each month, remit to the Comptroller an amount equal to the aggregate of the amounts required to be deducted under paragraph (1) during the month in respect of each of his or her employees.
- (6) An employer shall, no later than the end of January following a year of assessment, give each of the persons in his or her employment at the end of that year a written summary of the deductions made pursuant to this Article from the employee's earnings for that year.
- (7) Where an employee ceases employment before the end of a year of assessment, the employer shall, upon the employment ceasing, give the employee a written summary of the deductions made pursuant to this Article from the employee's earnings for that year.

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- (8) An employer shall not be required to deduct tax and remit it to the Comptroller in the case of an employee who, on the 31st December in the year in which the deduction would otherwise be made, will be under the age of 17 years.
- (9) An employer who fails to comply with paragraph (5) shall be guilty of an offence and liable to a fine of –
- (a) level 4 on the standard scale; and
 - (b) an amount not exceeding the monies not remitted, in contravention of that paragraph.
- (10) Where the secretary or another officer of a body corporate or any other person engaged in the management of the body corporate is deemed to be the employer by virtue of Article A15(6) or (7), the body corporate, as well as that person, shall be liable to a fine under paragraph (9) of this Article.
- (11) The imposition of a fine under paragraph (9)(b) shall not discharge the employer's liability to remit the monies required under paragraph (5).
- (12) Where an employee proves, to the satisfaction of the Comptroller, that a deduction has been made from the employee's earnings, in accordance with paragraph (1), the employee shall be entitled to have the deduction treated as a payment of tax by the employee, notwithstanding that the employer has failed to remit the amount to the Comptroller in accordance with paragraph (5).
- (13) An employer who fails to make a deduction in accordance with paragraph (1) but who remits to the Comptroller the amount required by paragraph (5) in respect of an employee may recover that amount from the employee as a civil debt.
- (14) Deductions shall be made, in accordance with this Article, from the earnings of a married woman notwithstanding that, by virtue of Article 121(1), her income is deemed to be that of her husband.
- (15) An agreement shall be void to the extent that it provides for the payment of earnings without deduction of tax in contravention of this Article.

41C Calculation of rate⁵⁷

- (1) In this Article –
- “payment year” means the year in which the rate applies to deductions made under Article 41B;
- “the year of assessment” means the year preceding the payment year.
- (2) Subject to this Article and Article 41D, the rate applicable in an employee's case shall be determined in accordance with the following formula –

$$\frac{L}{I} \times 100 = \text{percentage effective rate}$$

Where –

L is the sum of –

-
- (a) the employee's liability to tax for the year of assessment;
 - (b) an amount not exceeding the aggregate of any arrears of tax for any earlier year of assessment (whether or not judgment has been obtained in respect of the arrears); and
 - (c) any costs recoverable in respect of such arrears, less any amount of tax already paid for the year of assessment (disregarding any amount paid by way of deduction under Article 41B or 41E); and
- I is the total of the sums for which the employee has been or is liable to be assessed for the year of assessment and the sums in respect of which the employee is liable to allow the deduction of tax in the year of assessment.
- (3) The percentage rate determined in accordance with paragraph (2) shall be rounded up to the nearest whole number.
 - (4) The Comptroller may, before an employee has delivered a statement for the year of assessment pursuant to Article 16, determine, in accordance with paragraph (5) of this Article, a provisional rate and issue a notice, in writing, to the employee and the employee's employer of the rate and the day from which the rate applies.⁵⁸
 - (5) For the purposes of determining a rate pursuant to paragraph (4), paragraph (2) shall have effect with –
 - (a) in sub-paragraph (a) of the definition 'L', the insertion after the words "liability to tax for" of the words "the year preceding";
 - (b) in the definition 'I' –
 - (i) the insertion after the words "assessed for" of the words "the year preceding",
 - (ii) the insertion after the words "deduction of tax in" of the words "the year preceding".
 - (6) The Comptroller may, after an employee has delivered a statement for the year of assessment pursuant to Article 16, determine the rate applicable to the employee and issue a notice, in writing, to the employee and the employee's employer, of the rate and the day from which the rate applies.
 - (7) Where it appears to the Comptroller at any time that, by reason of any change in the information by reference to which the rate is determined, the rate applicable in an employee's case has altered, the Comptroller may issue a notice, in writing, to the employee and the employee's employer, of the revised rate and the day from which the rate applies.
 - (8) Subject to paragraph (9) –
 - (a) an employee may, at any time, make an election, in writing, to the Comptroller to have a rate applied in the employee's case that exceeds the rate determined in accordance with the foregoing paragraphs of this Article; and
 - (b) upon an election being made, the Comptroller shall issue a notice in writing to the employee of the rate and the day from which the rate applies.
-

- (9) The rate shall not exceed –
- (a) in a case where the employee has no arrears of tax, 20%;
 - (b) in a case where the employee has arrears of tax for one year of assessment, 25%;
 - (c) in a case where the employee has arrears of tax for 2 years of assessment, 30%;
 - (d) in a case where the employee has arrears of tax for 3 or more years of assessment, 35%.
- (10) A notice issued by the Comptroller under this Article shall have effect until whichever is the earlier of –
- (a) the day stated in the notice;
 - (b) the day on which a rate specified in a further notice has effect; or
 - (c) the end of the current year.
- (11) An employee aggrieved by the rate applicable in his or her case, or by a refusal by the Comptroller to issue a notice under this Article, may appeal to the Commissioners, on giving notice in writing to the Comptroller –
- (a) within 40 days of the issue of a notice under of this Article; or
 - (b) where the Comptroller has not issued a notice to the employee, within 40 days of providing the Comptroller with sufficient information to determine a rate under this Article.
- (12) The rate notified to the employee or, in the case where no rate has been notified to the employee, the rate applicable by virtue of Article 41B(2)(b), shall apply in the employee's case notwithstanding that an appeal is pending under paragraph (11) of this Article.
- (13) Save as provided in paragraphs (11) and (12), Part 6 shall apply, with the necessary modifications, to an appeal under paragraph (11) as it applies to an appeal against any assessment.
- (14) The fact that, in determining the rate applicable in an employee's case, the sum 'L' referred to in paragraph (2) includes an amount described in sub-paragraph (b) or (c) of that paragraph shall not prevent the Comptroller pursuing the recovery of that amount by other means.
- (15) A person who gives another person –
- (a) a document purporting to be a notice issued by the Comptroller under this Article, knowing it to be false; or
 - (b) a notice issued by the Comptroller under this Article, knowing that the notice has been altered by a person other than the Comptroller,
- shall be liable to a fine of level 4 on the standard scale.

41D Deductions in respect of husbands and wives⁵⁹

- (1) In the case of a husband and wife to whom Article 121(1) applies –
- (a) a rate shall be determined in accordance with Article 41C(2) as if the husband were the employee, whether or not he is in employment; and

- (b) subject to paragraph (2), where the Comptroller has issued a notice under Article 41C specifying a rate, that rate shall apply to both the husband and the wife.
- (2) Where the husband and wife are each in employment they may jointly elect for the rate applicable to the earnings of one of them to be increased and the rate applicable to the earnings of the other of them to be correspondingly reduced.
- (3) The increased rate applicable to the earnings of one of them may exceed the limit in Article 41C(9), if the husband and wife so elect and the Comptroller so agrees.
- (4) The aggregate of the deductions made when applying the rates, adjusted pursuant to this Article, to the earnings of the husband and wife shall not be less than the aggregate of the deductions that would have been made had the adjustment not been made.
- (5) An election shall cease to have effect upon –
 - (a) either the husband or wife ceasing to be in employment;
 - (b) paragraph (4) not being complied with;
 - (c) a new rate applying pursuant to a further notice issued under Article 41C; or
 - (d) an effective rate described in Article 41B(2)(b) applying.

41E Duty of building contractor to deduct and account for tax⁶⁰

- (1) A building contractor shall, in accordance with this Article, deduct tax at the specified rate from payments made to a sub-contractor or to a person nominated by the sub-contractor for the purpose.
- (2) Paragraph (1) shall not apply at any time when –
 - (a) the sub-contractor has produced an exemption certificate to the building contractor; and
 - (b) the building contractor is satisfied that the exemption certificate is in force at the time the payment is made.
- (3) When making a deduction under paragraph (1) a building contractor shall give the sub-contractor or the person nominated by the sub-contractor to receive the payment written notice of the amount of the deduction.
- (4) A building contractor shall maintain a record of the amount of tax deducted in respect of each of his or her sub-contractors.
- (5) A building contractor shall, no later than 15 days after the end of each month, remit to the Comptroller an amount equal to the aggregate of the amounts required to be deducted under paragraph (1) during the month in respect of each of his or her sub-contractors.
- (6) Where, before the end of a year of assessment, a person ceases to be a sub-contractor of a building contractor, the building contractor shall give the sub-contractor a written summary of the total deductions made, pursuant to this Article, during that year, from the payments made under

- the contract to the sub-contractor or person nominated by the sub-contractor for the purpose.
- (7) A building contractor shall, no later than the end of January following a year of assessment, give each person who is, at the end of the year, his or her sub-contractor, a written summary of the total deductions made, pursuant to this Article, during that year, from the payments made under the contract to the sub-contractor or person nominated by the sub-contractor for the purpose.
- (8) A building contractor who fails to comply with paragraph (5) shall be guilty of an offence and liable to a fine of –
- (a) level 4 on the standard scale; and
 - (b) an amount not exceeding the monies not remitted, in contravention of that paragraph.
- (9) Where the secretary or another officer of a body corporate or any other person engaged in the management of the body corporate is deemed to be the building contractor by virtue of Article A15(4) or (5), the body corporate, as well as that person, shall be liable to a fine under paragraph (8) of this Article.
- (10) The imposition of a fine under paragraph (8)(b) shall not discharge the building contractor's liability to remit the monies required by paragraph (5).
- (11) Where a sub-contractor proves, to the satisfaction of the Comptroller, that a deduction has been made in accordance with paragraph (1) from payments made to the sub-contractor or to a person nominated by the sub-contractor for the purpose, the sub-contractor shall be entitled to have the deduction treated as a payment of tax by the sub-contractor, notwithstanding that the building contractor has failed to remit the amount to the Comptroller in accordance with paragraph (5).
- (12) A building contractor who fails to make a deduction in accordance with paragraph (1) but who remits to the Comptroller the amount required by paragraph (5) may recover that amount from the sub-contractor as a civil debt.
- (13) A contract shall be void to the extent that it provides for payments to be made without deduction of tax, in contravention of this Article.
- (14) Where a sub-contractor has arrears of tax for any year of assessment, the fact that deductions are made in accordance with this Article from payments made to the sub-contractor or to a person nominated by the sub-contractor for the purpose shall not prevent the Comptroller pursuing the recovery of those arrears by any means.
- (15) For the purposes of this Article, the 'specified rate' is –
- (a) for deductions made in the years 2006 and 2007, 15%;
 - (b) for deductions made in the year 2008, and ensuing years, 20%.

41F Exemption certificate⁶¹

- (1) A sub-contractor may apply to the Comptroller for an exemption certificate.
- (2) An application for an exemption certificate shall be made in such form and manner, and accompanied by such information, as the Comptroller may require.
- (3) The Comptroller may issue an exemption certificate where the Comptroller is satisfied that the sub-contractor has consistently complied with the requirements of this Law in full and without delay.
- (4) An exemption certificate shall, unless cancelled under paragraph (5), have effect for the year specified in it, and may be issued subject to conditions.
- (5) The Comptroller may cancel an exemption certificate at any time when –
 - (a) the Comptroller is no longer satisfied that the sub-contractor has consistently complied with the requirements of this Law in full and without delay; or
 - (b) the conditions attached to the certificate have not been complied with.
- (6) Upon cancelling an exemption certificate, the Comptroller shall publish a notice of cancellation in such a manner that the notice is likely to be seen by persons affected by it.
- (7) The cancellation of an exemption certificate shall take effect upon publication of the notice required by paragraph (6).
- (8) A person who gives another person –
 - (a) a document purporting to be an exemption certificate issued by the Comptroller under this Article, knowing it to be false; or
 - (b) an exemption certificate, knowing that the certificate has been altered by a person other than the Comptroller,shall be liable to a fine of level 4 on the standard scale.

41G Treatment of amounts received by Comptroller⁶²

- (1) Subject to paragraphs (2) to (4), the Comptroller shall receive an amount remitted under Article 41B or 41E as a payment of tax for the preceding year of assessment by the employee from whose earnings, or the sub-contractor from whose payments, the amount was deducted.
- (2) Where the Comptroller receives an amount remitted under Article 41B or 41E which has been deducted from the earnings of, or payments made to, a married woman whose income, by virtue of Article 121(1), is deemed to be that of her husband, the Comptroller shall receive the amount as a payment of tax by her husband.
- (3) Where, in determining the rate applicable to an amount remitted under Article 41B, the amount 'L' defined in Article 41C(2) includes an amount, in accordance with sub-paragraph (b) or (c) of that definition, in

respect of arrears of tax or costs recoverable with them, the Comptroller shall apportion any amount remitted under that Article between the employee's liability to pay tax for the year of assessment and his or her liability to pay the arrears or costs, in the same proportion that those liabilities bear to each other.

- (4) Where, in the case of a sub-contractor who has arrears of tax, or costs recoverable with arrears, accruing from a previous year of assessment, the deductions received by the Comptroller in a year of assessment exceed the sub-contractor's liability to tax for the preceding year, the Comptroller shall –
 - (a) receive the excess as a payment of those arrears or costs; and
 - (b) where the sub-contractor has outstanding arrears or costs from more than one previous year of assessment, apply the excess so as to reduce or discharge the arrears or costs from the earliest year of assessment first.
- (5) This Article shall apply notwithstanding that an assessment has not been served on the employee or sub-contractor under Article 25.

41H Arrangements for new taxpayers⁶³

- (1) This Article applies to a person –
 - (a) who was resident in Jersey in any of the years of assessment 2002, 2003 and 2004 but who has not, before 1st September 2005, delivered to the Comptroller a statement, pursuant to Article 16, for any of those years;
 - (b) who is resident in Jersey on 31st December 2005 but who has not, before that date, provided the Comptroller with information that would be sufficient to enable the Comptroller, in accordance with Article 41C, to determine a rate to apply in the person's case for the year 2006; or
 - (c) who first commences employment or becomes a sub-contractor, in Jersey, on or after 1st January 2006 and who was not liable to tax, as a person residing in Jersey, for the year of assessment preceding the year in which the employment or contract commences.
- (2) A person to whom this Article applies who, on 1st January 2006, is in employment or a sub-contractor of a building contractor shall be treated as a new taxpayer for the period of 7 years beginning on that date.
- (3) A person to whom this Article applies who, after 1st January 2006, commences employment or becomes a sub-contractor of a building contractor shall be treated as a new taxpayer for the period consisting of the year in which the employment or contract commences and the 6 ensuing years.
- (4) Where a person treated as a new taxpayer, whether by virtue of paragraph (2) or (3) or by virtue of this paragraph –
 - (a) ceases to reside in Jersey before the end of the period applicable in the person's case pursuant to, as the case may be, paragraph (2) or (3) or this paragraph; and

-
- (b) returns to Jersey to commence or resume employment in Jersey, or to become or resume as a sub-contractor in Jersey,
- the person shall be treated as a new taxpayer for the period consisting of the year in which the employment or contract commences or resumes and the 6 ensuing years.
- (5) A person described in paragraph (2) shall, no later than 1st March 2006, notify the Comptroller, in writing, of the information described in paragraphs (7) and (8).
- (6) A person described in paragraph (3) or (4) shall, no later than one month after commencing or resuming the employment or entering into or resuming the contract, notify the Comptroller, in writing, of the information described in paragraphs (7) and (8).
- (7) The information required is –
- (a) the person's full name and place or places of residence;
 - (b) the reference number assigned to the person for the purposes of the Social Security (Jersey) Law 1974;⁶⁴
 - (c) the person's date of birth;
 - (d) if the person is married, the date of the marriage;
 - (e) the number of children dependent upon the person;
 - (f) the date (if any) the person arrived in Jersey;
 - (g) the name and address of –
 - (i) if the person is an employee, his or her employer,
 - (ii) if the person is a sub-contractor of a building contractor, the building contractor;
 - (h) the date the employment or building contract commenced;
 - (i) an estimate of the person's –
 - (i) earnings from the employment or payments under the building contract, and
 - (ii) income from all other sources,in the year in which the employment or contract commences.
- (8) A married person shall also provide the information described in paragraph (7) in respect of his or her spouse.
- (9) The Comptroller may –
- (a) require a return of information under paragraph (7) to be in a form, and delivered in a manner, approved by the Comptroller; and
 - (b) require the person making the return to sign a declaration that the information given is true, complete and correct to the best of his or her knowledge.
- (10) Whilst a person is treated as a new taxpayer, this Part shall apply with the following modifications –
- (a) in Article 41C(2) –

- (i) in the definition “L”, for sub-paragraph (a) there shall be substituted the following sub-paragraph –
 - “(a) the employee’s estimated liability to tax for the payment year;”;
 - (ii) in the full out words to the definition “L”, for the words “the year of assessment” there shall be substituted the words “the payment year”;
 - (iii) for the definition “I” there shall be substituted the following definition –
 - “ ‘I’ is the total of the sums for which the employee is estimated to be liable to be assessed for the payment year and the sums in respect of which the employee is estimated to be liable to allow the deduction of tax in the payment year.”;
 - (b) in paragraphs (1) and (4) of Article 41G for the words “preceding year” there shall be substituted the words “that year”.
- (11) For the last 2 years of assessment for which a person is treated as a new taxpayer, this Part shall apply with the additional modification that in Article 41C(2) for the amount “100” there shall be substituted the amount “50”.

41I Late payment surcharge⁶⁵

- (1) In this Article, ‘specified time’, in relation to a year of assessment, means 6 p.m. on the Friday following the first Monday in December of the year next following the year of assessment.
- (2) Any person chargeable to tax, whether or not an assessment has been served on that person, shall be liable to pay an amount in addition to that tax (hereafter referred to as the ‘surcharge’) equal to 10% of that tax which remains unpaid, if the tax chargeable on that person for the year of assessment is not paid in full by the specified time.

Provided that the Comptroller may waive payment of the surcharge –

 - (a) if it amounts to £50 or less for any year of assessment;
 - (b) where failure to pay the tax by the specified day is caused by the action of a person, in accordance with Article 3A, not connected with the person liable to the surcharge and the failure is remedied without unnecessary delay; or
 - (c) the Comptroller is satisfied that death, serious illness or other grave and exceptional circumstance prevented payment by the specified time.
- (3) Paragraph (2) shall not apply where the aggregate of the amounts received by the specified time by the Comptroller, pursuant to Article 41G, as payment of a person’s tax for the year of assessment, is 70% or more of the person’s liability to tax for that year.
- (4) The Comptroller shall issue a written notice to a person of his or her liability under paragraph (2).

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- (5) A person may, within 40 days of the issue of a notice under paragraph (4), apply to the Comptroller in writing for a waiver under paragraph (2).
 - (6) Where a person applies under paragraph (5), the Comptroller shall give notice to the person of whether or not he or she has waived the person's liability.
 - (7) A person aggrieved by the Comptroller's refusal to waive liability under paragraph (2) may appeal to the Commissioners, on giving notice in writing to the Comptroller within 40 days of the issue of notice of refusal.
 - (8) The following provisions of this Law shall apply, with the necessary modifications, to an appeal under paragraph (7) as they apply to an appeal against any assessment –
 - (a) the proviso to Article 27(1);
 - (b) Article 27(2);
 - (c) Article 28(1);
 - (d) Article 29, with the omission of paragraphs (4) and (5);
 - (e) Articles 29A and 31 to 36.
 - (9) ⁶⁶

42 Proceedings for recovery of tax

- (1) Proceedings for the recovery of income tax may be instituted by the Treasurer of the States at any time after the assessment to tax has been finally settled.⁶⁷
- (1A) Notwithstanding paragraph (1), proceedings for the recovery of an instalment of income tax due under Article 41A may be instituted by the Treasurer of the States at any time after the amount of the instalment has been finally determined in accordance with that Article.⁶⁸
- (1B) Proceedings for the recovery of monies due under Article 41B(5) or 41E(5) may be instituted by the Treasurer of the States at any time after the monies fall due.⁶⁹
- (2) Where under the provisions of this Law income tax has been charged on the husband in respect of the profits or income of the wife, the powers of recovery provided in this Law in the case of non-payment of any such tax shall extend to the property, goods and chattels of the wife:

Provided that no action for recovery shall be instituted against the wife unless a notice demanding payment has been served by the Comptroller on the wife and she has failed to pay the amount of tax payable by her husband within 7 days of such service.

43 Recovery of arrears of tax by deduction from earnings

- (1) Where judgment has been obtained for the payment of arrears of income tax due by any individual (hereinafter referred to as the "judgment debtor"), then, notwithstanding any enactment or rule of law to the

contrary and without prejudice to any other means of recovery, the money payable under the judgment together with the recoverable costs (hereinafter referred to as the “judgment debt”) may be recovered in accordance with the provisions of this Article.

- (2) Where it is desired to recover any judgment debt under this Article –
 - (a) the Comptroller may serve notice on the employer for the time being of the judgment debtor requiring the judgment debtor to furnish the Comptroller, within such time (not being less than 7 days) as may be specified in the notice, with a certificate of the earnings of the judgment debtor during such period as may be so specified; and
 - (b) whether or not such a certificate as aforesaid has been required to be furnished, the Comptroller may serve notice on the employer for the time being of the judgment debtor requiring the judgment debtor to make such deductions from the earnings of the judgment debtor as may, having regard to all the circumstances of the case, appear to the Comptroller to be reasonable and to pay the amounts so deducted to the Comptroller at such times as may be specified in the notice, and the amount so paid shall be applied towards the satisfaction of the judgment debt:

Provided that where the judgment debt has been ordered to be paid by instalments, the Comptroller shall not require such deductions to be made as would at any date reduce the judgment debt by a greater amount than that by which it would have been reduced had the instalments been paid.

- (3) Any notice under paragraph (2)(b) may at any time be varied by a subsequent notice under that sub-paragraph.
- (4) A copy of every notice served under paragraph (2)(b) or (3), shall be served also on the judgment debtor.
- (5) Where any employer fails to deduct any amount which the employer is required by virtue of paragraph (2)(b) to deduct, or to pay to the Comptroller any amount so deducted, the amount may be recovered from the employer as a debt due to the States.

44 Certificate of Comptroller admissible in evidence

- (1) For the recovery by legal process of income tax, or of any balance of income tax, a certificate under the hand of the Comptroller in the following form or to the same effect, stating that the person named therein is in default as regards payment of income tax, shall be sufficient evidence that the amount of tax mentioned therein has been duly charged and assessed, and is in arrear and unpaid –

I certify that the sum of is due
 to the States of Jersey, in respect of income tax for the
 year ended 31st December, 20....., by
 of and that
 the aforesaid sum fell into arrears on the

day of,20.....

.....
Comptroller of Income Tax.

- (2) Any certificate issued by virtue of this Article shall be considered authentic, and no evidence will be required as to the signature or official character of the person who signs as Comptroller.

45 Arrears of tax

- (1) A tenant après décret or tenant après dégrèvement shall be liable for the payment of the income tax due in respect of the land foreclosed and having become due and payable within 12 months next before the date of the Act of the Court authorizing the décret or dégrèvement or at any time thereafter.
- (2) Where the Royal Court has granted –
- (a) an application made by any person to place his or her property under the control of the Court (de remettre ses biens entre les mains de la Justice); or
 - (b) an application for the holding of a bénéfice d'inventaire on the estate of any deceased person,
- the autorisés or the Viscount, as the case may be, shall pay, out of the property of such person or the estate of such deceased person, any income tax due by such person or such deceased person at the time of the granting of the application and having become due and payable within 12 months next before that time.
- (3) In the event of any dégrèvement, réalisation, désastre, bankruptcy or composition with creditors, the income tax due for the year in which that event occurs as well as that due for the preceding year shall rank for payment pari passu with other privileged debts and in priority to all other debts.

46 Payment of receipts to States' Treasurer

All monies received by the Comptroller in payment of income tax shall forthwith be paid by the Comptroller to the Treasurer of the States.

47 Repayments to be made by States' Treasurer

All repayments of tax under this Law shall be made by the Treasurer of the States, on a certificate of the Comptroller.

48 Proof of payment of tax before repayment

No repayment of income tax shall be certified by the Comptroller for payment until it is proved to the Comptroller that tax, in respect of which the repayment is claimed, has been paid by deduction at source or otherwise.

49 Time limit for repayment

Save as otherwise expressly provided in this Law, no claim for repayment of income tax under this Law shall be allowed unless it is made within 5 years next after the end of the year of assessment to which it relates.

PART 8**SCHEDULE A AND PRINCIPAL PROVISIONS RELATING THERETO****50 Interpretation of Part 8⁷⁰**

In this Part –

“land” includes buildings, tenements, heritages and hereditaments;

“lease” includes an agreement for a lease, and any tenancy, but does not include a hypothec or other charge;

“owner” means, in relation to any land, the person for the time being having the enjoyment of that land, either as owner or usufructuary owner or in the exercise of rights of dower, franc veuvage, seigniorialty or otherwise;

“premium” includes any like sum, other than rent, paid, and the value of any consideration given, on or in connection with the granting of a tenancy, except insofar as other sufficient consideration for the payment is shown to have been given.

51 Schedule A⁷¹

The Schedule referred to in this Law as Schedule A is as follows –

1. Tax under this Schedule shall be charged on the annual profits or gains arising in respect of any rents or receipts as follows, that is to say –
 - (a) rents under leases of land in Jersey;
 - (b) rentes; and
 - (c) other receipts arising to the owner of land in Jersey from, or by virtue of, the owner’s ownership of that land:

Provided that tax shall not be charged under this Schedule in respect of any interest of money.

2. Tax under this Schedule shall be charged by reference to the rent or receipts to which a person becomes entitled in the year of assessment.
3. If rent is payable under a lease under which the tenant is entitled to the use of furniture, and tax in respect of the payment for its use is chargeable under Schedule D of this Law, tax in respect of the rent shall be charged under Schedule D instead of under this Schedule:

Provided that the person charged or liable to be charged shall be entitled, on giving notice in writing to the Comptroller within 2 years after the end of the year of assessment, to elect that this paragraph shall not apply and where such notice is given, there shall be made such additional

assessments, reductions of assessments or repayments of tax as the case may require.

52 Deductions under Schedule A⁷²

- (1) Subject to the provisions of this Article, in computing the amounts of the profits or gains to be charged under this Schedule, there shall be deducted the normal outgoings paid by the person chargeable in respect of the profits or gains.
- (2) For the purposes of paragraph (1), the term “normal outgoings” means the following payments, not being payments of a capital nature, made in respect of the land to which the profits or gains relate, that is to say –
 - (a) payments for maintenance, repairs, insurance and management;
 - (b) parochial rates, including rates which are by law charged on the occupier which the person chargeable is obliged to defray; and
 - (c) rents, rentes or other periodical payments:

Provided that no deductions shall be made for any interest of money, or any annuity or other annual payment.

- (3) In the case of –
 - (a) payments for maintenance and repairs, deductions shall be made for payments incurred by reason of dilapidation to the extent only that the dilapidation is attributable to a period falling within the currency of the lease, or to a period during which the person chargeable was the landlord in relation to a previous lease;
 - (b) other payments, deductions shall be made only for payments incurred in such a period as aforesaid;
 - (c) a receipt other than rent payable under a lease, there shall be deducted so much of any other payment made by the owner as constituted an expense of the transaction.
- (4) The deductions allowable under this Article shall be made from the profits or gains chargeable for the year of assessment in which the payments are made:

Provided that where the profits or gains chargeable are not sufficient to allow the whole of the deductions to be made, the amount not deducted shall be deducted from the profits or gains for the earliest year of assessment from which it can be deducted.

53 Relief for rent not paid⁷³

If a person proves that he or she has not received an amount which he or she was entitled to receive in respect of any rents or receipts chargeable under Schedule A, and that –

- (a) the non-receipt was attributable to the default of the person by whom it was payable and the person chargeable has taken all reasonable steps available to him or her to enforce payment; or

- (b) the person chargeable has waived payment of the said amount without consideration and in order to avoid hardship to the person by whom it was payable,

the person chargeable shall be treated as if he or she had not been entitled to the said amount.

54 Treatment of premiums and other payments as rents ⁷⁴

- (1) If payment of any premium is required under a lease, or otherwise under the terms subject to which a lease is granted and the duration of the lease does not exceed 50 years, the person entitled to the premium shall be treated for the purposes of this Law as becoming entitled when the lease is granted to an amount by way of rent (in addition to any actual rent and any other amount treated as rent under this Article) equal to the amount of the premium reduced by 1/50 of that amount for each complete period of 12 months (other than the first) comprised in the duration of the lease:

Provided that where the said premium is payable by instalments, the amount of each instalment shall be treated as rent for the year in which it becomes payable.⁷⁵

- (2) If, under any term subject to which a lease is granted, any sum is payable by a tenant as consideration for the surrender of the lease, the person entitled to the consideration shall be treated for the purposes of this Law as becoming entitled, when the consideration is payable, to an amount by way of rent (in addition to any actual rent and any other amount treated as rent under this Article) equal to the amount of the consideration reduced by 1/50 of that amount for each complete period of 12 months (other than the first) comprised in the duration of the lease calculated to the day of surrender:

Provided that where the said consideration is payable by instalments, the amount of each instalment shall be treated as rent for the year in which it becomes payable.⁷⁶

- (2A) If any sum is payable by a tenant as consideration for the variation or waiver of any term of a lease, the person entitled to the consideration shall be treated for the purposes of this Law as becoming entitled, when the agreement for the variation or waiver is entered into, to an amount by way of rent (in addition to any actual rent and any other amount treated as rent under this Article) equal to the amount of the consideration reduced by 1/50 of that amount for each complete period of 12 months (other than the first) comprised in that part of the duration of the lease for which the variation or waiver has effect:

Provided that where the said consideration is payable by instalments, the amount of each instalment shall be treated as rent for the year in which it becomes payable.⁷⁷

- (3) If, in respect of a lease granted for a period which does not exceed 50 years, a premium is paid on the assignment of the lease or as consideration for the grant of a sub-lease, the person entitled to the premium shall be treated for the purposes of this Law as becoming entitled when the premium is payable to an amount by way of rent equal

to the amount of the premium reduced by the appropriate fraction of any amount of premium chargeable as rent on the person by whom the lease was granted:

Provided that no reduction as aforesaid shall be made in respect of any premium which has been allowed as a deduction in computing the income of any person for income tax purposes.

- (4) For the purpose of paragraph (3), the “appropriate fraction” means the fraction arrived at by dividing the period for which the assignment or sub-lease is granted by the period for which the lease was granted.

55 Persons chargeable⁷⁸

Tax under Schedule A shall be charged on and paid by the persons or bodies receiving or entitled to the profits or gains in respect of which tax under that Schedule is, in this Law, directed to be charged.

PART 10

SCHEDULE D AND PRINCIPAL PROVISIONS RELATING THERETO

61 Schedule D

- (1) The Schedule referred to in this Law as Schedule D is as follows –

Tax under this Schedule shall be charged in respect of –

- (a) the annual profits or gains arising or accruing –
- (i) to any person residing in Jersey from any kind of property whatever, whether situate in Jersey or elsewhere,
 - (ii) to any person residing in Jersey from any trade, profession, employment, vocation or office, whether carried on in Jersey or elsewhere, or from any pension, whether arising in Jersey or elsewhere, and
 - (iii) to any person, whether a British subject or not, although not resident in Jersey, from –
 - (A) any property whatever in Jersey;
 - (B) any trade exercised in Jersey, whether or not through a fixed place of business in Jersey;
 - (C) any profession, employment, vocation or office exercised within Jersey; or
 - (D) any pension arising in Jersey;
- (b) all interest of money, annuities, and other annual profits or gains not charged under Schedule A, and not specially exempted from tax; and
- (c) all sums paid to an individual or an individual’s personal representative pursuant to Article 131D or 131E other than a sum applied in the purchase from an authorized insurance company

which is unconnected with the individual of a lifetime annuity payable to the individual or, on the individual's death, to the individual's spouse or dependent,

in each case for every one pound of the annual amount of the profits or gains.⁷⁹

- (1A) In the case of a trade of disposing of property deriving its value from land or from any building or structure or from any part thereof, which is situated in Jersey, the land, building or structure shall be a fixed place of business through which the trade is exercised, whether or not the disposal is made or concluded in Jersey.⁸⁰
- (2) The provisions of paragraph (1) are without prejudice to any other provision of this Law directing tax to be charged under Schedule D and the tax so directed to be charged shall be charged accordingly.⁸¹

62 Mode of charge under Schedule D; the 7 Cases

- (1) Tax under Schedule D shall be charged under the following cases respectively, that is to say –

Case I. – tax in respect of any trade carried on in Jersey or elsewhere;

Case II. – tax in respect of –

- (a) all profits and earnings of whatever value arising from professions, employments, vocations or offices;
- (b) any office or employment by retainer in any character whatever, whether such retainer is annual or for a longer or shorter period; and
- (c) all pensions, except pensions which are paid by or on behalf of a person outside Jersey, whether paid voluntarily or otherwise and whether capable of being discontinued or not;

Case III. – tax in respect of profits of an uncertain value and of –

- (a) any interest of money, whether yearly or otherwise, or any annuity, or other annual payment, whether such payment is payable within or out of Jersey, either as a charge on any property of the person paying the same by virtue of any deed or will or otherwise, or as a reservation out of it or as a personal debt or obligation by virtue of any contract, or whether the same is received and payable half-yearly or at any shorter or more distant periods;
- (b) all discounts;
- (c) interest paid or credited in full without deduction of tax by a savings bank to any depositor;
- (d) any pensions whether paid voluntarily or otherwise and whether capable of being discontinued or not which are paid by or on behalf of a person outside Jersey;
- (e) interest and dividends payable out of the public revenues of Jersey or by coupon;

Case IV. – tax in respect of income arising from securities out of Jersey, (whether or not payable by coupon);

Case V. – tax in respect of income arising from possessions out of Jersey;

Case VI. – tax in respect of any annual profits or gains not falling under any of the foregoing Cases or Case VII, and not charged by virtue of Schedule A;

Case VII. – tax in respect of all sums paid to an individual or an individual's personal representative pursuant to Article 131D or 131E of this Law other than a sum applied in the purchase from an authorized insurance company which is unconnected with the individual of a lifetime annuity payable to the individual or, on the individual's death, to the individual's spouse or dependent,

and subject to and in accordance with the provisions of this Law applicable to the said Cases respectively.⁸²

- (2) The provisions of paragraph (1) are without prejudice to any other provision of this Law directing tax to be charged under one or other of the said Cases, and the tax so directed to be charged shall be charged accordingly.

63 Farming and other commercial occupation of land in Jersey to be charged under Schedule D

- (1) All farming and market gardening in Jersey shall be treated as the carrying on of a trade or, as the case may be, of a part of a trade, and the profits or gains thereof shall be charged to tax under Case I of Schedule D accordingly.
- (2) The occupation of land in Jersey for any purpose other than farming or market gardening shall, if the land is managed on a commercial basis and with a view to the realization of profits, be treated as the carrying on of a trade or, as the case may be, of a part of a trade, and the profits or gains thereof shall be charged to tax under Case I of Schedule D accordingly.
- (3) In this Article –
“farming” means the occupation of land in Jersey wholly or mainly for the purposes of husbandry, but excludes market gardening;
“land” includes tenements, hereditaments and heritages;
“market gardening” means the occupation of land in Jersey as a nursery or garden for the sale of produce.

Case I and II

64 Full tax to be charged

The tax under Case I or Case II of Schedule D shall be charged without any other deduction than is by this Law allowed.

65 General provisions as to period of computation under Cases I and II

- (1) Subject to the provisions of Articles 66, 67 and 68, tax shall be charged under Cases I and II of Schedule D –
 - (a) in the case of a trade, profession or vocation, on the full amount of the balance of the profits or gains for the year ending on that day of the year immediately preceding the year of assessment on which the accounts of the trade, profession or vocation have been usually made up, or on 31st December preceding the year of assessment;
 - (b) in the case of an office or employment, on the full amount of the emoluments of the office or employment received in the year of assessment;
 - (c) in the case of a pension, on the full amount of the emoluments of the pension arising in the year of assessment.⁸³
- (1A) Paragraph (1) applies, in the case described in sub-paragraph (b) thereof –
 - (a) whether the emoluments are for the year in which they are received or for some other year of assessment;
 - (b) whether or not the office or employment is held at the time the emoluments are received.⁸⁴
- (1B) Where paragraph (1) applies in the case described in sub-paragraph (b) thereof, in the case of emoluments received after the death of the person who held the office or employment concerned, tax charged on the emoluments –
 - (a) shall be assessed and charged on the deceased's heirs, executors or administrators; and
 - (b) shall be a debt due from and payable out of the deceased's estate.⁸⁵

65A Meaning of receipt of emolument⁸⁶

- (1) For the purposes of Article 65(1), in the case described in sub-paragraph (b) thereof, emoluments which take the form of a benefit not consisting of money shall be treated as received at the time when the benefit is provided.
- (2) For the purposes of Article 65(1), in the case described in sub-paragraph (b) thereof, emoluments to which paragraph (1) of this Article does not apply shall be treated as received at the time found in accordance with the following rules (taking the earlier or earliest time in a case where more than one rule applies) –
 - (a) the time when payment is made of or on account of the emoluments;
 - (b) the time when a person becomes entitled to payment of or on account of the emoluments;
 - (c) in a case where the emoluments are from an office or employment with a company, the holder of the office or employment is a director of the company and sums on account of the emoluments are credited in the company's accounts or records, the time when sums on account of the emoluments are so credited;

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- (d) in a case where the emoluments are from an office or employment with a company, the holder of the office or employment is a director of the company and the amount of the emoluments for a period is determined before the period ends, the time when the period ends;
 - (e) in a case where the emoluments are from an office or employment with a company, the holder of the office or employment is a director of the company and the amount of the emoluments for a period is not known until the amount is determined after the period has ended, the time when the amount is determined.
- (3) Paragraph (2)(c), (d) or (e) applies whether or not the office or employment concerned is that of director.
 - (4) Paragraph (2)(c), (d) or (e) applies if the holder of the office or employment is a director of the company at any time in the year of assessment in which the time mentioned in the sub-paragraph concerned falls.
 - (5) For the purposes of the rule in paragraph (2)(c), any fetter on the right to draw the sums shall be disregarded.
 - (6) In paragraph (2), “director” means –
 - (a) in relation to a company whose affairs are managed by a board of directors or similar body, a member of that board or similar body;
 - (b) in relation to a company whose affairs are managed by a single director or similar person, that director or person; and
 - (c) in relation to a company whose affairs are managed by the members themselves, a member of the company.
 - (7) In paragraph (2), “director”, in relation to a company, also includes any person in accordance with whose directions or instructions the company’s directors (as defined in paragraph (6)) are accustomed to act and, for this purpose, a person is not to be deemed to be a person in accordance with whose directions or instructions the company’s directors are accustomed to act by reason only that the directors act on advice given by the person in a professional capacity.
 - (8) In this Article, “company” means any body corporate or unincorporated association but does not include a partnership.

65B Emoluments: benefits in kind⁸⁷

- (1) In this Article and in Schedules 2 and 3 –

“benefit” means so much of any emoluments as consists of a benefit (other than salaries, fees, wages, perquisites, profits or gains) –

 - (a) derived by the office holder or employee or by a member of that person’s family or household from that office or employment or from its commencement or termination or in consequence of a change in its terms; and
 - (b) provided by the office holder’s or employee’s employer;

“employer” includes any person connected with the employer.

- (2) In assessing the emoluments of an office or employment for the purposes of Article 65 there shall be left out of account –
 - (a) any benefit disclaimed by the office holder or employee, whether for his or her own use or the use of a member of that person’s family or household; and
 - (b) any benefit, or amount attributable to any benefit, specified in Schedule 2.
- (3) An office holder or employee shall be entitled, in any year of assessment, to a deduction in respect of the first £1,000 of the aggregate amount of benefits assessed for the purposes of Article 65.
- (4) Subject to paragraph (5) –
 - (a) where the benefit consists of a transfer of ownership of property, the amount attributable to the benefit shall be the open market value of the property at the time of the transfer;
 - (b) where the benefit consists of the payment or discharge of any pecuniary liability of the office holder or employee or of a member of that person’s family or household, the amount attributable to the benefit shall be the amount paid by the employer; and
 - (c) where the benefit consists of the provision of property for use, without transfer of ownership, the amount attributable to the benefit shall be determined in accordance with Schedule 3.⁸⁸
- (5) There shall be deducted from the amount attributable to any benefit any sums paid by the office holder or employee in respect of the benefit.
- (7) The Minister may, by Order, amend Schedules 2 and 3.

66 Period of computation at commencement of trade, profession or vocation

Where the trade, profession or vocation has been set up and commenced within the year preceding the year of assessment, the computation shall be made on the profits or gains for one year from the period of the first setting up of the same, and, where it has been set up and commenced within the year of assessment, the computation shall be made in accordance with the provisions of this Law applicable to Case VI of Schedule D.

67 Option as to period of computation for the 2 years next after commencement of trade, profession or vocation

- (1) In this Article –

“charged” means charged to income tax in respect of the profits or gains of a trade, profession or vocation;

“second year of assessment” and “third year of assessment” mean respectively the year next after and the year next but one after the year of assessment in which the trade, profession or vocation was set up or commenced.

- (2) The person charged or liable to be charged shall be entitled, on giving notice in writing to the Comptroller within 3 years after the end of the second year of assessment to require that tax shall be charged for both the second year of assessment and the third year of assessment (but not for one or other only of those years) on the amount of the profits or gains of each such year respectively:

Provided that the person may by notice in writing given to the Comptroller within 2 years after the end of the third year of assessment revoke the notice and in such case tax shall be charged for both the second year of assessment and the third year of assessment as if the first notice had never been given.⁸⁹

- (3) If at any time during the second or third year of assessment, any such change as is mentioned in Article 75 occurs in the persons engaged in the trade, profession or vocation, a notice for the purpose of paragraph (2) of this Article or the proviso thereto, must, if given after the occurrence of the change –
- (a) in the case of a notice given within 12 months after the end of the second year of assessment, be signed by each of the persons who were engaged in the trade, profession or vocation, at any time between the commencement of the second year of assessment and the giving of the notice, or, in the case of a deceased person, by his or her legal representatives; and
- (b) in the case of a notice given after the end of the third year of assessment, be signed by each of the persons who were engaged in the trade, profession or vocation, at any time during the second or third year of assessment, or, in the case of a deceased person, by his or her legal representatives.
- (4) In the case of the death of a person who if he or she had not died would, under the provisions of this Article, have become chargeable to income tax for any year, the tax which would have been so chargeable shall be assessed and charged on his or her executors or administrators and shall be a debt due from and payable out of his or her estate.
- (5) There shall be made such additional assessments, reductions of assessments or repayments of tax as may in any case be required in order to give effect to the foregoing provisions of this Article.

68 Period of computation on discontinuance of trade, profession or vocation

- (1) Where in any year of assessment a trade, profession or vocation is permanently discontinued, then, notwithstanding anything in this Part –
- (a) the person charged or chargeable with tax in respect thereof shall be charged for that year on the amount of the profits or gains of the period beginning on 1st January in that year and ending on the date of the discontinuance, subject to any deduction or set-off to which the person may be entitled under Article 108 in respect of any loss, and, if he or she has been charged otherwise than in accordance with this provision, any tax overpaid shall be repaid or any

additional assessment may be made on him or her, as the case may require;

- (b) if the profits or gains of the year ending on 31st December in the year preceding the year of assessment in which the discontinuance occurs exceed the amount on which the person has been charged for that preceding year, or would have been charged if no deduction or set-off as aforesaid had been allowed, an additional assessment may be made on him or her, so that he or she shall be charged for that preceding year on the amount of the profits or gains of the said year ending on 31st December, subject to any such deduction or set-off as aforesaid to which he or she may be entitled.⁹⁰
- (2) In the case of the death of a person who if he or she had not died would, under the provisions of this Article, have become chargeable to income tax for any year, the tax which would have been so chargeable shall be assessed on his or her executors or administrators, and shall be a debt due from and payable out of his or her estate.

69 Deduction for premiums payable⁹¹

- (1) Where any land in Jersey is occupied for the purposes of any trade or profession, a deduction shall, in calculating the amount of annual profits or gains arising from that trade or profession, be allowed for any premium paid in consideration of the grant of a lease or sub-lease, or for the assignment of a lease, of that land to the extent that the premium has been charged to tax under Schedule A of this Law.⁹²
- (2) In this Article “land” and “premium” have the same meanings as in Part 8.

69A Restriction on deduction for emoluments of office or employment⁹³

- (1) Where –
 - (a) any emoluments arising from an office or employment would, apart from this Article, be deducted in computing the amount of the profits or gains of a period ending on or after 1st January 2001 on which tax shall be charged for a year of assessment; and
 - (b) the emoluments are not paid before the end of the period of 12 months beginning with the end of that period,the Comptroller, if he or she is of the opinion that the main purpose of deferral of payment of the emoluments is the avoidance or reduction of the liability of any person to income tax, may refuse to allow their deduction for that period.
- (2) In this Article the time when emoluments are paid shall be determined in accordance with Article 65A as if “paid” were substituted for “received” throughout that Article.⁹⁴

70 General rules as to deductions not allowable

Subject to the provisions of this Law, in computing the amount of the profits or gains to be charged, no sum shall be deducted in respect of –

- (a) any disbursements or expenses, not being money wholly and exclusively laid out or expended for the purposes of the trade, profession, employment or vocation;
- (b) any disbursements or expenses of maintenance of the parties, their families or establishments, or any sums expended for any other domestic or private purposes distinct from the purposes of such trade, profession, employment or vocation;
- (c) the rent assessed and charged under Schedule A of any dwelling-house or domestic offices or any part thereof, except such part as is used for the purposes of the trade or profession:

Provided that where any such part is so used, the sum so deducted shall not exceed $\frac{2}{3}$ of the said rent bona fide paid for the said dwelling-house or offices, unless in any case the Comptroller is of the opinion that having regard to all the circumstances, some greater sum ought to be deducted;

- (d) any sum expended for repairs of premises occupied, or for the supply, repairs or alterations of any implements, utensils or articles employed for the purposes of the trade, profession, employment or vocation, beyond the sum actually expended for those purposes;
- (e) any loss not connected with or arising out of the trade, profession, employment or vocation;
- (f) any capital withdrawn from, or any sum employed or intended to be employed as capital in such trade, profession, employment or vocation;
- (g) any capital employed in improvements of premises occupied for the purposes of the trade, profession, employment or vocation;
- (h) any interest which might have been made if any such sums as aforesaid had been laid out at interest;
- (i) any debts, except bad debts proved to be such to the satisfaction of the Comptroller or the Commissioners, and doubtful debts to the extent that they are respectively estimated to be bad, and, in the case of the bankruptcy or insolvency of a debtor, the amount which may reasonably be expected to be received on any such debts shall be deemed to be the value thereof;
- (j) any average loss beyond the actual amount of loss after adjustment;
- (k) any sum recoverable under an insurance or contract of indemnity;
- (l) any annual interest, or any annuity or other annual payment payable out of the profits or gains;
- (m) any royalty or other sum paid in respect of the user of a patent.⁹⁵

70A Deduction on account of Social Security contributions⁹⁶

- (1) Notwithstanding anything in Article 70, in computing the profits or gains to be charged in respect of a trade or profession under Schedule D there shall be allowed to be deducted as expenses in any year an amount equal to the relevant percentage of the Class 2 contributions which the individual or, in the case of a trade or profession carried on in partnership, the individuals carrying on the trade or profession are liable to pay in that year under the Social Security (Jersey) Law 1974,⁹⁷ as Class 2 insured persons.⁹⁸
- (1A) In paragraph (1), “the relevant percentage” means –
 - (a) in relation to the year 1999, 54.5%;
 - (b) in relation to the year 2000, 53.5%;
 - (c) in relation to the year 2001, 52.5%; and
 - (d) in relation to the year 2002 and ensuing years, 52%.⁹⁹
- (2) In this Article, “Class 2 contributions” and “Class 2 insured persons” have the same meanings as in the Social Security (Jersey) Law 1974.

74 Partnership statements and assessments

- (1) Where a trade or profession is carried on by 2 or more persons jointly, the tax in respect thereof shall be computed and stated jointly and in one sum, and shall be separate and distinct from any other tax chargeable on those persons or any of them, and a joint assessment shall be made in the partnership name.
- (2) The precedent partner, that is to say, the partner who, being resident in Jersey –
 - (a) is first named in the agreement of partnership;
 - (b) if there be no agreement, is named singly or with precedence to the other partners in the usual name of the firm; or
 - (c) is the precedent acting partner, if the person named with precedence is not an acting partner,shall make and deliver a statement of the profits or gains of such trade or profession, on behalf of himself or herself and the other partners, and declare therein the names and residences of the other partners, under the penalty prescribed by this Law for default in delivering a statement.
- (3) Where no partner is resident in Jersey, the statement shall be made and delivered by the agent, manager or representative of the firm resident in Jersey.
- (4) Any other partner may, if a statement has been delivered as aforesaid, notify the fact that he or she is a partner, together with the partner’s name and place of abode, without returning the amount of tax payable in respect of the partnership, but every partner may be required to make a like statement and supply the like information and evidence, as required from the precedent partner.

75 Changes of proprietor

- (1) If a change occurs in a partnership of persons engaged in any trade, profession or vocation, by reason of retirement or death, or the dissolution of the partnership as to one or more of the partners, or the admission of a new partner, in such circumstances that one or more of the persons who until that time were engaged in the trade, profession or vocation continue to be engaged therein, or a person who until that time was engaged in any trade, profession or vocation on his or her own account continues to be engaged in it, but as a partner in a partnership, the income tax payable by the person or persons who carry on the trade, profession or vocation after that time shall, notwithstanding the change, be computed according to the profits or gains of the trade, profession or vocation during the period prescribed by this Law:

Provided that, where all the persons who were engaged in the trade, profession or vocation both immediately before and immediately after the change require, by notice signed by all of them or, in the case of a deceased person by his or her legal representatives, and sent to the Comptroller within 2 years after the change took place, that the tax payable for all years of assessment shall be computed as if the trade, profession or vocation had been discontinued at the date of the change, and a new trade, profession or vocation had been then set up or commenced, and that the tax so computed for any year shall be charged on and paid by such of them as would have been charged if such discontinuance and setting up or commencement had actually taken place, the tax shall be computed, charged, collected and paid accordingly.¹⁰⁰

- (2) If at any time any person succeeds to any trade, profession or vocation which until that time was carried on by another person and the case is not one to which paragraph (1) applies, the income tax payable for all years of assessment by the person succeeding as aforesaid shall be computed as if he or she had set up or commenced the trade, profession or vocation at that time, and the tax payable for all years of assessment by the person who until that time carried on the trade, profession or vocation shall be computed as if it had then been discontinued.

In this paragraph, references to a person include references to a partnership.¹⁰¹

- (3) In the case of the death of a person who, if he or she had not died, would under the provisions of this Article have become chargeable to income tax for any year, the income tax which would have been so chargeable shall be assessed and charged on his or her executors or administrators and shall be a debt from and payable out of his or her estate.

76 Partnerships controlled abroad

- (1) Where any trade or business is carried on by 2 or more persons in partnership, and the control and management of such trade or business is situate abroad, the trade or business shall be deemed to be carried on by persons resident outside Jersey, and the said partnership shall be deemed

to reside outside Jersey, notwithstanding the fact that some of the members of the said partnership are resident in Jersey and that some of the trading operations of the said partnership are conducted within Jersey.

- (2) Where any part of the trade or business of a partnership firm whose management and control is situate abroad consists of trading operations within Jersey, the said firm shall be chargeable in respect of the profits of such trading operations within Jersey to the same extent as, and no further than, a person resident abroad is chargeable in respect of trading operations by the person within Jersey, notwithstanding the fact that one or more of the members of the said firm are resident in Jersey:

Provided that, for the purpose of charging any such firm in respect of the profits of the said trading operations within Jersey, an assessment may be made on the said firm in respect of the said profits in the name of any partner resident in Jersey.

76A Limited partnerships¹⁰²

- (1) Subject to the provisions of this Article, the provisions of this Law apply to the profits or gains of a partner in a limited partnership.
- (2) Paragraph (1) shall not apply to the profits or gains derived from international activities of a partner in a limited partnership who is not resident in Jersey.
- (3) Articles 74 and 76 shall not apply to a partner in a limited partnership.
- (4) Articles 86 and 87 shall not apply in a case where the general partner of a limited partnership responsible for making the annual payment referred to in those Articles is not resident in Jersey or is a company which, pursuant to Article 123B of this Law, has made application and been charged to tax as an international business company.
- (5) Where a partner in a limited partnership is resident in Jersey, or is non-resident in Jersey and entitled to profits or gains not excluded from charge by paragraph (2), the general partner or, if there is more than one general partner, the general partner who is first named in the partnership agreement shall, when required to do so by any general notice or by notice served on the general partner by the Comptroller, prepare and deliver a statement of those profits or gains arising to the said partners from the activities of the limited partnership.
- (6) In this Article –
 - “general partner” means a person who is so named in, or is identifiable through, the partnership agreement and if more than one shall mean each general partner;
 - “international activities” has the same meaning as in Article 123B of this Law;
 - “limited partner” means a person who is so named in, or is identifiable through, the partnership agreement and if more than one shall mean each limited partner;

“limited partnership” means a partnership consisting of one or more persons who are general partners and one or more persons who are limited partners;

“partner” means a limited partner or a general partner;

“partnership agreement” means any agreement in writing of the partners as to the affairs of a limited partnership and the rights and obligations of the partners among themselves;

“profits or gains” does not include profits or gains of a capital nature.

Case II

77 Fees and subscriptions to professional bodies, learned societies, etc.

- (1) Subject to the following provisions of this Article, any annual fee or subscription paid to a body of persons approved for the purposes of this Article by the Comptroller may be deducted from the emoluments of any office or employment assessed to tax, if defrayed out of those emoluments.
- (2) The Comptroller may, on the application of the body, approve for the purposes of this Article any body of persons not of a mainly local character whose activities are carried on otherwise than for profit and are solely or mainly directed to all or any of the following objects, that is to say –
 - (a) the advancement or spreading of knowledge (whether generally or among persons belonging to the same or similar professions or occupying the same or similar positions);
 - (b) the maintenance or improvement of standards of conduct and competence among the members of any profession;
 - (c) the indemnification or protection of members of any profession against claims in respect of liabilities incurred by them in the exercise of their profession.
- (3) If the activities of a body approved for the purposes of this Article are to a significant extent directed to objects other than those mentioned in paragraph (2), the Comptroller may determine that such specified part only of any annual subscription paid to the body may be deducted under this Article as corresponds to the extent to which its activities are directed to objects mentioned in that paragraph; and in doing so the Comptroller shall have regard to all relevant circumstances and, in particular, to the proportions of the body’s expenditure attributable to the furtherance of objects so mentioned and other objects respectively.
- (4) A fee or subscription shall not be deducted under this Article from the emoluments of any office or employment unless –
 - (a) the fee is payable in respect of a registration (or retention of a name in a roll or record) or certificate which is a condition or one of alternative conditions of the performance of the duties of the office or employment;

- (b) the subscription is paid to a body the activities of which, so far as they are directed to the objects mentioned in paragraph (2), are relevant to the office or employment, that is to say, the performance of the duties of the office or employment is directly affected by the knowledge concerned or involves the exercise of the profession concerned.
- (5) Any approval given and any determination made under this Article may be withdrawn, and any such determination varied, so as to take account of any change of circumstances; and where a body is approved for the purposes of this Article, in pursuance of an application made before the end of any year of assessment, a deduction may be made under this Article in respect of a subscription paid to the body in that year, whether the approval is given before or after the end of that year.
- (6) Any body aggrieved by the failure of the Comptroller to approve the body for the purposes of this Article, or by the Comptroller's withdrawal of the approval, or by any determination made by the Comptroller under this Article or the variation of or a refusal to withdraw or vary such a determination, may, by notice in writing given to the Comptroller within 21 days from the date on which the body is notified of the Comptroller's decision, make application to have its claim heard and determined by the Commissioners, who shall hear and determine the claim in like manner as an appeal made to them against an assessment under Schedule D, and the provisions of this Law relating to such an appeal (including the provisions relating to appeals to the Royal Court) shall apply accordingly with the necessary modifications.

Case III

78 Basis of computation under Case III

- (1) Subject to the provisions of this Article, tax under Case III of Schedule D shall be computed on the full amount of the profits or income arising in the year of assessment.
- (2) Save as otherwise provided in this Law, all profits or income in respect of which any person is chargeable under Case III of Schedule D may be assessed and charged in one sum.

79 Pensions chargeable under Case III

- (2) Tax shall be computed on the full amount of a pension subject to the deduction of any income tax which has been paid in respect of the pension in the place where it has arisen.¹⁰³

*Cases IV and V***80 Basis of computation under Cases IV and V**

- (1) Subject to the provisions of this Article, tax under Case IV or Case V of Schedule D shall be computed on the full amount of the income arising in the year of assessment whether the income has been or will be received in Jersey or not, subject, in the case of income not received in Jersey –
 - (a) to the same deductions and allowances as if it had been so received;
 - (b) to the deduction, where such a deduction cannot be made under, and is not forbidden by, any other provision of this Law, of any sum which has been paid in respect of income tax in the place where the income has arisen;
 - (c) to a deduction on account of any annual interest or any annuity or other annual payment payable out of the income to a person not resident in Jersey; and
 - (d) to a deduction in the case of income arising from a profession, office, employment or vocation of any sums, not being of a capital nature, necessarily expended for the purpose of earning the income, including any sums so expended in maintaining a place of residence in the place where the income arises,and the provisions of this Law (including those relating to the delivery of statements) shall apply accordingly.¹⁰⁴
- (1A) In the case of income from an office or employment, tax under Case V of Schedule D shall be computed on the full amount of the income received in the year of assessment.¹⁰⁵
- (1B) Article 65(1A) and (1B) and Article 65A shall apply for the purposes of paragraph (1A) as if references in them to emoluments were references to income.¹⁰⁶
- (2) Paragraph (1) shall not apply to any person who satisfies the Comptroller that he or she is not ordinarily resident in Jersey.¹⁰⁷
- (3) In the case mentioned in paragraph (2), the tax shall be computed –
 - (a) in the case of tax chargeable under Case IV, on the full amount, so far as the same can be computed, of the sums received in Jersey in the year of assessment, without any deduction or abatement;
 - (b) in the case of tax chargeable under Case V, on the full amount of the actual sums received in Jersey in the year of assessment from remittances payable in Jersey, or from property imported, or from money or value arising from property not imported, or from money or value so received on credit or on account in respect of any such remittances, property, money or value brought or to be brought into Jersey, without any deduction or abatement other than is allowed, under the provisions of this Law, in respect of profits or gains charged under Case I of Schedule D.¹⁰⁸

- (4) Any person who is aggrieved by the decision of the Comptroller on any question as to ordinary residence arising under paragraph (2) may, by notice in writing to that effect given to the Comptroller within 3 months from the date on which notice of the decision is given to the person, make an application to have his or her claim heard and determined by the Commissioners.
- (5) Where any application is made under paragraph (4), the Commissioners shall hear and determine the claim in like manner as an appeal made to them against an assessment under Schedule D, and all the provisions of this Law relating to such an appeal (including the provisions relating to appeals to the Royal Court) shall apply accordingly with any necessary modifications.
- (6) All income in respect of which a person is chargeable under Case IV or Case V of Schedule D may respectively be assessed and charged in one sum.

Cases VI and VII¹⁰⁹

81 Basis of computation under Cases VI and VII

- (1) Save as provided by Articles 86(2)(e) and 131G(5), tax under Case VI or Case VII of Schedule D shall be computed on the full amount of the profits or gains arising in the year of assessment.¹¹⁰
- (2) The nature of the profits or gains, and the basis on which the amount thereof has been computed, shall be stated to the Comptroller.
- (3) Every such statement and computation shall be made to the best of the knowledge and belief of the person in receipt of or entitled to the profits or gains.

81A Transactions in certificates of deposit¹¹¹

- (1) Where a person acquires the right to receive the amount (with or without interest) stated in a certificate of deposit issued to the person or any other person, any profits or gains arising to him or her from the disposal of that right or, except so far as it is a right to receive interest, from its exercise shall, if not falling to be taken into account as a trading receipt, be treated as annual profits or gains chargeable to tax under Case VI of Schedule D.
- (2) Where a person sustains a loss in a transaction which, if a profit had arisen from it, would be chargeable to tax by virtue of paragraph (1) of this Article, then, if he or she is chargeable to tax under Schedule D in respect of the interest payable on the amount stated in the certificate of deposit concerned, in computing the amount of interest chargeable to tax the amount of the person's loss shall be deducted from the interest and, if tax has been overpaid, he or she shall be entitled to repayment of the amount overpaid.
- (3) In this Article, "certificate of deposit" means a document relating to money, in any currency, which has been deposited with the issuer or some other person, being a document which recognizes an obligation to

pay a stated amount to bearer or to order, with or without interest, and being a document by the delivery of which, with or without endorsement, the right to receive that stated amount, with or without interest, is transferable.

Miscellaneous provisions as to Schedule D

82 Persons chargeable

Tax under Schedule D shall be charged on and paid by the persons or bodies of persons receiving or entitled to the income in respect of which tax under that Schedule is, in this Law, directed to be charged.

83 Deduction from profits of interest paid by coupon

The amount represented by coupons, which have been issued by any firm or undertaking, the whole of whose profits and income from every source are liable to tax under this Law, shall be deducted from the profits of that firm or undertaking assessable to tax under Schedule D.¹¹²

84 Tax computed on profits of previous period to be charged though no profits in year of assessment

Where it is provided by this Law that income tax under Schedule D in respect of profits or gains or income from any source is to be computed by reference to the amount of the profits or gains or income of some period preceding the year of assessment, tax as so computed shall be charged for that year of assessment notwithstanding that no profits or gains or income arise from that source for or within that year of assessment.

85 Statement of profits to include all sources of income chargeable under Schedule D

Every statement of profits to be charged under Schedule D which is made by any person –

- (a) on his or her own account; or
- (b) on account of some other person for whom he or she is chargeable, or who is chargeable in his or her name,

shall include every source of income so chargeable.

PART 11**PRINCIPAL PROVISIONS AS TO INTEREST, DIVIDENDS, ANNUAL PAYMENTS, ETC****86 Payments out of profits or gains already taxed**

- (1) Where any annuity, or any other annual payment (whether payable within or out of Jersey) is payable wholly out of profits or gains brought into charge to tax –
 - (a) no assessment shall be made upon the person entitled to the annuity or annual payment;
 - (b) the whole of the profits or gains shall be assessed and charged with tax on the person liable to the annuity or annual payment, without distinguishing the annuity or annual payment;
 - (c) the person liable to make the payment, whether out of the profits or gains charged with tax or out of any annual payment liable to deduction, or from which a deduction has been made, shall be entitled, on making the payment, to deduct and retain out of it a sum representing the amount of the tax thereon at the standard rate for the year in which the amount payable becomes due; and
 - (d) the person to whom the payment is made shall allow the deduction on receipt of the residue of the payment, and the person making the deduction shall be acquitted and discharged of so much money as is represented by the deduction, as if that sum had been actually paid.¹¹³
- (2) Where any yearly interest of money (whether payable within or outside Jersey) is payable under an agreement entered into before 1st January 2004 wholly out of profits or gains brought into charge to tax –
 - (a) no assessment shall be made upon the person entitled to the interest;
 - (b) the whole of the profits or gains shall be assessed and charged with tax on the person liable to the interest;
 - (c) the person liable to make the payment, whether out of the profits or gains charged with tax or out of any annual payment liable to deduction, or from which a deduction has been made, shall be entitled on making the payment to deduct and retain out of it a sum representing the amount of tax thereon at the standard rate for the year in which the amount payable becomes due;
 - (d) the person to whom payment is made shall allow the deduction on receipt of the residue of the payment, and the person making the deduction shall be acquitted and discharged of so much money as is represented by the deduction, as if that sum had actually been paid;
 - (e) the person making the payment shall be assessed and charged with tax under Schedule D Case VI on so much of the payment as does not qualify for relief under any of Articles 90AA to 90AD.¹¹⁴

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- (2A) Paragraph (2) shall not apply where the person liable to make the payment has elected, by written notice delivered to the Comptroller, for its disapplication.¹¹⁵
- (2B) An election under paragraph (2A) –
- (a) shall have effect from the first day of January following the election; and
 - (b) is irrevocable.¹¹⁶
- (3) Where any royalty or other sum paid in respect of the user of a patent is paid wholly out of profits or gains brought into charge to tax, the person paying the royalty or sum shall be entitled, on making the payment, to deduct and retain out of it a sum representing the amount of the tax thereon at the standard rate for the year in which the amount payable becomes due.¹¹⁷

87 Payments not made out of profits or gains already taxed

- (1) Where –
- (a) any interest of money, annuity or other annual payment charged with tax under Schedule D;
 - (b) any royalty or other sum paid in respect of the user of a patent; or
 - (c) any sum paid to an individual or an individual's personal representative pursuant to Article 131D or 131E, other than a sum applied in the purchase from an authorized insurance company which is unconnected with the individual of a lifetime annuity payable to the individual or, on the individual's death, to the individual's spouse or dependent,

is not payable or not wholly payable out of profits or gains brought into charge, the person by or through whom any payment thereof is made shall, on making the payment, deduct out of it a sum representing the amount of the tax thereon at the standard rate in force at the time of payment or, in the case of an annuity, such lesser sum as the Comptroller may direct to be deducted.¹¹⁸

- (2) Where any such payment as aforesaid is made by or through any person, that person shall forthwith deliver to the Comptroller an account of the payment, or of so much thereof as is not made out of profits or gains brought into charge, and of the tax deducted out of the payment or out of that part thereof, and the Comptroller shall assess and charge the payment for which an account is so delivered on that person.

87A Payments made under covenant¹¹⁹

- (1) For the purposes of Articles 86 and 87, the term “annual payment” includes a payment made under covenant if and only if –
- (a) it is made otherwise than for consideration in money or money's worth;

- (b) the payments (of which the payment in question is one) become payable for a period which may exceed 4 years; and
 - (c) the covenant is not capable of earlier termination under any power exercisable without the consent of the persons for the time being entitled to the payments.
- (2) Notwithstanding paragraph (1), a payment made to any person, with the exception of a payment to a charity, shall be treated for all the purposes of this Law as the payer's income and that income shall be computed without any deduction being made on account of the payment and the payment shall not form part of the income of the person to whom it is made or of any other person.¹²⁰
- (3) For the purposes of this Article, "charity" means a body of persons, or trust, the income from the property of which is exempt from income tax by virtue of Article 115(a), (aa), (ab) or (c).¹²¹

87B Donations to charity¹²²

- (1) For the purposes of this Article a gift to a charity by a person (the "donor") is a qualifying donation if –
- (a) it takes the form of a payment of a sum of money;
 - (b) it is not subject to a condition as to repayment;
 - (c) it is not a payment from which there is a right or obligation to deduct tax under any other Article of this Law;
 - (d) neither the donor nor any person connected with the donor receives a benefit in consequence of making it;
 - (e) it is not conditional on or associated with, nor part of an arrangement involving, the acquisition of property by the charity, otherwise than by way of gift, from the donor or a person connected with the donor;
 - (f) the sum paid is not less than £100;
 - (g) the sum paid does not, when aggregated with any other qualifying donations already made in the year of assessment by the donor and by any other person connected with the donor, exceed £500,000; and
 - (h) the donor is resident in Jersey at the time the gift is made and has been so resident for not less than 3 years preceding the making of the gift.¹²³
- (2) Where a gift is a qualifying donation it shall be treated for all the purposes of this Law as if the making of the gift were the making of a payment under covenant of an amount equal to the grossed-up amount of the gift, being a payment falling to be made at the time the gift is made.
- (3) The receipt by a charity of a gift which is a qualifying donation shall be treated as the receipt, under deduction of income tax at the standard rate in force at the time of payment, of an annual payment.
- (4) For the purposes of this Article –

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- (a) “charity” means a body of persons, or trust, the income from the property of which is exempt from income tax by virtue of Article 115(a) or (c);
 - (b) the reference, in relation to a gift, to the grossed-up amount is to the amount which after deducting income tax at the standard rate for the year of assessment leaves the amount of the gift.

88 Deduction of tax from Jersey dividends

- (1) The profits or gains to be charged on any body of persons shall be computed in accordance with the provisions of this Law on the full amount of the same before any dividend thereof is made in respect of any share, right or title thereto, and the body of persons paying the dividend shall be entitled to deduct tax at the standard rate for the year in which the amount payable becomes due.

89 Explanation of income tax deductions to be annexed to dividend warrants, etc.

- (1) Every warrant or cheque or other order drawn or made, or purporting to be drawn or made, in payment of any dividend or interest distributed by any company, being a limited liability company constituted under the Loi (1861) sur les Sociétés à Responsabilité Limitée,¹²⁴ or a company created by or in pursuance of a Law passed by the States and confirmed by Order of Her Majesty in Council, shall have annexed thereto or be accompanied by a statement in writing showing –
 - (a) the gross amount which, after deduction of the income tax appropriate thereto, corresponds to the net amount actually paid;
 - (b) the rate and the amount of the income tax appropriate to such gross amount; and
 - (c) the net amount actually paid.
- (2) If a company fails to comply with the provisions of this Article, the company shall, in respect of each offence, be liable to a fine not exceeding level 2 on the standard scale:

Provided that the aggregate amount of any fines imposed under this Article on any company in respect of offences connected with any one distribution of dividends or interest shall not exceed level 3 on the standard scale.¹²⁵

89A Relief in respect of interest paid to finance houses¹²⁶

- (1) Notwithstanding anything in Article 86 or 87, interest payable in Jersey on an advance from a finance house shall be paid without deduction of tax.
- (2) Subject to paragraph (3), the person by whom the interest is payable shall, upon proving to the satisfaction of the Comptroller that the interest has been paid out of profits or gains brought into charge to tax, be entitled

to such relief of tax, if any, as is allowed under any of Articles 90AA to 90AD on the amount of the interest.¹²⁷

- (3) No relief shall be given unless the Comptroller is satisfied that the interest has been or will be brought into account in the statement delivered or to be delivered for the purpose of income tax by the finance house making the advance.
- (4) In this Article “finance house” means a person, including a partnership, carrying on the trade of moneylender in Jersey but excludes a bank to which Article 90 refers.

90 Relief in respect of interest paid to banks

Where interest payable in Jersey on an advance from a bank carrying on a bona fide banking business in Jersey is paid to the bank without deduction of tax out of profits or gains brought into charge to tax, the person by whom the interest is paid shall be entitled, on proof of the facts to the satisfaction of the Comptroller, to such relief of tax, if any, as is allowed under any of Articles 90AA to 90AD of this Law on the amount of the interest:

Provided that no relief shall be given unless the Comptroller is satisfied that the interest has been or will be brought into account in the statement delivered or to be delivered for the purpose of income tax by the bank making the advance.¹²⁸

90AA Relief in respect of interest payments: only or main residence¹²⁹

- (1) This Article applies where a person pays yearly interest of money which he or she cannot deduct, in computing his or her income chargeable to tax, under any other provision of this Law.
- (2) Subject to Article 90AE, where the interest is payable on a loan incurred for the purpose of –
 - (a) acquiring a dwelling-house in Jersey for the purpose of its occupation by the person by whom the interest is payable as his or her only or main residence;
 - (b) extending a dwelling-house acquired for the purpose described in sub-paragraph (a); or
 - (c) paying off another loan, interest on which would have been eligible for relief under this paragraph had the loan not been paid off,

the person by whom the interest is payable, on proof of the facts to the satisfaction of the Comptroller, shall be entitled to relief of tax on the amount of the interest paid out of profits or gains brought into charge to tax.

- (3) Paragraph (2) shall not apply unless –
 - (a) at the time the interest is paid, the dwelling-house is occupied by the person by whom the interest is payable as his or her only or main residence; and
 - (b) the person by whom the interest is payable has made a declaration, in writing, to the Comptroller that the conditions in sub-paragraph (a) are fulfilled.

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- (4) Paragraph (2) shall not apply where –
 - (a) the person by whom the interest is payable acquires the dwelling-house from his or her spouse; and
 - (b) both of those persons occupy the dwelling-house as a residence before and after the acquisition.
 - (5) Interest payable in relation to a dwelling-house shall be eligible for relief under paragraph (2) only to the extent that the loan on which it is payable does not exceed £300,000, or the aggregate of the loans in relation to the dwelling-house on which it is payable does not exceed that amount.
 - (6) Where the interest eligible for relief in relation to a dwelling-house under paragraph (2) is payable by more than one person the relief shall be apportioned between those persons by reference to the portion that each of them pays of the total interest payable in relation to the dwelling house.
 - (7) This Article shall not apply to a loan entered into on or after 1st January 2004 unless the lender is –
 - (a) a person resident in Jersey; or
 - (b) a person –
 - (i) carrying on a business of making loans, and
 - (ii) chargeable to tax in Jersey on profits or gains derived from the loan.
 - (8) This Article is subject to Article 90D.¹³⁰

90AB Relief in respect of interest payments: commercial letting¹³¹

- (1) This Article applies where a person pays yearly interest of money which he or she cannot deduct, in computing his or her income chargeable to tax, under any other provision of this Law.
- (2) Subject to Article 90AE, where the interest is payable on a loan incurred for the purpose of –
 - (a) acquiring land for the purpose of letting the whole or substantially the whole of it on open market terms (including terms as to rent) to a person (other than the person by whom the interest is payable or a person connected with him or her);
 - (b) extending a building acquired for the purpose described in subparagraph (a); or
 - (c) paying off another loan, interest on which would have been eligible for relief under this paragraph had the loan not been paid off,the person by whom the interest is payable, on proof of the facts to the satisfaction of the Comptroller, shall be entitled to relief of tax on the amount of the interest paid out of profits or gains of the letting of the land brought into charge to tax.
- (3) Paragraph (2) shall not apply to a loan for the purpose described in subparagraph (a) or (b) of that paragraph unless the letting on open market

terms commences within what is, in the circumstances, a reasonable time following the advance of the loan or the first instalment of it.

- (4) Where –
- (a) part of the land is occupied by the person by whom the interest is payable or a person connected with him or her; or
 - (b) the whole or substantially the whole of the land is let as described in paragraph (2) for only part of the year of assessment,
- such part only of the interest shall be eligible for relief under the said paragraph (2) as is just and reasonable to attribute to the letting, having regard to all the relevant circumstances.
- (5) In this Article “land” includes a building.

90AC Relief in respect of interest payments: machinery and plant¹³²

- (1) This Article applies where a person pays yearly interest of money which he or she cannot deduct, in computing his or her income chargeable to tax, under any other provision of this Law.
- (2) Subject to Article 90AE, where the interest is payable on a loan incurred by a person for the purpose of –
- (a) enabling the person to buy machinery or plant for use wholly and exclusively in a trade or profession carried on by him or her; or
 - (b) paying off another loan, interest on which would have been eligible for relief under this paragraph had the loan not been paid off,
- the person by whom the interest is payable, on proof of the facts to the satisfaction of the Comptroller, shall be entitled to relief of tax on the amount of the interest paid out of profits or gains of the trade or profession brought into charge to tax.
- (3) Subject to Article 90AE, where the interest is payable on a loan incurred by a person for the purpose of –
- (a) enabling him or her to buy any machinery or plant for use wholly and exclusively for the purposes of his or her office or employment; or
 - (b) paying off another loan interest on which would have been eligible for relief under this paragraph had the loan not been paid off,
- the person by whom the interest is payable, on proof of the facts to the satisfaction of the Comptroller, shall be entitled to relief of tax on the amount of interest paid out of profits or gains of the office or employment brought into charge to tax.

90AD Relief in respect of interest payments: acquisition of trade, partnership share or trading company¹³³

- (1) This Article applies where a person pays yearly interest of money which he or she cannot deduct, in computing his or her income chargeable to tax, under any other provision of this Law.
- (2) Subject to Article 90AE, where –

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- (a) the interest is payable on a loan incurred by a person for the purpose of –
 - (i) acquiring a trade, or
 - (ii) paying off another loan, interest on which would have been eligible for relief under this paragraph had the loan not been paid off;
 - (b) throughout the period from the application of the proceeds of the loan until the interest is paid, the person has been the proprietor of the trade; and
 - (c) the person shows that, in the period described in sub-paragraph (b), he or she has not recovered any capital from the trade apart from any amount taken into account under Article 90AF,

the person by whom the interest is payable, on proof of the facts to the satisfaction of the Comptroller, shall be entitled to relief of tax on the amount of the interest paid out of profits or gains of the trade brought into charge to tax.

(3) Subject to Article 90AE, where –

- (a) the interest is payable on a loan incurred by a person for the purpose of –
 - (i) acquiring a share in a partnership which carries on a trade or profession, or
 - (ii) paying off another loan, interest on which would have been eligible for relief under this paragraph had the loan not been paid off;
- (b) throughout the period from the application of the proceeds of the loan until the interest is paid, the person has been a partner in the partnership; and
- (c) the person shows that, in the period described in sub-paragraph (b), he or she has not recovered any capital from the partnership, apart from any amount taken into account under Article 90AF,

the person by whom the interest is payable, on proof of the facts to the satisfaction of the Comptroller, shall be entitled to relief of tax on the amount of the interest paid out of his or her share of the profits or gains of the partnership brought into charge to tax.

(4) Subject to Article 90AE, where –

- (a) the interest is payable on a loan incurred by a person who is an individual, a partnership, a holding company or a trading company, for the purpose of –
 - (i) acquiring a controlling interest in a trading company, or
 - (ii) paying off another loan, interest on which would have been eligible for relief under this paragraph had the loan not been paid off; and
- (b) that person shows that, in the period from the application of the proceeds of the loan until the interest is paid, he or she has not

recovered any capital from the trading company, apart from any amount taken into account under Article 90AF,

the person by whom the interest is payable, on proof of the facts to the satisfaction of the Comptroller, shall be entitled to relief of tax on the amount of the interest paid out of profits or gains derived from the trading company in which the controlling interest is acquired and brought into charge to tax.

(5) In paragraph (4) –

“controlling interest” means, in relation to a company, 51% or more of the ordinary share capital of the company;

“holding company” means a company which exists wholly and exclusively to own the controlling interest in the trading company;

“trading company” means a company, wherever resident, which exists wholly or mainly for the purpose of carrying on a trade or trades.

90AE Provisions supplementary to Articles 90AA to 90AD: general¹³⁴

(1) In this Article and in Articles 90AA to 90AD “loan” includes any borrowing.

(2) Articles 90AA to 90AD shall not apply to a loan unless it is made –

(a) in connection with the application of money; and

(b) on the occasion of, or within what is in the circumstances a reasonable time from, the application of the money,

and those Articles shall not apply to a loan the proceeds of which are applied for some other purpose before being applied as mentioned in any of those Articles.

(3) Where only a portion of a loan fulfils the conditions required under any of Articles 90AA to 90AD for interest on the loan to be eligible for relief of tax under any of those Articles, such portion of the total interest payable on the whole of the loan shall be treated as eligible for relief under the Article as equates to the portion of the loan fulfilling those conditions.

(4) In paragraph (3), in its application for the purposes of Article 90AA, where there is more than one loan in relation to the dwelling-house, “loan” means the aggregate of such loans.

(5) Where any of Articles 90AA to 90AD applies to a loan (“the replacement loan”) applied to pay off another loan (“the original loan”) –

(a) any condition or restriction applicable thereunder to the original loan shall apply to the original loan and the replacement loan as if they were one loan; and

(b) any reference to the application of the proceeds of the replacement loan (apart from the reference by virtue of which the replacement loan is eligible for relief) shall be treated as a reference to the application of the proceeds of the original loan.

90AF Provisions supplementary to Article 90AD: recovery of capital from trade, partnership or company¹³⁵

- (1) If, at any time after the application of the proceeds of a loan or other borrowing described in paragraph (2), (3) or (4) of Article 90AD, the person by whom the interest is payable has recovered any amount of capital from the trade, partnership or company without using that amount in repayment of the loan or other borrowing, that person shall be treated, for the purposes of the said paragraph (2), (3) or (4), as if he or she had at that time repaid that amount out of the loan or other borrowing so that, out of the interest otherwise eligible for relief (or, where paragraph (3) of Article 90AE applies, out of the portion so eligible) and payable for any period after that time, there shall be deducted an amount equal to interest on the amount of capital so recovered.
- (2) For the purposes of paragraph (1), a person shall be treated as having recovered an amount of capital from the trade, partnership or company if, whether directly or indirectly –
 - (a) he or she receives consideration of that amount or value for the sale, exchange or assignment of the trade, his or her interest in the partnership or any part of the share capital of the company or of repayment of any part of that share capital;
 - (b) the trade, partnership or company repays that amount of a loan or advance from him or her, or the trade or partnership returns that amount of capital to him or her; or
 - (c) he or she receives consideration of that amount or value for assigning any debt due to him or her from the trade, partnership or company.
- (3) Where a sale, exchange or assignment referred to in paragraph (2) is not a bargain made at arm's length, the sale, exchange or assignment shall be deemed to be for a consideration of an amount equal to the market value of what is disposed of.

90A Maintenance payments¹³⁶

- (1) This Article applies to any payment due on or after 1st January 1997 which is made under an order of a Court (whether in Jersey or elsewhere) or under a written or oral agreement by an individual –
 - (a) as one of the parties to a marriage (including a marriage which has been dissolved or annulled) to or for the benefit of the other party to the marriage and for the maintenance of the other party; or
 - (b) to any person for the benefit, maintenance or education of himself or herself or of any other person,other than a payment made under an existing obligation.
- (2) Notwithstanding anything in Article 86 or 87, a payment to which this Article applies shall be made without deduction of tax.

- (3) Notwithstanding anything in Article 86 or 87, a payment to which this Article applies shall not be a charge on the income of the individual liable to make it, and accordingly –
- (a) the individual's income shall be computed without any deduction being made on account of the payment; and
 - (b) the payment shall not form part of the income of the person to whom it is made or of any other person.
- (4) A payment to which this Article applies which arises outside Jersey shall not be within the charge to tax under Case V of Schedule D if, because of this Article, it would not have been within the charge to tax under Case III had it arisen in Jersey.
- (5) No deduction shall be made under Article 80(1)(c) on account of any payment to which this Article applies.
- (6) In this Article and in Articles 90B and 90C, “existing obligation” means a binding obligation –
- (a) under an order made by a Court (whether in Jersey or elsewhere) before 1st January 1997;
 - (b) under a deed executed or written agreement made before 1st January 1997;
 - (c) under an oral agreement made before 1st January 1997, written particulars of which have been received by the Comptroller before the end of June 1997; or
 - (d) under an order made by a Court (whether in Jersey or elsewhere) on or after 1st January 1997, or under a written agreement made on or after that date, where the order or agreement replaces, varies or supplements an order or agreement within this paragraph,
- but subject to paragraph (7).
- (7) An obligation within paragraph (6)(d) is an existing obligation only if the order or agreement replaced, varied or supplemented provided for such payments to be made for the benefit, maintenance or education of the same person.

90B Deduction in respect of qualifying maintenance payments¹³⁷

- (1) In this Article “qualifying maintenance payment” means –
- (a) a periodical payment (not being a lump sum or an instalment of a lump sum) due on or after the first day of January 1997 which –
 - (i) is made under an order of a court in Jersey or in a member State of the European Communities, or under a written agreement the proper law of which is the law of Jersey or of a member State of the European Communities,
 - (ii) is made by one of the parties to a marriage (including a marriage which has been dissolved or annulled) –
 - (A) to or for the benefit of the other party and for the maintenance of the other party, or

-
- (B) for the benefit, maintenance or education of a person in respect of whom either party has or has had an entitlement to a deduction under Article 95,
 - (iii) is due at a time when the 2 parties are not a married couple living together, and
 - (iv) is not a payment in respect of which relief from tax is available to the individual making the payment under any provision of this Law other than this Article,
other than a payment made under an existing obligation; or
 - (b) a periodical payment (not being a lump sum or an instalment of a lump sum) due on or after the first day of January 2004 which –
 - (i) is made under an order of a court in Jersey or in a member State of the European Communities, or under a written agreement the proper law of which is the law of Jersey or of a member State of the European Communities,
 - (ii) is made by a parent to or for the benefit, maintenance or education of his or her illegitimate child,
 - (iii) is due at a time when the parents of the child are not living together, and
 - (iv) is not a payment in respect of which relief from tax is available to the individual making the payment under any provision of this Law other than this Article,
other than a payment made under an existing obligation.¹³⁸
 - (2) Notwithstanding Article 90A(3)(a) but subject to paragraph (3) of this Article, an individual making a claim for the purpose shall be entitled, in computing the individual's total income for a year of assessment, to deduct an amount equal to the aggregate amount of any qualifying maintenance payments made by the individual which fall due in that year.
 - (3) The amount which may be deducted under paragraph (2) shall not exceed £2,600.
 - (4) For the purposes of paragraph (1)(a)(iii), 2 parties to a marriage are not a married couple living together if –
 - (a) they are separated under an order of a Court of competent jurisdiction or by agreement of separation; or
 - (b) they are in fact separated in such circumstances that the separation is likely to be permanent.¹³⁹
 - (5) This Article is subject to Article 90D.¹⁴⁰

90C Maintenance payments under existing obligations¹⁴¹

- (1) This Article applies to a payment due on or after 1st January 1998 which is made under an existing obligation.
- (2) Notwithstanding anything in Article 86 or 87, a payment to which this Article applies shall be made without deduction of tax.

- (3) An individual making a payment to which this Article applies shall be entitled to make a deduction of an amount determined in accordance with paragraph (4) in computing the individual's total income for the year of assessment in which the payment falls due.
- (4) The amount which an individual may deduct under paragraph (3) in computing the individual's total income for a year of assessment shall be equal to the aggregate amount of the payments made by the individual to which this Article applies which fall due in that year, except that it shall not in any event exceed an amount equal to the aggregate amount of any payments due in the year of assessment 1997 under an existing obligation and in respect of which the individual was entitled to make a deduction in computing the individual's income for that year.
- (5) Where, pursuant to paragraph (3), an individual is entitled to make a deduction in respect of a payment in computing the individual's total income for a year of assessment, the payment shall form part of the income of the recipient, but subject to paragraph (6).
- (6) The amount which, by virtue of paragraph (5), is treated as forming part of the recipient's income for a year of assessment by reason of payments made by an individual shall not exceed an amount equal to the aggregate amount of any payments made by that individual under an existing obligation which formed part of the recipient's income for the year of assessment 1997.
- (7) A payment to which this Article applies shall be within the charge to tax under Case III or (if it arises outside Jersey) Case V of Schedule D but the tax chargeable shall be computed on the payments falling due in the year of assessment, so far as paid in that or any other year.
- (8) No deduction shall be made under Article 80(1)(c) on account of any payment to which this Article applies.
- (9) This Article is subject to Article 90D.¹⁴²

90D Reduction in relief of tax under Articles 90AA, 90B and 90C for 2007 to 2010¹⁴³

The amount of any relief that a person is allowed to deduct, by virtue of any of Articles 90AA, 90B and 90C, in calculating the person's total income shall be reduced –

- (a) for the year of assessment 2007, by 20%;
- (b) for the year of assessment 2008, by 40%;
- (c) for the year of assessment 2009, by 60%;
- (d) for the year of assessment 2010, by 80%.

PART 12**PERSONAL ALLOWANCES AND RELIEFS****92 Earned income allowance¹⁴⁴**

Subject to Article 101B, an individual who delivers a statement in accordance with the provisions of Article 16 shall, for the purpose of ascertaining the amount of the individual's assessable income for the purpose of income tax, be allowed a deduction from the amount of the individual's earned income of a sum equal to $\frac{1}{4}$ of the amount of that income, but not exceeding in any case £3,400.

In any case where the profits of a wife are deemed to be profits of the husband, references in this paragraph to the earned income of an individual shall be deemed to include the earned income of the wife.¹⁴⁵

92A Threshold for exemption from income tax¹⁴⁶

- (1) An individual shall be entitled to exemption from income tax for a year of assessment if the individual's total income for that year does not exceed the threshold applicable in the individual's case by virtue of this Article.
- (2) The threshold applicable in the case of an individual who proves, for the year of assessment –
 - (a) that he has his wife living with him; or
 - (b) that his wife is wholly maintained by him during the year of assessment and that he is not entitled, in computing the amount of his income for that year for the purposes of this Law, to make any deductions in respect of sums paid for the maintenance of his wife, shall be, subject to paragraphs (3), (4), (5), (8) and (9) and Article 92B –
 - (i) for the year of assessment 2007, £18,130;
 - (ii) for the year of assessment 2008, £18,580;
 - (iii) for the year of assessment 2009 and ensuing years, £19,040.
- (3) Where an individual to whom paragraph (2) applies proves, at the commencement of the year of assessment, that either he or his wife living with him was of the age of 63 years or more, the threshold applicable in the individual's case shall be increased –
 - (a) for the year of assessment 2007, by £2,630;
 - (b) for the year of assessment 2008, by £2,700;
 - (c) for the year of assessment 2009 and ensuing years, by £2,770.
- (4) Where the total income for the year of assessment of an individual to whom paragraph (2) applies includes any earned income of his wife, the threshold applicable in his case shall be increased by an amount equal to the amount of that earned income, but not exceeding in any case £4,500.

- (5) No exemption shall be allowed by virtue of paragraph (4) in respect of earned income received or receivable by the wife from the individual himself.
- (6) The threshold applicable in the case of any individual to whom, for the year of assessment, paragraph (2) does not apply shall be, subject to paragraphs (7), (8) and (9) and Article 92B –
 - (a) for the year of assessment 2007, £11,300;
 - (b) for the year of assessment 2008, £11,580;
 - (c) for the year of assessment 2009 and ensuing years, £11,870.
- (7) Where an individual to whom paragraph (6) applies proves that, at the commencement of the year of assessment, he or she was of the age of 63 years or more the threshold applicable in the individual's case shall be increased –
 - (a) for the year of assessment 2007, by £1,310;
 - (b) for the year of assessment 2008, by £1,350;
 - (c) for the year of assessment 2009 and ensuing years, by £1,380.
- (8) Where any individual is entitled, for the year of assessment, to any deduction under Article 95, the threshold applicable in the individual's case shall be increased by an amount equal to the aggregate of the deductions to which the individual is entitled under that Article.
- (9) Where any individual is entitled, for the year of assessment, to a deduction under Article 98A, the threshold applicable in the individual's case shall be increased by an amount equal to the deduction to which the individual is entitled under that Article.
- (10) In calculating an individual's total income for the purposes of paragraph (1), the effect of Article 90D shall be disregarded.

92B Increase in exemption threshold for child day care¹⁴⁷

- (1) The threshold applicable in the case of an eligible claimant shall be increased by –
 - (a) the amount paid by the claimant to a registered day carer for the care of a qualifying child;
 - (b) the claimant's qualifying income; or
 - (c) £6,150,whichever is the lowest, but no amount which qualifies for relief under any other provision of this Law shall be included.
- (2) Where, for any year of assessment, 2 or more individuals are entitled to an increase under paragraph (1) in respect of the qualifying child, the amount of the increase shall be apportioned between them as they agree or, in default of agreement, by the Comptroller to the best of his or her judgment, in accordance with evidence supplied to the Comptroller by each claimant.

- (3) No increase claimed under paragraph (1) shall be allowed unless the eligible claimant provides the Comptroller with a certificate from the registered day carer showing, in respect of the year of assessment –
- (a) the name, address and registration number of the registered day carer;
 - (b) the full name and date of birth of the qualifying child; and
 - (c) the amount received for the care of that child.
- (4) For the purposes of Article 137, a certificate provided under paragraph (3) shall be treated as a statement made in connection with a claim for relief.
- (5) In this Article –
- “eligible claimant” means –
- (a) an individual in whose case the exemption threshold described in Article 92A(2) applies and –
 - (i) whose spouse has qualifying income, or
 - (ii) who is entitled to an additional allowance under Article 98A; or
 - (b) an individual in whose case the exemption threshold described in Article 92A(6) applies and who has qualifying income, apart from a man, if he and a woman live together as husband and wife for the whole or any part of the year of assessment;

“qualifying child” means a child in respect of whom an eligible claimant is entitled to a deduction under Article 95 and who has not attained the age of 13 years in the year of assessment;

“qualifying income” means income, other than any earned income received or receivable by a wife from her husband, arising from a trade, profession, office, employment or vocation chargeable to tax under Case I or II of Schedule D, other than the first £4,500 of that income for the year of assessment;

“registered day carer” means a day carer registered under the Day Care of Children (Jersey) Law 2002¹⁴⁸ or a person taken to have been so registered by virtue of Article 13 of that Law.

92C Marginal rate of tax¹⁴⁹

- (1) An individual whose total income exceeds the threshold applicable in the individual’s case by virtue of Article 92A shall be entitled, for any year of assessment, to have the amount of income tax payable in respect of his or her total income reduced so that it does not exceed an amount equal to 27% of the amount by which the individual’s total income exceeds that threshold.
- (2) In calculating an individual’s total income for the purposes of paragraph (1), the effect of Article 90D shall be disregarded.

93 Deductions from assessable income

The amount of the income of an individual which is chargeable to income tax shall be ascertained by making from the assessable income of the individual deductions in accordance with and subject to the provisions of this Part hereafter following.

94 Personal allowance¹⁵⁰

- (1) If an individual proves that for the year of assessment he has his wife living with him, or that his wife is wholly maintained by him during the year of assessment and that he is not entitled in computing the amount of his income for that year for the purposes of this Law to make any deductions in respect of the sums paid for the maintenance of his wife, he shall be entitled to a deduction by way of personal allowance for married persons of £5,200.
- (2) An individual who is not entitled to a deduction under paragraph (1) shall be entitled to a deduction by way of personal allowance of £2,600.
- (3) If the total income of the individual includes any earned income of his wife, the deduction to be allowed under this Article shall be increased by an amount equal to the amount of that earned income, but not exceeding in any case £4,500.
- (4) No deduction shall be allowed by virtue of paragraph (3) in respect of earned income received or receivable by the wife from the individual himself.
- (5) This Article is subject to Article 101B.

95 Children

- (1) If an individual proves –
 - (a) that the individual has living at any time within the year of assessment any child who is either under the age of 16 years or who, if over the age of 16 years at the commencement of that year was receiving full-time instruction at any school, the individual shall, subject to the provisions of this Article, be entitled in respect of each child to a deduction of £2,500; or
 - (b) that the individual has living at any time within the year of assessment any child who is over the age of 17 years and was receiving full-time higher education the individual shall, subject to the provisions of this Article, be entitled in respect of each child to a deduction of £5,000.

In this paragraph, “child” includes a step-child and an illegitimate child whose parents have married each other after the child’s birth.¹⁵¹

- (2) If an individual proves that for the year of assessment the individual has the custody of and maintains at the individual’s own expense any child who is under the age of 16 years at the commencement of that year or who, if over the age of 16 years at the commencement of that year, is receiving such full-time instruction or full-time higher education as

aforesaid and that neither the individual nor any other individual is entitled to a deduction in respect of the same child under the foregoing provisions of this Article or under any of the other provisions of this Part, or, if any other individual is entitled to such a deduction, that that other individual has relinquished the individual's claim thereto, the individual shall be entitled in respect of the child to the same deduction as if the child were a child of the individual's.¹⁵²

- (3) In the case of a child who is entitled in the child's own right to an income exceeding £2,500 a year, the deduction under this Article in respect of the child shall be reduced, in the case of a deduction referred to in paragraph (1)(a), by the amount of the excess and, in the case of a deduction referred to in paragraph (1)(b), by £3 for every £2 of the excess.¹⁵³
- (4) Where, for any year of assessment, 2 or more individuals are entitled to a deduction under this Article in respect of the same child, the deduction shall be apportioned between them in such proportion as they agree, or, in default of agreement, in proportion to the amount or value of the provision made by them respectively (otherwise than by way of payments deductible in computing their respective total incomes) for the child's maintenance and education for the year of assessment.
- (5) An apportionment may be made under paragraph (4) notwithstanding that a deduction in respect of the child in question has already been allowed to any individual, and, if it appears as a result of the apportionment that the individual has been allowed too great a deduction, the amount of the excess may, if not otherwise made good, be assessed under Case VI of Schedule D and the tax thereon recovered from the individual accordingly.
- (6) In this Article "higher education" has the same meaning as in the Education (Jersey) Law 1999^{154, 155}

98A Additional allowance in respect of children¹⁵⁶

- (1) If an individual proves in the case of a year of assessment that –
 - (a) the individual is not entitled to a deduction under Article 94(1) or that the individual is so entitled but he or his spouse was throughout the year of assessment totally incapacitated by physical or mental infirmity; and
 - (b) the individual is entitled to a deduction under Article 95 in respect of a child resident with the individual,the individual shall, subject to paragraphs (2) to (5), be entitled to a deduction of £4,500.¹⁵⁷
- (2) Not more than one deduction shall be allowed to an individual under this Article for any year.
- (3) Where –

- (a) a man and a woman who are not married to each other live together as husband and wife for the whole or any part of a year of assessment; and
- (b) apart from this paragraph each of them would be entitled to a deduction under paragraph (1),

neither of them shall be entitled to such a deduction except in respect of the youngest of the children in respect of whom either would otherwise be entitled to a deduction.

- (4) Where more than one individual is entitled to relief under this Article in respect of the same child, the deduction under paragraph (1) shall be apportioned between them in such proportions as they may agree or, in default of such agreement, in proportion to the length of the periods for which the child was resident with them respectively in the year of assessment.
- (5) Where for any year of assessment an individual is entitled under this Article to apportioned amounts in respect of 2 or more children, the deduction to which the individual is entitled shall be equal to the sum of those amounts, or the amount referred to in paragraph (1), whichever is the less.

101 Insurance premiums

- (1) Any individual –
 - (a) who has made an insurance on his life or the life of his wife, or who has contracted for any deferred annuity on his own life or the life of his wife, with a legally established insurance company or with a registered friendly society or, in the case of a deferred annuity, with the National Debt Commissioners; or
 - (b) who is, under any enactment or under the terms and conditions of his employment, liable to the payment of any sum or to the deduction from his salary or stipend of any sum for the purpose of securing a deferred annuity to his widow or provision for his children after his death,

shall, subject as hereinafter provided, be entitled to deduct from the amount of the individual's assessable income the amount of the premiums paid by the individual for any such insurance or contract or the amount of the sum paid by him or deducted from the individual's salary or stipend.

- (1A) Paragraph (1) shall apply only where the insurance was made, the contract was entered into, or the liability arose, before 1st January 2007.¹⁵⁸
- (2) No such allowance –
 - (a) shall be made in respect of any such amounts beyond 1/6th of the total income of the person from all sources calculated in accordance with the provisions of this Law;
 - (b) shall exceed, in respect of any premium or other payment payable on a policy for securing a capital sum on death (whether in

conjunction with any other benefit or not), 7% of the actual capital sum assured and, in calculating any such capital sum, no account shall be taken of any sum payable on the happening of any other contingency, or of the value of any premiums agreed to be returned, or any benefit by way of bonus, or otherwise, which is to be or may be received either before or after death, either by the person paying the premium or by any other person, and which is not the sum actually assured;

- (c) shall, as regards insurances or contracts for deferred annuities –
- (i) be given except in respect of premiums or other payments payable on policies for securing a capital sum on death, whether in conjunction with any other benefit or not, or
 - (ii) be given in respect of premiums or payments payable during the period of deferment in respect of a policy of deferred assurance:

Provided that the 2 last-mentioned restrictions shall not affect premiums or payments payable on policies or contracts made in connection with any superannuation or bona fide pension scheme for the benefit of the employees of any employer or of persons engaged in any particular trade, profession, vocation or business or for the benefit of the wife or widow of any such employee or person or of the employee or person's children or other dependants.¹⁵⁹

- (3) Where premiums in respect of any insurance effected with a registered friendly society are made payable for shorter periods than 3 months, a person who claims relief under this Article shall, in order to obtain relief, produce to the Comptroller a certificate, signed by an officer of the society, certifying the correct amount of premiums paid during the year of assessment.
- (4) Where a premium is paid by a wife out of her separate income in respect of an insurance on her own life or the life of her husband, or a contract for any deferred annuity on her own life or the life of her husband, the same deduction shall be allowed as if the premium were a premium paid by her husband for an insurance on his own life, or for a contract for a deferred annuity on his own life, and this Article shall apply accordingly.
- (5) Where, apart from this paragraph, the amount of any deduction by way of allowance to which an individual would be entitled under this Article exceeds £1,000, the amount of the deduction shall instead be whichever is the greater of –
- (a) £1,000;
 - (b) the amount to which, apart from this paragraph, the individual would be entitled under this Article, reduced –
 - (i) for the year of assessment 2007, by 20%,
 - (ii) for the year of assessment 2008, by 40%,
 - (iii) for the year of assessment 2009, by 60%.
 - (iv) for the year of assessment 2010, by 80%.¹⁶⁰

101A Medical insurance premiums¹⁶¹

- (1) Subject to Article 101B and the provisions of this Article, an individual who has made a contract of private medical insurance shall be entitled to deduct from the amount of the individual's assessable income the amount of the premiums paid by the individual in accordance with the contract.¹⁶²
- (2) No such deduction shall be allowed unless the contract of private medical insurance –
 - (a) is made with an insurer carrying on in the United Kingdom business of any of the classes specified in Part I of Schedule 2 to the Insurance Companies Act 1982 of the United Kingdom;
 - (b) provides indemnity solely against the costs or part of the costs of medical and surgical treatments and diagnosis, nursing care or other ancillary services; and
 - (c) insures the individual referred to in paragraph (1) and, as appropriate, his wife and any child of his who at the commencement of the year of assessment was aged 21 years or less.¹⁶³
- (3) Where a premium is paid by a wife out of her separate income in respect of a contract of private medical insurance the same deduction shall be allowed as if the premium were a premium paid by her husband.

101B Reduction in allowances under Articles 92, 94 and 101A for 2007 to 2010¹⁶⁴

The amount of any deduction by way of allowance to which an individual is entitled under any of Articles 92, 94 and 101A shall be reduced –

- (a) for the year of assessment 2007, by 20%;
- (b) for the year of assessment 2008, by 40%;
- (c) for the year of assessment 2009, by 60%;
- (d) for the year of assessment 2010, by 80%.

102 Instalment payment relief¹⁶⁵**103 No relief unless statement delivered**

An individual shall not be entitled to any allowances or relief under the preceding provisions of this Part, other than Article 92, unless the individual has delivered to the Comptroller a statement of the individual's income from all sources.

104 No relief in respect of charges on income

An individual shall not be entitled to any allowance or relief under the preceding provisions of this Part in respect of any income, the tax on which the individual is entitled to charge against any other person or to deduct, retain or

satisfy out of any payment which the individual is liable to make to any other person.

105 Partners

- (1) Partners carrying on a trade, profession or vocation together, who are entitled to the profits thereof in shares, and others holding joint interest in property, may claim allowance or relief under the provisions of this Part according to their respective shares and interests, in the same manner as in the case of several interests.
- (2) For the purposes of this Article, the income of a partner from a partnership carrying on any trade, profession or vocation, shall be deemed to be the share to which he or she is entitled during the year to which the claim relates in the partnership profits, such profits being calculated according to the provisions of this Law.¹⁶⁶

106 Non-Residents

- (2) No allowance or relief under the preceding provisions of this Part shall be given in the case of an individual not resident in Jersey so as to reduce the amount of the income tax payable by that individual below an amount which bears the same proportion to the amount which would be payable by the individual by way of tax if the tax were chargeable on the individual's total income from all sources, including income which is not subject to income tax charged in Jersey, as the amount of income subject to income tax so charged bears to the amount of the individual's total income from all sources.¹⁶⁷
- (3) In calculating the income tax that would be payable under paragraph (2) no account shall be taken of the deduction which an individual would otherwise be entitled to make in accordance with the provisions of Articles 101 and 101A.¹⁶⁸

PART 12A

CAPITAL ALLOWANCES¹⁶⁹

106A Allowances and balancing adjustments¹⁷⁰

- (1) Subject to the provisions of this Part, where a person carrying on a trade has incurred capital expenditure on the provision of machinery or plant wholly and exclusively for the purposes of the trade and, in consequence of his or her incurring the expenditure, the machinery or plant belongs, or has belonged, to the person, allowances and charges shall be made to and on the person in accordance with the following provisions of this Article.
- (2) For any year of assessment for the basis period of which a person within paragraph (1) has qualifying expenditure as defined in paragraph (4), which exceeds any disposal value to be brought into account by the person in accordance with paragraph (5), there shall be made to the

person an allowance of an amount equal to 25% of the excess, or a proportionately reduced percentage of the excess if the trade has been carried on for part only of the year of assessment:

Provided that if the year of assessment is the year of assessment in which occurs the permanent discontinuance of the trade, an allowance (in this Part referred to as a “balancing allowance”) shall be made to that person equal to the whole of the excess.

- (3) For any year of assessment for the basis period of which a person’s qualifying expenditure is less than the disposal value which the person is to bring into account, there shall be made on the person a charge (in this Part referred to as a “balancing charge”), and the amount on which the charge is made shall be an amount equal to the difference.
- (4) For the purposes of this Article, a person’s qualifying expenditure is the aggregate of –
 - (a) the amount of capital expenditure incurred by the person on the provision for the purposes of the trade of machinery or plant, being expenditure incurred in the basis period or at any previous time, and not being expenditure which, or any part of which, has formed part of the person’s qualifying expenditure for any previous basis period; and
 - (b) if for the year of assessment immediately preceding the year of assessment in question there was an excess of qualifying expenditure over disposal value, the balance of that excess after deducting any allowances made by reference thereto.
- (5) For the purposes of this Article, the disposal value to be brought into account by a person is the disposal value (calculated in accordance with paragraph (6)) of all machinery or plant on the provision of which for the purposes of the trade the person has incurred capital expenditure and in respect of which one of the following events occurs, namely –
 - (a) the machinery or plant ceases to belong to the person;
 - (b) the person loses possession of the machinery or plant in circumstances where it is reasonable to assume the loss is permanent;
 - (c) the machinery or plant ceases to exist as such (as a result of destruction, dismantling or otherwise);
 - (d) the machinery or plant begins to be used wholly or partly for purposes which are other than those of the trade; or
 - (e) the trade is permanently discontinued, or is treated by virtue of any provision of this Law as permanently discontinued,and that is the first such event to occur.
- (6) The disposal value of any machinery or plant depends on the event by reason of which it falls to be taken into account and –
 - (a) unless sub-paragraph (b) applies, if that event is the sale of the machinery or plant, equals the net proceeds to the person in question of the sale, together with any insurance moneys received by the person in respect of the machinery or plant by reason of any event affecting the price obtainable on the sale and, so far as it

consists of capital sums, any other compensation of any description so received;

- (b) if that event is the sale of the machinery or plant at a price lower than that which it would have fetched if sold in the open market, equals the price which the machinery or plant would have fetched if sold in the open market;
- (c) if that event is the demolition or destruction of the machinery or plant, equals the net amount received by the person in question for the remains of the machinery or plant, together with any insurance moneys received by the person in respect of the demolition or destruction and, so far as it consists of capital sums, any other compensation of any description so received;
- (d) if that event is the permanent loss of the machinery or plant otherwise than in consequence of its demolition or destruction, equals any insurance moneys received by the person in respect of the loss and, so far as it consists of capital sums, any other compensations of any description so received;
- (e) in the case of any other event, equals the price which the machinery or plant would have fetched if sold in the open market at the time of the event:

Provided that the disposal value of any machinery or plant shall in no case exceed the capital expenditure incurred by the person in question on the provision of the machinery or plant for the purposes of the trade.

- (7) An allowance may be made to a person in respect of any machinery or plant notwithstanding that it appears that the provision of the machinery or plant was partly for purposes other than those of the trade carried on by the person, but the allowance to be made in respect thereof shall be so much only of the allowance that would fall to be made if the provision of the machinery or plant were wholly or exclusively for the purposes of the trade as may be just and reasonable having regard to all the relevant circumstances of the case and, in particular, to the extent to which the machinery or plant is to be used for the said other purposes.
- (8) For the purposes of paragraph (7), the allowance shall be computed as if each item of machinery or plant was provided for the purposes of some other trade separate from the trade actually carried on, and the discontinuance of that separate trade shall be deemed to have occurred on the date on which the machinery or plant in question ceases to be used for any purposes of the trade actually carried on.

106B Special provisions as to glasshouses¹⁷¹

- (1) Subject to the provisions of this Part, where a person carrying on a trade has incurred capital expenditure on the provision of a glasshouse used for the purposes of the person's trade and, in consequence of the person's incurring the expenditure, the glasshouse belongs, or has belonged, to the person, he or she shall be deemed to have incurred expenditure of that amount on the provision of machinery or plant and the provisions of Article 106A shall apply to the person accordingly, except that for the

words “25%” in paragraph (2) of that Article there shall be substituted the words “10%”.

- (2) Notwithstanding any other provision of this Part, where any glasshouse which is used by the person to whom it belongs for the purposes of his or her trade ceases, for any reason whatsoever, to belong to that person and commences to belong to some other person, the glasshouse shall be deemed to have been sold by the first mentioned person to the second mentioned person for a sum equal to the amount of capital expenditure on the provision of the glasshouse still unallowed immediately before the glasshouse ceased to belong to the first mentioned person.
- (3) For the purposes of paragraph (2), the amount of capital expenditure still unallowed means, in respect of the provision of a glasshouse for the purposes of the trade, the capital expenditure incurred thereon, as reduced by any allowances for capital expenditure and deductions on account of wear and tear made by reference thereto.

106C Miscellaneous and General¹⁷²

- (1) References in this Part to capital expenditure incurred by a person do not include any expenditure in respect of which a deduction has been or will be made under Part 10.
- (2) References in this Part to a trade shall be deemed to include references to a profession, vocation, employment or office.
- (3) In considering the allowance or charge which shall be made to or on a person for a year of assessment under this Part, there shall be left out of account the proportion of the expenditure on the provision of the machinery or plant met out of a grant paid or to be paid out of the revenues of the States.¹⁷³
- (4) Where a person brings into use for the purposes of a trade carried on by the person machinery or plant which –
 - (a) belongs to the person in consequence of his or her having incurred capital expenditure on its provision for purposes which were such that the expenditure has not been taken into account in computing any allowance or deduction to be made to the person under this Law; or
 - (b) belongs to the person in consequence of a disposition by way of gift by reason of which the donor was required by virtue of Article 106A(5) to bring into account a disposal value equal to the price which the machinery or plant would have fetched if sold in the open market at the time of the gift,

the said Article 106A shall have effect as if that person had incurred capital expenditure on the provision of the machinery or plant for the purposes of the trade in the basis period related to its bringing into use for those purposes, the amount of that expenditure being taken as the price which the machinery or plant would have fetched if sold in the open market on the date when it was so brought into use.

- (5) In this Part “basis period” means, in the case of a person to or on whom an allowance or charge falls to be made in charging the profits of the

person's trade, the period on the profits of which tax for the year of assessment falls to be finally computed in respect of that trade:

Provided that, in the case of any trade –

- (a) where 2 basis periods overlap, the period common to both shall be deemed for the purposes of this paragraph to fall in the first basis period only;
 - (b) where there is an interval between the end of the basis period for one year of assessment and the basis period for the next year of assessment, then, unless the second mentioned year of assessment is the year of the permanent discontinuance of the trade, the interval shall be deemed to form part of the second basis period; and
 - (c) where there is an interval between the end of the basis period for the year of assessment preceding that in which the trade is permanently discontinued and the basis period for the year in which it is permanently discontinued, the interval shall be deemed to form part of the first basis period.
- (6) Any allowance or balancing allowance falling to be made to a person in taxing his or her trade shall be made as a deduction in charging the profits or gains of the trade to income tax.
 - (7) Any balancing charge falling to be made on a person for any year of assessment in taxing his or her trade shall be made by means of an assessment to income tax on the profits or gains of that trade.
 - (8) Where full effect cannot be given to any allowance in any year of assessment, owing to there being no profits or gains of the trade chargeable for that year or owing to the profits or gains chargeable being less than the allowance, the allowance or part of the allowance to which effect has not been given, as the case may be, shall, for the purpose of making the assessment for the following year, be added to the amount of such allowance for that year and deemed to be part of that allowance, or, if there is no such allowance for that year, be deemed to be the allowance for that year, and so on for succeeding years.

PART 13

RELIEF FOR LOSSES, ETC.

107 Right to have income for year of assessment adjusted by reference to losses

- (1) Where any person sustains a loss in any trade, profession, employment or vocation carried on by the person either solely or in partnership, he or she may, on giving notice in writing to the Comptroller within 2 years after the year of assessment, apply for an adjustment of his or her liability by reference to the loss and to the aggregate amount of his or her income for that year calculated according to this Law.¹⁷⁴
- (2) The Comptroller shall, on proof to the Comptroller's satisfaction of the amount of the loss and of the payment of tax on the aggregate amount of

income, authorize repayment of so much of the sum paid for tax as would represent the tax on income equal to the amount of the loss.

- (3) Where repayment has been made to a person for any year under this Article, no further relief shall be granted in respect of the amount of the loss for any previous or subsequent year.¹⁷⁵

107A Right to carry back losses¹⁷⁶

- (1) Where a person has in any trade, profession or vocation carried on by him or her, either solely or in partnership, sustained a loss (to be computed in like manner as profits or gains under the provisions of this Law applicable to Cases I and II of Schedule D) in respect of which relief has not been wholly given under Article 107, the person shall be entitled, on giving notice in writing to the Comptroller within 2 years after the end of the year in which the loss has been sustained, to claim that any portion of the loss for which relief has not been so given shall be carried back and, as far as may be, deducted from the amount of profits or gains on which he or she has been assessed under Schedule D in respect of that trade, profession or vocation for the immediately preceding year of assessment.
- (2) The Comptroller shall, on proof to the Comptroller's satisfaction of the amount of the loss and of the payment of tax for the immediately preceding year of assessment, authorize repayment of so much of the sum paid for tax as would represent the tax on income equal to the loss carried back; and where repayment has been made to a person for any year under this Article, no further relief shall be granted in respect of the amount of the loss for any subsequent year.
- (3) In the application of this Article to a loss sustained by a partner in partnership, the "amount of profits or gains on which the person has been assessed" shall, in respect of any year, be taken to mean such portion of the amount on which the partnership has been assessed under Schedule D in respect of the trade, profession or vocation as the partner would be required under this Law to include in a return of the partner's untaxed income for that year.
- (4) In this Article the "immediately preceding year of assessment" means the year immediately preceding the year in which the loss has been sustained.

108 Right to carry forward losses to future years

- (1) Where a person has in any trade, profession or vocation carried on by him or her, either solely or in partnership, sustained a loss (to be computed in like manner as profits or gains under the provisions of this Law applicable to Cases I and II of Schedule D) in respect of which relief has not been wholly given under Article 107 or under any other provision of this Law, the person may claim that any portion of the loss for which relief has not been so given shall be carried forward and, as far as may be, deducted from or set off against the amount of profits or gains on which he or she is assessed under Schedule D in respect of that trade, profession or vocation for any subsequent year of assessment:

Provided that in so far as relief in respect of any loss has been given to any person under this Article he or she shall not be entitled to claim relief in respect of that loss under any other provision of this Law.¹⁷⁷

- (2) In the application of this Article to a loss sustained by a partner in a partnership, the “amount of profits or gains on which the person is assessed” shall, in respect of any year, be taken to mean such portion of the amount on which the partnership is assessed under Schedule D in respect of the trade, profession or vocation as the partner would be required under this Law to include in a return of the partner’s untaxed income for that year.
- (3) Any relief under this Article shall be given as far as possible from the first subsequent assessment and, so far as it cannot be so given, then from the next assessment and so on.¹⁷⁸

110 Amount of assessment under Article 87 to be allowed as a loss for certain purposes

Where a person has been assessed to income tax for any year of assessment under Article 87 in respect of a payment made wholly and exclusively for the purposes of a trade, profession or vocation, the amount on which tax has been paid under that assessment shall, for the purposes of Article 108, be treated as though it were a loss sustained in that trade, profession or vocation, and relief in respect thereof shall be allowed accordingly:

Provided that no relief shall be allowed under this Article in respect of any such payment or any part of any such payment which is not ultimately borne by the person assessed or which is charged to capital.

PART 14

RELIEF FROM DOUBLE TAXATION

111 Double taxation arrangements

- (1) If the States by Act declare that arrangements specified in the Act have been made with the Government of any territory outside Jersey with a view to affording relief from double taxation in relation to income tax and any tax of a similar character imposed by the laws of that territory, and that it is expedient that those arrangements should have effect, the arrangements shall have effect in relation to income tax notwithstanding anything in any enactment.
- (2) Where any arrangements have effect by virtue of this Article, the obligation as to secrecy imposed by virtue of this Law shall not prevent the disclosure to any authorized officer of the Government with which the arrangements are made of such information as is required to be disclosed under the arrangements.

112 Tax credits

(1) The provisions of this Article shall have effect where, under arrangements having effect under Article 111, tax payable in respect of any income in the territory with the Government of which the arrangements are made is to be allowed as a credit against tax payable in respect of that income in Jersey; and in this Article “foreign tax” means any tax payable in that territory which under the arrangements is to be allowed and “income tax” means tax chargeable under this Law.

(2) The amount of the income tax chargeable in respect of the income shall be reduced by the amount of the credit:

Provided that credit shall not be allowed against income tax for any year of assessment unless the person entitled to the income is resident in Jersey for that year.

(3) The credit shall not exceed the amount which would be produced by computing the amount of the income in accordance with the provisions of this Law and then charging it to income tax at a rate ascertained by dividing the income tax chargeable (before allowance of credit under any arrangements having effect under Article 111) on the total income of the person entitled to the income by the amount of his or her total income.¹⁷⁹

(5) Without prejudice to the provisions of paragraph (3) of this Article, the total credit for foreign tax to be allowed to a person for any year of assessment under all arrangements having effect under Article 111 shall not exceed the total income tax payable by him or her for the year of assessment, less any tax which he or she is entitled to charge against any other person or to deduct, retain or satisfy out of any payment which he or she is liable to make to any other person.¹⁸⁰

(6) In computing the amount of the income –

(a) no deduction shall be allowed in respect of foreign tax (whether in respect of the same or any other income);

(b) where the income tax chargeable depends on the amount received in Jersey, the said amount shall be increased by the appropriate amount of the foreign tax in respect of the income;

(c) where the income includes a dividend and under the arrangements foreign tax not chargeable directly or by deduction in respect of the dividend is to be taken into account in considering whether any, and if so what, credit is to be given against income tax in respect of the dividend, the amount of the income shall be increased by the amount of the foreign tax not so chargeable which falls to be taken into account in computing the amount of the credit,

but notwithstanding anything in the preceding provisions of this paragraph a deduction shall be allowed of any amount by which the foreign tax in respect of the income exceeds the credit therefor.

(7) Paragraph (6)(a) and (b) (but not the remainder thereof) shall apply to the computation of total income for the purposes of determining the rate mentioned in paragraph (3) of this Article and shall apply thereto in relation to all income in the case of which credit falls to be given for

foreign tax under arrangements for the time being in force under Article 111.

- (8) Where –
- (a) the arrangements provide, in relation to dividends of some classes, but not in relation to dividends of other classes, that foreign tax not chargeable directly or by deduction in respect of dividends is to be taken into account in considering whether any, and if so what, credit is to be given against income tax in respect of the dividends; and
 - (b) a dividend is paid which is not of a class in relation to which the arrangements so provide,

then, if the dividend is paid to a company which controls, directly or indirectly, not less than 1/2 of the voting power in the company paying the dividend, credit shall be allowed as if the dividend were a dividend of a class in relation to which the arrangements so provide.

- (9) Credit shall not be allowed under the arrangements against income tax chargeable in respect of the income of any person for any year of assessment if he or she elects that credit shall not be allowed in the case of his or her income for that year.
- (10) Any claim for an allowance by way of credit shall be made not later than 5 years after the end of the year of assessment, and in the event of any dispute as to the amount allowable the claim shall be subject to objection and appeal in like manner as an assessment.
- (11) Where the amount of any credit given under the arrangements is rendered excessive or insufficient by reason of any adjustment of the amount of any tax payable either in Jersey or elsewhere, nothing in this Law limiting the time for the making of assessments or claims for relief shall apply to any assessment or claim to which the adjustment gives rise, being an assessment or claim made not later than 5 years from the time when all such assessments, adjustments and other determinations have been made, whether in Jersey or elsewhere, as are material in determining whether any, and if so what, credit falls to be given.

113 Effect on dividends of double taxation relief

- (1) The amount of tax which is authorized by Article 88 to be deducted by a company from any dividend shall be determined without taking into account any reduction, by reason of double taxation relief, of the Jersey income tax payable directly or by deduction by the company, but –
- (a) notwithstanding anything in this Law, no relief or repayment in respect of the tax deducted or authorized to be deducted from any dividend shall be allowed at a rate exceeding the rate (hereinafter referred to as the “net Jersey rate”) of the Jersey income tax payable directly or by deduction by the company after taking double taxation relief into account; and
 - (b) where the Jersey income tax payable directly or by deduction by the company is affected by double taxation relief, the particulars to

be given by the company in the statement required by Article 89 shall (in addition to the particulars required to be given apart from this Article) include particulars of the net Jersey rate.

- (2) Where the whole or any part of any annual payment is payable out of a dividend and the rate of relief or repayment allowable in respect of the tax deducted or authorized to be deducted from the dividend is affected by double taxation relief, the annual payment, or that part thereof, as the case may be, shall be deemed to be paid out of profits or gains not brought into charge to tax and Article 87 shall apply accordingly, but the tax chargeable under the said Article on the person making the payment shall be reduced by an amount equal to tax on the payment or part of the payment at the net Jersey rate applicable to the dividend.
- (3) In this Article –
- “dividend” means a dividend from which deduction is authorized by Article 88 of this Law;
- “double taxation relief” means any credit for tax payable in any territory outside Jersey which is allowable against Jersey income tax by virtue of arrangements having effect under Article 111;
- “company” means the body of persons paying a dividend.
- (4) Without prejudice to the general transitional provisions contained in Part 24, the double taxation relief which may be taken into account for the purposes of this Article includes relief for years before the year 1962, and references in paragraph (3) to provisions of this Law shall be construed accordingly as including, in relation to relief for such years, references to the corresponding provisions of the enactments repealed by this Law.

114 Power to make Orders

The Minister may make Orders for carrying out the provisions of this Part and the provisions of any arrangements having effect under Article 111.

PART 15

EXEMPTIONS

115 Miscellaneous exemptions

Exemption from income tax shall be granted in respect of –

- (a) any income derived from the property of a corporation, association or trust established in Jersey for a charitable object or for the service of any church or chapel, or any building used solely for the purpose of divine worship and in so far as such income is applied to those purposes;
- (aa) any income derived from the property of a corporation, association or trust established in the United Kingdom for a charitable object, where exemption from United Kingdom income tax is allowed in respect of such income under section 447 of the Income Tax Act 1952 of the United Kingdom;

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- (ab) any income derived from the property of a corporation, association or trust established in the Island of Guernsey for a charitable object, where exemption from Guernsey income tax is allowed in respect of such income under the laws relating to income tax of that Island;
 - (b) any income derived by Her Majesty or by any Department of Her Majesty's Government from property in Jersey;
 - (c) any income derived by the States from their own property;
 - (d) the official emoluments of the Lieutenant-Governor;
 - (e) the official emoluments of any servant of Her Majesty or of Her Majesty's Government paid by Her Majesty or Her Majesty's Government in respect of any office or employment carried on by the servant in Jersey and in respect of which the servant is liable to pay income tax imposed by the law of the United Kingdom;
 - (f) any income derived by an assurance company from investments and deposits of so much of the company's annuity fund as is referable to pension annuity business, where exemption from United Kingdom income tax is allowed in respect of such income under section 24 of the Finance Act 1956 of the United Kingdom;
 - (fa) income derived from investments or deposits of the annuity fund of a company resident in Jersey and carrying on in Jersey the business of granting annuities on human life provided that all contracts entered into by the company with or for the benefit of persons connected with the company are approved under this Law;¹⁸¹
 - (faa) any income derived from investments or deposits of a contract approved under Article 131C(1)(b);
 - (fb) any income derived from investments or deposits of an approved drawdown contract or approved trust;
 - (g) any income derived by a superannuation fund from investments or deposits of that fund, where the fund is a superannuation fund within the meaning of section 379 of the Income Tax Act 1952 of the United Kingdom;
 - (ga) any income derived by a superannuation fund from investments or deposits of that fund, where the fund is an approved pension scheme for the purposes of the laws relating to income tax of Guernsey;
 - (h) the remuneration, as prescribed under Article 6 of the Court of Appeal (Jersey) Law 1961,¹⁸² of an ordinary Judge of the Court of Appeal, so long as the Judge is not ordinarily resident in Jersey;
 - (j) attendance allowances payable under the Attendance Allowances (Jersey) Law 1973;¹⁸³
 - (k) payments on account of family allowances payable under the Family Allowances (Jersey) Law 1972;¹⁸⁴
 - (l) any sums payable under any Act or enactment of the States which declares that such sums are to be exempt from income tax;

- (m) disabled adult's allowances and disabled child's allowances payable under Articles 3 and 4 of the Invalid Care and Disability Allowances (Jersey) Law 1978;¹⁸⁵
- (n) all payments of training grants made to employers by the Minister for Education, Sport and Culture on the recommendation of the Jersey Training Agency;
- (o) payments made for the maintenance of a child being looked after by the Minister for Health and Social Services under the Children (Jersey) Law 2002¹⁸⁶;
- (p) disability transport allowance payable under the Disability Transport Allowance (Jersey) Law 1997;¹⁸⁷
- (q) benefits provided under the Scheme to make child care more available for low income families established by an Act of the States on 27th April 1999.¹⁸⁸

116 Exemption for certain friendly societies

Exemption from income tax shall be granted in respect of any income derived from the property of an unregistered British or Northern Irish friendly society whose income does not exceed £160, and any income derived from the property of a registered British or Northern Irish friendly society which is precluded by Act of Parliament or by its rules from assuring to any person a sum exceeding £2,000 by way of gross sum, or £416 a year by way of annuity.¹⁸⁹

117 Exemption in respect of wounds and disability pensions

- (1) Income from wounds and disability pensions to which this paragraph applies shall be exempt from income tax and shall not be reckoned in computing income tax for any of the purposes of this Law.
- (2) Paragraph (1) applies to –
 - (a) wound pensions granted to members of the naval, military or air forces of the Crown;
 - (b) retired pay of disabled officers granted on account of medical unfitness attributable to or aggravated by naval, military or air force service;
 - (c) disablement or disability pensions granted to members, other than commissioned officers, of the naval, military or air forces of the Crown on account of medical unfitness attributable to or aggravated by naval, military or air force service;
 - (d) disablement pensions granted to persons who have been employed in the nursing services of any of the naval, military or air forces of the Crown on account of medical unfitness attributable to or aggravated by naval, military or air force service;
 - (e) injury and disablement pensions payable under the following Acts of Parliament of the United Kingdom, viz.: The Injuries in War (Compensation) Act 1914 of the United Kingdom, the Injuries in War Compensation Act 1914 of the United Kingdom (Section 2),

and the Injuries in War (Compensation) Act 1915 of the United Kingdom, or under any War Risks Compensation Scheme for the Mercantile Marine:

Provided that, where the amount of any retired pay or pension to which paragraph (1) applies is not solely attributable to disablement or disability, the relief conferred by the said paragraph (1) shall extend only to such part as is certified by the Minister of Pensions and National Insurance of the United Kingdom, after consultation with the appropriate Government Department, to be attributable to disablement or disability.

- (3) Allowances granted by the Minister of Pensions and National Insurance of the United Kingdom under a Royal Warrant, Order in Council, or order administered by the Minister towards the subsistence of dependants, being widows, parents or families of deceased members of the naval, military or air forces of the Crown, shall be exempt from income tax and shall not be reckoned in computing the income of such dependants for any of the purposes of this Law.

118 Exemption for savings banks

- (2) Exemption from income tax shall be granted under Schedule D in respect of the income of the funds of any savings bank, except savings banks certified under the Trustee Savings Banks Act 1981 of the United Kingdom, so far as such income is applied in the payment or credit of interest to any depositor:

Provided that –

- (a) any such interest shall be chargeable under the appropriate Case of Schedule D;
- (b) in the year for which exemption is claimed, the bank shall make a return to the Comptroller of–
- (i) the name and place of residence of every depositor to whom any interest is paid or credited out of the income of its funds, and of the amount thereof,
- (ii) the name and address of every investor through the Stock and Bonds Department and a statement of the interest received on behalf of such investor,

and unless such returns are duly made on or before 1st March in the year following that in respect of which exemption is claimed, the bank shall not be entitled to any relief in respect of such sums:

Provided further that the Comptroller may at the Comptroller's discretion in any year assign an upper limit to the amounts of interest received by depositors and investors which shall render them liable to be included in the returns referred to in sub-paragraph (b) of the foregoing proviso.¹⁹⁰

118A Exemption in respect of States of Jersey securities held by non-residents¹⁹¹

Where the Minister issues any securities which he or she has power to issue for the purposes of raising any money or loan with a condition that the interest on

the securities shall not be liable to income tax so long as it is shown that the securities are in the beneficial ownership of persons who are not ordinarily resident in Jersey, the interest on securities issued with such a condition shall be exempt from tax.

119 Exemption in respect of United Kingdom savings certificates

- (1) The accumulated interest payable in respect of any national or war savings certificate issued by Her Majesty's Treasury through the Post Office, under which the purchaser, by virtue of an immediate payment, becomes entitled after the expiration of a specified period to receive some greater sum, shall not be liable to income tax so long as the amount of the certificates held by the person who is for the time being the holder of the certificate does not exceed the amount which an individual is for the time being authorized to hold under regulations made by Her Majesty's Treasury.
- (2) Where the currency of any national or war savings certificate has been extended under any Act of Parliament of the United Kingdom, the provisions of paragraph (1) shall apply with respect to any interest payable in respect of the certificate for the period after the expiration of the period referred to in the said paragraph (1) up to the date on which it is repaid or redeemed as it applies to the said accumulated interest.

119A Exemption of consuls and other official agents¹⁹²

- (1) Income arising from any office or employment to which this Article applies shall be exempt from income tax, and no account shall be taken of such income in calculating the amount of income for any income tax purposes.¹⁹³
- (2) The offices or employments to which this Article applies are the following, that is to say –
 - (a) the office of a consul in Jersey in the service of any foreign State; and
 - (b) the employment of an official agent in Jersey for any foreign State, not being an employment exercised by a citizen of the United Kingdom, Islands and Colonies or exercised in connection with any trade, business or other undertaking carried on for the purposes of profit.
- (3) In this Article –

“consul” means a person recognized by the Royal Court as being a consul-general, consul, vice-consul or consular agent; and

“official agent” means a person, not being a consul, who is employed on the staff of any consulate, official department or agency of a foreign State, not being a department or agency which carries on any trade, business or other undertaking for the purposes of profit.

120 Exemption of consular officers and employees

- (1) Exemption from income tax shall be granted in respect of income arising from a person's office or employment in Jersey as a consular officer or employee in the service of any foreign State to which this Article applies:
Provided that no such exemption shall be granted to a consular employee who, not being a national of that State, is a citizen of the United Kingdom, Islands and Colonies.
- (2) Exemption from income tax shall be granted in respect of income arising from securities or possessions outside Jersey, or from a pension paid by or on behalf of a person outside Jersey, to a consular officer or employee in Jersey, in the service of any foreign State to which this Article applies:
Provided that such exemption shall be granted only, to a consular officer or employee who –
 - (i) is not a citizen of the United Kingdom Islands and Colonies;
 - (ii) is not engaged in any trade, profession, vocation or employment in Jersey, otherwise than as such a consular officer or employee; and
 - (iii) either is a permanent employee of that State, or was not ordinarily resident in Jersey immediately before the consular officer or employee became a consular officer or employee in Jersey of that State.
- (3) In this Article, "consular employee" includes any person employed for the purposes of the official business of a consular officer at any consulate or consular establishment or at any other premises used for those purposes.
- (4) Where an Order in Council has been made by Her Majesty under section 24 of the Finance Act 1954 of the United Kingdom directing that that section shall apply to any foreign State, and the Order in Council has been registered by the Royal Court, this Article shall apply to that foreign State subject to any limitations contained in the Order in Council.

PART 16**SPECIAL PROVISIONS AS TO MARRIED PERSONS****121 General rule as to income tax on husbands and wives**

- (1) Subject to Articles 121A and 121B, a woman's income chargeable to income tax shall, so far as it is income for a year of assessment or part of a year of assessment during which she is a married woman living with her husband, be deemed for the purposes of this Law to be his income and not to be her income:
Provided that the question whether there is any income of hers chargeable to income tax for any year of assessment, and, if so, what is to be taken to be the amount thereof for the purposes of this Law, shall not be affected by the provisions of this paragraph.¹⁹⁴

- (2) Subject to Articles 121A and 121B, any tax falling to be assessed in respect of any income which, under paragraph (1) of this Article, is to be deemed to be the income of a woman's husband shall, instead of being assessed on her, or on her trustee, guardian or curator, or on her heirs, executors or administrators, be assessable on him, or in the appropriate cases, on his trustee, guardian or curator, or on his heirs, executors or administrators:

Provided that nothing in this paragraph shall affect the operation of Article 74.¹⁹⁵

121A Election by husband or wife for separate assessment¹⁹⁶

- (1) A married woman living with her husband, or her husband, may elect, by written notice delivered to the Comptroller, for separate assessment in accordance with Article 121B.
- (2) Subject to paragraph (3), an election delivered before 31st October in any year of assessment shall have effect for that year and ensuing years, unless revoked.
- (3) In the year of assessment in which a husband and wife marry, an election delivered –
- (a) before 31st October in that year; or
 - (b) within one month following the day of their marriage,
- shall have effect for the part of that year during which they are married and for ensuing years, unless revoked.
- (4) The husband or wife who made the election may revoke it, by written notice delivered to the Comptroller.
- (5) A revocation of an election delivered before 31st January following a year of assessment shall have effect for that year and ensuing years, unless a further election is made.
- (6) The Comptroller shall inform a husband or wife of the delivery by his or her spouse of a notice under paragraph (1) or (4).
- (7) In this Article and in Article 121B, "election" means an election under paragraph (1) of this Article.

121B Effect of election for separate assessment¹⁹⁷

- (1) Subject to this Article, an election shall have the effect that –
- (a) the wife's income is not deemed, for the purposes of this Law, to be her husband's income; and
 - (b) the husband and wife are separately assessed and charged under this Law.
- (2) The husband and wife's incomes shall be aggregated for the purpose of determining their entitlement to any allowances, exemptions and reliefs.

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- (3) The sum of the allowances, exemptions and reliefs to which the husband and wife are entitled shall not exceed the sum of such amounts to which they would have been entitled if the election had not been made.
 - (4) Subject to paragraph (5) –
 - (a) any deduction under Article 92 shall be apportioned between the husband and wife in proportion to the amounts of their respective earned incomes;
 - (b) any additional deduction under Article 94(3) shall be apportioned to the wife; and
 - (c) any other allowances, exemptions or reliefs (notwithstanding Articles 92B(2), 95(4), and 98A(4)) shall be apportioned between the husband and wife in proportion to the amounts of their respective incomes.¹⁹⁸
 - (5) The husband and wife may jointly, in accordance with paragraph (6), notify the Comptroller in writing that any allowances, exemptions and reliefs to which they are entitled, by virtue of the election, are to be apportioned and transferred between them in the manner specified in the notice.
 - (6) An apportionment notice delivered to the Comptroller before 31st January following a year of assessment shall have effect for that year and, unless replaced by a further apportionment notice or revoked, for ensuing years.
 - (7) The husband and wife may jointly revoke an apportionment notice by written notice delivered to the Comptroller.
 - (8) A revocation of an apportionment notice delivered before 31st January following a year of assessment shall have effect for that year and ensuing years unless a further apportionment notice is delivered.
 - (9) The husband or the wife may prepare and deliver the statement required by Article 16 on behalf of both of them, unless the Comptroller requires otherwise.
 - (10) An election shall not affect the operation of Article 74.
 - (11) In this Article, “apportionment notice” means a notice under paragraph (5).

122 Construction of references to married women living with their husbands, and special provisions as to certain spouses geographically separated

- (1) A married woman shall be treated for all the purposes of this Law as living with her husband unless either –
 - (a) they are separated under an order of a Court of competent jurisdiction or by agreement of separation; or
 - (b) they are in fact separated in such circumstances that the separation is likely to be permanent.
- (2) Where a married woman is living with her husband and either –

- (a) one of them is, and one of them is not, resident in Jersey for a year of assessment; or
- (b) both of them are resident in Jersey but one of them is, and one of them is not, absent from Jersey throughout that year,

the same consequences shall follow for all the purposes of this Law as would have followed if, throughout that year of assessment, they had been in fact separated in such circumstances that the separation was likely to be permanent:

Provided that, where this paragraph applies and the net aggregate amount of income tax falling to be borne by the husband and the wife for the year is greater than it would have been but for the provisions of this paragraph, the Comptroller shall give such relief as will reduce the said net aggregate amount by the amount of the excess.

PART 17

SPECIAL PROVISIONS AS TO BODIES OF PERSONS, PERSONS UNDER DISABILITY AND PERSONAL REPRESENTATIVES

123 Bodies Corporate

- (1) Except as provided in Article 123A –
 - (a) a company incorporated under the Loi (1861) sur les Sociétés à Responsabilité Limitée or the Companies (Jersey) Law 1991¹⁹⁹ shall be regarded as resident in Jersey unless –
 - (i) its business is centrally managed and controlled outside Jersey in a country or territory where the highest rate at which any company may be charged to tax on any part of its income is 20% or higher, and
 - (ii) the company is resident for tax purposes in that country or territory;
 - (b) a company incorporated outside Jersey shall be regarded as resident in Jersey if its business is managed and controlled in Jersey.²⁰⁰
- (2) The Treasurer, or other officer acting as treasurer for the time being, of any body of persons chargeable to income tax shall be answerable for doing all such acts as are required to be done under this Law, for the purpose of the assessment of such body and for payment of the tax, and for the purpose of the assessment of the officers and persons in the employment of such body:

Provided that, in the case of a company, the person so answerable shall be the secretary of the company or other officer (by whatever name called) performing the duties of secretary.

- (3) Every such officer as aforesaid may from time to time retain, out of any money coming into the officer's hands on behalf of the body, so much thereof as is sufficient to pay the income tax charged on the body, and

shall be indemnified for all such payments made in pursuance of this Law.

123A Exempt companies²⁰¹

- (1) A company shall, on an application in that behalf made in such manner, within such time (not being later than 31st March in the year of assessment or 3 months after the date on which the company is regarded as having become resident in Jersey, as the case may be) and accompanied by such information as the Comptroller may require and on payment of the sum of £600, be treated for all the purposes of this Law for any year of assessment as not resident in Jersey (and referred to in this Article as an “exempt company”) if –
 - (a) the company is a collective investment fund; or
 - (b) no person resident in Jersey has, at any time during the year of assessment, any beneficial interest in the company other than as a shareholder in or debenture holder of a body corporate which –
 - (i) has a beneficial interest in such a company, and
 - (ii) is listed on a recognized Stock Exchange,and disclosure has been made to the satisfaction of the Jersey Financial Services Commission established by the Financial Services Commission (Jersey) Law 1998,²⁰² of either the full name and address of the ultimate beneficial owners of the shares of the company or, where the shares of the company are held on trust, the full name of the trustees, the name of the trust, the names and addresses of the persons who provided the trust property and the name and address of the instigator of the trust, if different, together with, upon request, the names of all persons having a beneficial interest in the company.²⁰³
- (2) An exempt company shall be exempt from income tax chargeable under Case 1 of Schedule D in respect of profits of a trade unless that trade is carried on through an established place of business in Jersey.
- (3) Paragraph (1) shall not apply in any year of assessment to a company which –
 - (a) has for any previous year of assessment incurred a liability to corporation tax under the Corporation Tax (Jersey) Law 1956, and has neither satisfied the Comptroller that it is exempt from corporation tax for that year nor discharged the liability;
 - (b) has failed or omitted to pay income tax payable in respect of any previous year of assessment; or
 - (c) having been, for any previous year of assessment, an exempt company has ceased to be so.
- (4) Where, in respect of any year of assessment, a company, which was not an exempt company in the preceding year of assessment, becomes an exempt company, it shall be treated for the purposes of the Law as if it had ceased to be a person residing in Jersey on 31st December in the preceding year.

- (5) If during any year of assessment, a person residing in Jersey acquires a beneficial interest in an exempt company he or she shall notify the Comptroller forthwith and the Comptroller may assess and charge to tax the income of the company for that year of assessment as if the company had become resident in Jersey on 1st January in that year.
- (6) An exempt company that is a collective investment fund shall –
- (a) on making payment of a dividend to any shareholder residing in Jersey, deduct out of it a sum representing the amount of tax thereon at the time of payment and deliver forthwith to the Comptroller an account of the payment and of the tax deducted therefrom;
 - (b) upon a request being made by the Comptroller deliver to the Comptroller a list showing the names, addresses and shareholdings of persons residing in Jersey as at the date specified in the request by the Comptroller.
- (7) For the purposes of Article 137, a statement made or information given in connection with an application under this Article shall be treated as a statement made in connection with a claim for relief, and a failure to notify the Comptroller of the matter referred to in paragraph (5) of this Article shall be treated as the making of an incorrect statement.
- (8) A person aggrieved by a refusal by the Comptroller of an application under this Article shall be entitled to appeal to the Commissioners and the provisions of Part 6 shall apply in the case of an appeal under this paragraph as they apply in the case of an appeal against an assessment, with such adaptations as may be necessary.
- (9) For the purposes of Article 61(1)(a)(iii) the office of director of an exempt company shall be deemed not to be an office exercised within Jersey.²⁰⁴
- (10) In this Article –
- “beneficial interest” means any interest (whether equitable, legal or contractual) other than an interest as a bare nominee or trustee, and whether such interest is a contingent interest or direct, or through or partly through, a body corporate or a trust, and a person shall be deemed to have a beneficial interest in any exempt company if he or she has any right to acquire or dispose of any share or debenture in that company or any interest therein or to vote in respect thereof, or if the person’s consent is necessary for the exercise of any of the rights of other persons interested therein, or if other persons interested therein can be required or are accustomed to exercise their rights in accordance with his or her instructions; but a loan to a company shall not be regarded as an interest in the company if the loan is made by a bank carrying on a bona fide banking business in Jersey;
- “collective investment fund” has the same meaning as in the Collective Investment Funds (Jersey) Law 1988;²⁰⁵
- “established place of business” of a company includes a branch of the business, a factory, shop, workshop, quarry or a building site, and a place of management of the business, but the fact that the directors of a

company regularly meet in Jersey shall not of itself make their meeting-place an established place of business.²⁰⁶

123B International business companies²⁰⁷

- (1) A company (referred to in this Article as an “international business company”) shall, on application in that behalf made in such manner, within such time (not being later than 31st October in the year of assessment or within 3 months of the company having become resident in Jersey, as the case may be) and accompanied by such information as the Comptroller may require and on payment of the tax specified in paragraph (4), be charged to tax as provided in paragraphs (2), (3) and (3A) if –
 - (a) no person resident in Jersey has, at any time during the year of assessment, any beneficial interest in the company other than as a shareholder in or debenture holder of a body corporate which –
 - (i) has a beneficial interest in such company, and
 - (ii) is listed on a recognized Stock Exchange,and disclosure has been made to the satisfaction of the Jersey Financial Services Commission established by the Financial Services Commission (Jersey) Law 1998,²⁰⁸ of either the full name and address of the ultimate beneficial owners of the shares of the company or, where the shares of the company are held on trust, the names and addresses of the persons who provided the trust property and the name and address of the instigator of the trust, if different, together with, upon request, the names of all persons having a beneficial interest in the company; or
 - (b) any company resident in Jersey which holds shares in the company is itself wholly owned by persons who satisfy the requirements of sub-paragraph (a) of this paragraph.²⁰⁹
- (2) Notwithstanding anything in Part 10 as it relates to the charging of tax on profits or gains arising from any trade by reference to Case I of Schedule D, tax in respect of profits or gains of an international business company shall be charged under Case VI of Schedule D.²¹⁰
- (3) Notwithstanding Article 1 but subject to paragraph (3A) of this Article, tax shall be charged in respect of profits or gains derived by an international business company –
 - (a) from international activities at the following rates of tax –
 - on the first £3,000,000 of profits or gains at the rate of 2 pence in the pound;
 - on the next £1,500,000 of profits or gains at the rate of 1½ pence in the pound;
 - on the next £5,500,000 of profits or gains at the rate of one penny in the pound;
 - on any remaining part of profits or gains at the rate of ½ of one penny in the pound;

- (b) from activities other than international activities at the rate of 30 pence in the pound.²¹¹
- (3A) Where –
- (a) an international business company makes an application not later than 31st March following the year of assessment or within one year of the company having become resident in Jersey, as the case may be, in such manner as the Comptroller may require, proposing a rate of tax, being not less than the highest rate mentioned in paragraph (3)(a); and
- (b) the Comptroller accepts the application,
- the profits or gains derived by the company from international activities shall be charged to tax for the year of assessment at the rate proposed in the application.²¹²
- (4) Notwithstanding that no notice of assessment has been served under this Law, tax of £1,200 shall be paid to the Comptroller when application is made under paragraph (1) and that sum shall be allowed as a credit against the tax subsequently determined as payable by the international business company.
- (5) Paragraph (1) shall not apply in any year of assessment to a company which –
- (a) was resident in Jersey (or, in the case of the branch of a non-resident company, commenced trading) prior to 1st January 1993;
- (aa) becomes resident in Jersey (or, in the case of the branch of a non-resident company, commences trading) on or after 1st January 2006;
- (b) has not been for all previous years of assessment an international business company;
- (c) has failed or omitted to make a return of income for any previous year of assessment; or
- (d) has failed or omitted to pay income tax payable for any previous year of assessment.²¹³
- (6) If, during the year of assessment, a person residing in Jersey, not being a company to which paragraph (1)(b) applies, acquires a beneficial interest in an international business company, he or she shall notify the Comptroller forthwith and the provisions of this Article shall cease to apply from the date on which that beneficial interest was acquired.
- (7) For the purposes of Article 137, a statement made or information given in connection with an application under this Article shall be treated as a statement made in connection with a claim for relief, and a failure to notify the Comptroller of the matter referred to in paragraph (6) of this Article shall be treated as the making of an incorrect statement.
- (8) A person aggrieved by a refusal by the Comptroller of an application under paragraph (1) shall be entitled to appeal to the Commissioners and the provisions of Part 6 shall apply in the case of an appeal under this paragraph as they apply in the case of an appeal against an assessment, with such adaptations as may be necessary.²¹⁴

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- (8A) An appeal against assessment by an international business company under the provisions of Part 6 may not include any challenge to a rate of tax applicable to it by virtue of paragraph (3A).²¹⁵
- (9) The Comptroller shall not pursue the liability to income tax of any person not resident in Jersey in receipt of remuneration paid by an international business company.
- (10) Notwithstanding anything in this Law, no relief or repayment in respect of the tax deducted or authorized to be deducted from any dividend shall be allowed at a rate exceeding the rate of the tax payable by the international business company.
- (11) This Article shall apply to the profits or gains of any branch in Jersey of a non-resident company as it applies to such profits or gains of a company resident in Jersey, with the substitution in paragraphs (1) and (3A) of the words “having become resident” by the words “having set up a branch”.²¹⁶
- (12) Sub-paragraphs (1) and (m) of Article 70 and Articles 86 and 87 shall not apply to an international business company.
- (13) In this Article –
- “beneficial interest“ has the same meaning as in Article 123A, with the substitution of the words “exempt company” by the words “international business company”;
- “international activities” means business activities carried on outside Jersey.²¹⁷

124 Individuals under disability

- (1) The curator or guardian or other person having the direction, control or management of the property or concern of an individual under disability, whether such individual resides in Jersey or not, shall be assessable and chargeable to tax in like manner, and to the like amount, as that individual would be assessed and charged as if that individual were not under disability.
- (2) A person who is chargeable in respect of an individual under disability shall be answerable for all matters required to be done under this Law for the purpose of assessment and payment of income tax.
- (3) Any person who has been charged under this Law in respect of any individual under disability may retain, out of the money coming into his or her hands on behalf of any such individual, so much thereof from time to time as is sufficient to pay the income tax charged, and shall be indemnified for all such payments made in pursuance of this Law.

125 Personal representatives of a deceased person

- (1) Where any person dies without having delivered a statement of all his or her profits or gains chargeable to income tax with a view to assessment thereon in due course, an assessment in respect of the profits or gains

which arose or accrued to the person before the person's death may be made at any time within the year of assessment or within 5 years after the expiration thereof, on the person's heirs, executors or administrators and the amount of the tax thereon shall be a debt from and payable out of the person's estate.

- (2) The time allowed by paragraph (1) shall not extend beyond a year and a day from the date of death of the deceased person.

PART 18

SPECIAL PROVISIONS AS TO INDIVIDUALS TEMPORARILY ABROAD, AND NON-RESIDENTS

126 Individuals temporarily abroad

Every individual whose ordinary residence has been in Jersey shall be assessed and charged to income tax, notwithstanding that at the time the assessment or charge is made the individual may have left Jersey, if the individual has so left Jersey for the purpose only of occasional residence abroad, and shall be charged as a person actually residing in Jersey on the whole amount of the individual's profits or gains, whether they arise from property in Jersey or elsewhere, or from any allowance, annuity, or stipend (save as herein is excepted), or from any trade, profession, employment or vocation in Jersey or elsewhere.

127 Method of charging non-residents and absent residents

A person not resident in Jersey, or who being ordinarily resident therein is absent from Jersey, shall be assessable and chargeable in the name of any attorney, guardian, curator or other representative having the direction, control or management of the property or concern of such person.

128 Responsibilities and indemnification of persons in whose name a non-resident or absent resident is chargeable

- (1) A person in whose name a non-resident person or person who is absent from Jersey is chargeable, shall be answerable for all matters required to be done under this Law for the purpose of assessment and payment of income tax.
- (2) Any person who has been charged under this Law in respect of any non-resident person or person absent from Jersey as aforesaid may retain, out of money coming into his or her hands on behalf of any such person, so much thereof from time to time as is sufficient to pay the income tax charged, and shall be indemnified for all such payments made in pursuance of this Law.

129 Position under Schedule D of temporary residents

A person shall not be charged to tax under Schedule D as a person residing in Jersey, in respect of profits or gains received in respect of possessions or

securities out of Jersey, who is in Jersey for some temporary purpose only and not with any view or intent of establishing his or her residence therein, and who has not actually resided in Jersey at one time or several times for a period equal in the whole to 6 months in any year of assessment, but if any such person resides in Jersey for the aforesaid period he or she shall be so chargeable for that year.

129A Apportionment for individual in Jersey for part of year²¹⁸

- (1) Subject to paragraph (2), this Article applies, for any year of assessment, to an individual who is not –
 - (a) in Jersey for the whole of that year; or
 - (b) assessed and charged to income tax for that year in accordance with Article 126.
- (2) This Article shall not apply to an individual whose allowances and reliefs for the year of assessment have been reduced in accordance with Article 106, and –
 - (a) who is not an employee or office holder or a sub-contractor carrying on the duties of the employment, office or contract in Jersey; or
 - (b) who is a director of a company which is incorporated in Jersey or which, in the year of assessment, is resident in, or carries on any part of its activities in, Jersey.
- (3) Where this Article applies to an individual for a year of assessment, the exemption threshold applicable in the individual's case by virtue of Article 92A, and any reliefs, reduction, allowances and deductions to which the individual would otherwise have been entitled under Parts 11 and 12 and Article 65B(3), shall be reduced to an amount equal to, for each period of 7 complete, consecutive days in that year for which the individual proves, to the satisfaction of the Comptroller, that he or she is in Jersey, 1/52nd of the amounts determined in accordance with the aforementioned provisions.
- (4) In this Article –

“office holder” does not include a director of a company described in paragraph (2)(b);

“sub-contractor” has the same meaning as in Article A15.

PART 19

SPECIAL PROVISIONS AS TO PENSIONS AND PENSION SCHEMES, ANNUITIES, ETC.

130 Social Security and Family Allowances²¹⁹

- (1) Payments of benefit under the Social Security (Jersey) Law 1974,²²⁰ other than maternity benefit, sickness benefit, accident benefit and death grant

shall be charged to income tax under Case II of Schedule D, and, subject as hereinafter provided, shall be deemed for all the purposes of this Law to be earned income:

Provided that no such payment, other than old age pension payable to a wife by virtue of her own insurance, shall be treated as earned income of a wife for the purposes of Article 92A(4) and Article 94(3).²²¹

- (2) No deduction shall be allowed under Article 101 in respect of any contributions paid by any individual under the Social Security (Jersey) Law 1974.
- (3) In this Article, “accident benefit”, “contributions”, “death grant”, “maternity benefit”, “old age pension” and “sickness benefit” have the same meanings as in the Social Security (Jersey) Law 1974.

130A Invalid care allowances²²²

Payments of invalid care allowances under Article 2 of the Invalid Care and Disability Allowances (Jersey) Law 1978²²³ shall be charged to income tax under Case II of Schedule D and shall be deemed for all purposes of this Law to be earned income.

131 Superannuation funds and pension schemes²²⁴

- (1) Subject to the provisions of this Article and to any Order made thereunder, exemption from income tax shall be allowed in respect of income derived from investments or deposits of a superannuation fund, and, subject as aforesaid, any sum paid by an employer or employed person by way of contribution towards a superannuation fund or pension scheme shall, in computing profits or gains for the purpose of assessment to income tax under Case I or Case II of Schedule D be allowed to be deducted as an expense incurred in the year in which the sum is paid:

Provided that –

- (a) no allowance shall be made under this paragraph in respect of any contribution by an employed person which is not an ordinary annual contribution and, where a contribution by an employer is not an ordinary annual contribution, it shall, for the purposes of this paragraph, be treated as the Comptroller may direct, either as an expense incurred in the year in which the sum is paid or as an expense to be spread over such period of years as the Comptroller thinks proper;
 - (b) no deduction shall be allowed under Article 101 in respect of any sum paid by an employed person by way of contribution towards a superannuation fund or pension scheme if relief has been allowed for such sum under this Article.
- (2) Income tax chargeable in respect of an annuity paid out of a superannuation fund or purchased under or for the purposes of a pension scheme to a person residing in Jersey shall if the Comptroller so directs, be assessed and charged on the annuitant under Case VI of Schedule D, instead of being deducted and accounted for under Article 87 and tax

shall be computed on the full amount of the annuity arising in the year of assessment.

- (3) For the purposes of this Article “superannuation fund” and “pension scheme” mean, unless the context otherwise requires, a fund or scheme respectively which is approved for those purposes by the Comptroller and, subject as hereinafter provided, the Comptroller shall not approve a fund or scheme unless it is shown to the Comptroller’s satisfaction that –
- (a) the fund is a fund bona fide established under irrevocable trusts, or the scheme is a scheme bona fide established, in connection with some trade or undertaking carried on in Jersey by a person residing therein;
 - (b) the fund or scheme has for its sole purpose the provision of annuities for all or any of the following persons in the events respectively specified, that is to say, for persons employed in the trade or undertaking, either on retirement at a specified age or on becoming incapacitated at some earlier age, or for the widows, children or dependants of persons who are or have been so employed, on the death of those persons;
 - (c) the employer in the trade or undertaking is a contributor to the fund or scheme;
 - (d) the fund or scheme is recognized by the employer and employed persons in the trade or undertaking;

Provided that the Comptroller may, if the Comptroller thinks fit, and subject to such conditions, if any, as the Comptroller thinks proper to attach to the approval, approve a fund or scheme as a superannuation fund or pension scheme for the purposes of this Article –

- (i) notwithstanding that the rules of the fund or scheme provide for the return in certain contingencies of contributions paid to the fund or scheme;
 - (ii) if the main purpose of the fund or scheme is the provision of such annuities as aforesaid, notwithstanding that such provision is not its sole purpose;
 - (iii) notwithstanding that the trade or undertaking in connection with which the fund or scheme is established is carried on only partly in Jersey and by a person not residing therein; or
 - (iv) notwithstanding that the rules of the fund or scheme provide for the transfer of a sum representing the accrued rights of an employee to another fund or scheme approved under this Article, or to the annuity fund of an annuity contract as defined in Article 131B or to an approved drawdown contract.²²⁵
- (4) For the purposes of paragraph (3), a pension arrangement for the benefit of a particular employed person of an employer shall be deemed to be a pension scheme.
- (5) The Minister may make Orders generally for the purpose of carrying this Article into effect and, in particular, but without prejudice to the provisions of paragraph (3), may by any such Order –

- (a) provide for the charging of and accounting for tax in respect of contributions (including interest) repaid to a contributor to a superannuation fund or pension scheme and on lump sums paid in commutation of or in lieu of annuities payable out of a superannuation fund or purchased under or for the purposes of a pension scheme, as if any sums so repaid or paid were income of the year in which they are repaid or paid;
 - (b) require the trustees or other person having the management of a superannuation fund or pension scheme, to deliver to the Comptroller such information and particulars as the Comptroller may reasonably require for the purposes of this Article;
 - (c) prescribe the manner in which claims for relief under this Article are to be made and approved, and in which applications for the approval of a superannuation fund or pension scheme are to be made;
 - (e) provide for determining what contributions to a superannuation fund or pension scheme are to be treated as ordinary annual contributions for the purposes of this Article.²²⁶
- (6) Any person or body of persons aggrieved by any decision of the Comptroller under this Article shall be entitled to appeal to the Commissioners, on giving notice in writing to the Comptroller within 21 days of the date of the decision of the Comptroller.

131A Exemption of superannuation funds for overseas employees²²⁷

- (1) Exemption from income tax shall be allowed in respect of income derived from investments or deposits of a superannuation fund approved by the Comptroller in accordance with the provisions of paragraph (1A).²²⁸
- (1A) The Comptroller may approve a superannuation fund if it is shown to the Comptroller's satisfaction that the superannuation fund complies with the following conditions –
 - (a) it is bona fide established under irrevocable trusts in connection with some trade or undertaking carried on wholly or partly outside Jersey by a person not resident in Jersey;
 - (b) it has for its sole purpose the provision of superannuation benefits in respect of persons' employment in the trade or undertaking wholly outside Jersey; and
 - (c) it is recognised by the employer and employed persons in the trade or undertaking.²²⁹
- (1B) For the purposes of paragraph (1A) duties performed in Jersey, the performance of which is merely incidental to the performance of other duties outside Jersey, shall be treated as performed outside Jersey.²³⁰
- (1C) Any person or body of persons aggrieved by a decision of the Comptroller to refuse to approve a superannuation fund under this Article shall be entitled to appeal to the Commissioners, on giving notice in writing to the Comptroller within 40 days of the date of the decision of the Comptroller.²³¹

- (2) Where an annuity is paid from a superannuation fund approved under this Article to a person not resident in Jersey, income tax shall not be deducted from any payment of the annuity or accounted for under Article 87 by the trustees or other persons having the control of the fund.²³²

131B Annuity contracts²³³

- (1) In this Article, unless the context otherwise requires –
- (a) “annuity contract” means a retirement annuity contract approved by the Comptroller in accordance with the provisions of paragraph (3);
 - (b) “pensionable office or employment” means an office or employment if, and only if, service in it is service which is taken into account for the purposes of providing for an individual, through a superannuation fund or pension scheme approved under the provisions of Article 131, benefits payable on or after the individual’s retirement which are the maximum benefits which may be provided under the provisions of that Article;
 - (c) “relevant earnings” in relation to any individual means any income of the individual’s assessed to tax, being –
 - (i) income arising in respect of emoluments from an office or employment held by the individual other than a pensionable office or employment, or
 - (ii) income which is charged under Schedule D and is immediately derived by the individual from the carrying on or exercise by the individual of his or her trade, profession or vocation, either as an individual or, in the case of a partnership, as a partner personally acting therein.²³⁴
- (2) Any premium paid by an individual under an annuity contract shall be deducted from the individual’s relevant earnings assessed to tax for the year of assessment in which the premium is paid.
- (3) The Comptroller may approve a contract if it is shown to the Comptroller’s satisfaction that the following conditions are satisfied –
- (a) the contract is made by an individual who is in receipt of relevant earnings subject to income tax under the provisions of this Law with a company to which this Article applies;
 - (b) subject to the provisions of paragraph (4), the contract does not provide –
 - (i) for the payment by the company during the life of the individual of any sum except sums payable by way of annuity to the individual,
 - (ii) for the annuity payable to the individual to commence before the individual attains the age of 50 years or after the individual attains the age of 75 years,

- (iii) for the payment by the company of any other sums except sums payable by way of annuity to the surviving spouse of the individual and any sums which, in the event of no annuity becoming payable either to the individual or the individual's surviving spouse, are payable by way of return of premiums, by way of reasonable interest on premiums or by way of bonuses out of profits,
 - (iv) for the annuity, if any, payable to the surviving spouse of the individual to be of a greater annual amount than that paid or payable to the individual,
 - (v) for the payment of any annuity otherwise than for the life of the individual or the individual's surviving spouse, or
 - (vi) for the payment of any premium which, together with any other premium payable under a contract of a similar nature with the same or another company, shall exceed –
 - (A) in a case where at the beginning of the year of assessment the individual has not attained the age of 40 years, the annual sum of £15,000,
 - (B) in a case where at the beginning of the year of assessment the individual has attained the age of 40 years but has not attained the age of 50 years, the annual sum of £25,000, and
 - (C) in any other case, the annual sum of £35,000;
- (c) the contract includes provision securing that no annuity payable under it shall be capable in whole or in part of surrender, commutation or assignment:
- Provided that the contract may give the individual the right to receive, by way of commutation of part of the annuity payable to the individual, a lump sum not exceeding 3 times the annual amount of the remaining part of the pension and shall make any such right depend on the exercise by the individual of an election at or about the time when the annuity first becomes payable to the individual.²³⁵
- (4) The Comptroller may, if the Comptroller thinks fit, and subject to any conditions the Comptroller thinks proper to impose, approve a contract which otherwise satisfies the conditions contained in paragraph (3) notwithstanding that the contract provides for one or more of the following matters –
- (a) for the payment of a lump sum on the death of an individual who died prior to the date on which the annuity would have become payable;
 - (b) for the payment after the individual's death of an annuity to a dependent, being a person who is dependent upon the individual for the ordinary necessities of life;
 - (c) for the annuity payable to any person to continue for a term certain, not exceeding 10 years, notwithstanding the person's death within that term;

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- (d) for the payment to the individual of an annuity commencing before the age of 50 years, if the annuity is payable on the individual's becoming incapable through infirmity of body or mind of carrying on the individual's own occupation or any occupation of a similar nature for which the individual is trained or fitted;
 - (e) if the individual's occupation is one in which persons customarily retire before attaining the age of 50 years, for the annuity to commence before the individual attains that age;
 - (f) in the case of an annuity which is to continue for a term certain, for the annuity to be assignable by will, and in the event of any person dying entitled to it, for it to be assignable by the person's personal representatives in the distribution of the estate;
 - (g) for the individual or the individual's surviving spouse or dependent having accrued rights under a contract (in this sub-paragraph referred to as 'the annuitant') to require a sum representing those accrued rights under the contract to be paid by the company with which the contract is made to such other company, being a company to which this Article applies, as the individual may specify, where the sum is to be applied as the premium or other consideration for a second annuity contract made between the annuitant and that other company where such second annuity contract is approved by the Comptroller under the provisions of this Article;
 - (h) for the individual having accrued rights under a contract to require or request a sum representing those accrued rights under the contract to be paid to –
 - (i) the annuity fund of another annuity contract,
 - (ii) a fund or scheme approved by the Comptroller in accordance with the provisions of Article 131(3), or
 - (iii) an approved drawdown contract.²³⁶
- (5) Any person who is aggrieved by a condition imposed by the Comptroller on, or by the refusal by the Comptroller of the Comptroller's approval of, a contract under this Article shall be entitled to appeal to the Commissioners on giving the Comptroller notice in writing, stating the grounds of appeal, within 21 days of the date of the Comptroller's decision.
- (6) The provisions of Part 6 shall apply in the case of an appeal under paragraph (5) as they apply in the case of an appeal from an assessment made by the Comptroller, with such adaptations as may be necessary.
- (7) For the purposes of this Article a married woman's relevant earnings shall not be treated as her husband's relevant earnings, notwithstanding that her income chargeable to tax is treated as his income.
- (7A) Any annuity must be payable by an authorized insurance company carrying on in Jersey or in Guernsey the business of granting annuities on human life.²³⁷

- (8) Any annuity payable under an annuity contract to an individual who has contributed under such contract or to the individual's surviving spouse or dependent shall, for all the purposes of this Law, be treated as earned income arising in Jersey.
- (9) Notwithstanding paragraph (2) –
- (a) no deduction shall be made in respect of any premiums to the extent that in the aggregate they exceed –
- (i) in a case where at the beginning of the year of assessment the individual has not attained the age of 40 years, an amount equal to 15% of the individual's relevant earnings, as reduced by losses or capital allowances applicable to them,
- (ii) in a case where at the beginning of the year of assessment the individual has attained the age of 40 years but has not attained the age of 50 years, an amount equal to 25% of the individual's relevant earnings, as reduced by losses or capital allowances applicable to them, or
- (iii) in any other case, an amount equal to 35% of the individual's relevant earnings, as reduced by losses or capital allowances applicable to them;
- (b) if an individual has contributed to a superannuation fund or pension scheme approved under Article 131 during the year of assessment and the aggregate of the individual's contributions to that fund or scheme and any premiums to which this Article applies exceed the amount specified in sub-paragraph (a) (i), (ii) or (iii) (as the case may be), the deduction shall be reduced by the amount of that excess.²³⁸
- (9A) This Article applies to a company carrying on in Jersey or in Guernsey the business of granting annuities on human life being –
- (a) a company resident in Jersey;
- (b) an authorized insurance company; or
- (c) a person or institution specified in subsection (1) of section 632 of the Income and Corporation Taxes Act 1988 of the United Kingdom carrying on business through a branch or agency in Jersey or in Guernsey.²³⁹
- (10) The Minister may make Orders generally for the purpose of carrying into effect the provisions of this Article.

131C Annuity contracts for overseas residents²⁴⁰

- (1) The Comptroller may approve a retirement annuity contract made by an individual who is not resident in Jersey and whose employment, trade or profession, if any, is exercised outside Jersey –
- (a) if the contract is with a company carrying on business through a branch in Jersey, and carrying on in Jersey the business of granting annuities on human life; or

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- (b) if the contract has for its sole purpose the provision of retirement benefits for the individual and is made under an irrevocable trust established under the law of Jersey and administered in Jersey.²⁴¹
 - (2) The Comptroller may, if he or she thinks fit, and subject to any conditions the Comptroller thinks proper to impose, approve a contract notwithstanding that the contract provides for the right to receive, by way of commutation, a lump sum representing the accrued rights under the contract.
 - (3) For the purposes of paragraph (1), duties performed in Jersey, the performance of which is merely incidental to the performance of other duties outside Jersey, shall be treated as performed outside Jersey.
 - (4) Where an annuity is paid under a retirement annuity contract approved under this Article to a person not resident in Jersey, income tax shall not be deducted from any payment of the annuity or accounted for under Article 87 by the persons having control of the annuity fund of the retirement annuity contract.
 - (5) Any person who is aggrieved by a condition imposed by the Comptroller on, or by the refusal by the Comptroller of the Comptroller's approval of, a contract under this Article shall be entitled to appeal to the Commissioners on giving the Comptroller notice in writing, stating the grounds of appeal, within 21 days of the date of the Comptroller's decision.²⁴²
 - (6) The provisions of Part 6 shall apply in the case of an appeal under paragraph (5) as they apply in the case of an appeal from an assessment made by the Comptroller, with such adaptations as may be necessary.²⁴³

131D Approved drawdown contracts²⁴⁴

- (1) Subject to paragraph (2), an individual may transfer to an approved drawdown contract –
 - (a) funds held for the individual's benefit in a superannuation fund or pension scheme approved under Article 131; or
 - (b) annuity funds of an annuity contract approved under Article 131B.
- (2) An individual may not transfer funds to an approved drawdown contract –
 - (a) before the first day on which payments to the individual could have commenced out of the fund, scheme or contract from which the funds are transferred; or
 - (b) where the individual has not irrevocably forfeited any right to receive a lump sum by way of commutation from the fund, scheme or contract from which the funds are to be transferred.
- (3) The Comptroller may approve a drawdown contract if the manager of the contract satisfies the requirements of paragraphs (4) to (6).
- (4) The manager must certify to the satisfaction of the Comptroller that, on the day the contract is to be made, the individual will be entitled to minimum retirement income.

- (5) The manager must show, to the satisfaction of the Comptroller that the contract –
- (a) prohibits the transfer to the contract of funds other than funds described in paragraph (1) and funds to which Article 131E(4)(e) applies;
 - (b) where, on the day the contract is to be made, the individual will not otherwise be entitled to minimum retirement income, requires the manager to –
 - (i) purchase from an authorized insurance company which is unconnected with the individual a lifetime annuity payable to the individual which is sufficient to secure that, on that day, the individual is entitled to minimum retirement income, or
 - (ii) subject to the requirements of Article 131E, transfer sufficient funds to a trustee for the establishment of an approved trust;
 - (c) requires the manager to invest the remaining funds, after any such purchase or transfer, in –
 - (i) cash deposits with any bank, building society or other institution carrying on deposit-taking business in the jurisdiction in which it is authorized to carry on such business,
 - (ii) securities or financial instruments traded on a recognized stock exchange,
 - (iii) units in collective investment funds within the meaning of the Collective Investment Funds (Jersey) Law 1988,²⁴⁵ or
 - (iv) investments falling within paragraph 9 of Schedule 1 to the Financial Services (Jersey) Law 1998²⁴⁶ (long term insurance contracts);
 - (d) prohibits any payments to any person other than the individual or the individual's personal representative, apart from –
 - (i) sums applied in the purchase from an authorized insurance company which is unconnected with the individual of a lifetime annuity payable to the individual or, on the individual's death, to the individual's spouse or dependent, or
 - (ii) fees and commission properly incurred in the administration of the contract and tax accounted for to the Comptroller;
 - (e) requires the manager to pay to the individual, after deduction of tax in accordance with Article 87, such sums from the funds invested and any income accrued thereon as the individual requires;
 - (f) where, on the death of the individual, there remain any funds invested or income accrued thereon, requires the manager, within the period of 3 months following the date of death, to pay to the individual's personal representative, after deduction of tax in accordance with Article 87, those funds and all such income; and

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- (g) requires the manager to deliver to the Comptroller, within the period of 3 months following the end of a year of assessment, or within the period of 6 months following the date of death of the individual, a statement showing –
- (i) the funds invested at the beginning of that year or, for the year in which the contract commences, the funds invested at the commencement of the contract,
 - (ii) monies received during that year,
 - (iii) monies paid out during that year, whether to the individual, in fees and commission, as tax accounted for to the Comptroller or in any other manner, and
 - (iv) the funds invested at the end of that year or at the date of death of the individual, as the case may be, and the manner of the investment of those funds.
- (6) The manager must be –
- (a) resident in Jersey;
 - (b) unconnected with the individual; and
 - (c) either –
 - (i) the holder of a permit under the Collective Investment Funds (Jersey) Law 1988,²⁴⁷
 - (ii) registered under the Banking Business (Jersey) Law 1991²⁴⁸ or under the Investors (Prevention of Fraud) (Jersey) Law 1967,²⁴⁹
 - (iii) the holder of a permit under the Insurance Business (Jersey) Law 1996,²⁵⁰ or
 - (iv) registered under the Financial Services (Jersey) Law 1998.²⁵¹
- (7) An approved drawdown contract may, subject to the consent of the individual, the approval of the Comptroller and to any conditions the Comptroller thinks proper to impose, be assigned from one manager to another.
- (8) Any person aggrieved by the refusal by the Comptroller of his or her approval of a contract under this Article shall be entitled to appeal to the Commissioners on giving the Comptroller notice in writing stating the grounds of appeal, within 21 days of the date of the Comptroller's decision.
- (9) Part 6 shall apply in the case of an appeal under paragraph (8) as it applies in the case of an appeal from an assessment made by the Comptroller, with such adaptations as may be necessary.
- (10) Any sums paid to the individual pursuant to the requirement described in paragraph (5)(e) shall, for all the purposes of this Law, be treated as earned income arising in Jersey.
- (11) The Minister may make Orders generally for the purpose of carrying this Article into effect and, in particular, may –

- (a) prescribe the manner in which applications for approval of a drawdown contract are to be made;
- (b) prescribe the information to be provided in any certificate or application for approval of a drawdown contract.²⁵²

131E Approved trusts²⁵³

- (1) The Comptroller may approve a trust if the requirements of paragraphs (2) to (5) are satisfied.
- (2) The trust must be established, and the approved drawdown contract to which it relates made, before the individual attains the age of 65 years.
- (3) The manager of the approved drawdown contract and the trustee of the trust must certify, to the satisfaction of the Comptroller –
 - (a) that, disregarding the investments to be made pursuant to paragraph (4)(a), the individual will be entitled to minimum retirement income on the relevant day, being a day selected for the purposes of this Article and which is no later than the day on which the individual attains the age of 65 years; and
 - (b) that, when the contract is made, the manager shall forthwith transfer to the trustee at least sufficient funds for the purpose described in paragraph (4)(a).
- (4) The trustee must show, to the satisfaction of the Comptroller, that the trust –
 - (a) requires the trustee to –
 - (i) purchase sufficient securities issued by the Government of the United Kingdom yielding an income having an actuarial equivalent, determined in the manner prescribed by Order of the Minister, as will secure that, on the day the trust is established, the individual is entitled to an income which, taking the actuarial equivalent of the income from those securities into consideration and disregarding the fact that the income from them ceases on or after the relevant day, is minimum retirement income,
 - (ii) hold the securities so purchased upon trust for the individual until the relevant day, and
 - (iii) receive the income from the securities and pay it to the individual after deduction of tax in accordance with Article 87;
 - (b) prohibits any payments out of the trust to any person other than the individual or his or her personal representative, apart from tax accounted for to the Comptroller;
 - (c) prohibits any payment out of the trust to the individual other than income accrued on the funds invested by the trustee;
 - (d) on the relevant day, requires the trustee to certify, to the satisfaction of the Comptroller, whether or not, on that day, the individual is entitled to minimum retirement income;

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- (e) where, on the relevant day, the individual is entitled to minimum retirement income, provides that the funds may be withdrawn for the purpose only of their transfer to an approved drawdown contract or the purchase from an authorized insurance company which is unconnected with the individual of a lifetime annuity payable to the individual;
 - (f) where, on the relevant day, the individual is not entitled to minimum retirement income, provides that the trust shall continue, upon the same terms, for the life of the individual save that the trustee shall be required –
 - (i) to purchase from an authorized insurance company which is unconnected with the individual a lifetime annuity payable to the individual or purchase securities issued by the Government of the United Kingdom or convert the securities previously purchased, so as to secure that, on the relevant day, the individual is entitled to minimum retirement income,
 - (ii) to hold the securities (if any) for the life of the individual, and
 - (iii) where securities are held, to pay to the individual, after deduction of tax in accordance with Article 87, the income arising from them;
 - (g) where, on the death of the individual, there remain any funds invested or income accrued thereon, requires the trustee, within the period of 3 months following the date of death to pay to his or her personal representative, after deduction of tax in accordance with Article 87, those funds and all such income; and
 - (h) requires the trustee to deliver to the Comptroller, within the period of 3 months following the end of a year of assessment, or within the period of 6 months following the date of death of the individual, a statement showing –
 - (i) the funds invested at the beginning of that year or, for the year in which the trust is established, the funds invested on the establishment of the trust,
 - (ii) monies received during that year,
 - (iii) monies paid out during that year, whether to the individual or as tax accounted for to the Comptroller, and
 - (iv) the funds invested at the end of that year or at the date of death of the individual, as the case may be, and the manner of the investment of those funds.
- (5) The trustee must be –
- (a) resident in Jersey;
 - (b) unconnected with the individual; and
 - (c) registered under the Financial Services (Jersey) Law 1998.²⁵⁴
- (6) Any person aggrieved by the refusal by the Comptroller of his or her approval of a trust under this Article shall be entitled to appeal to the

Commissioners on giving the Comptroller notice in writing, stating the grounds of the appeal, within 21 days of the Comptroller's decision.

- (7) Part 6 shall apply in the case of an appeal under paragraph (6) as it applies in the case of an appeal from an assessment made by the Comptroller, with such adaptations as may be necessary.
- (8) Any sums paid to the individual pursuant to the requirements described in paragraph (4)(a)(iii) and (f)(iii) shall, for all the purposes of this Law, be treated as earned income arising in Jersey.
- (9) The Minister may make Orders generally for the purpose of carrying this Article into effect and, in particular, may –
 - (a) prescribe the manner in which applications for approval of a trust are to be made;
 - (b) prescribe the information to be provided in any certificate or application for approval of a trust.²⁵⁵
- (10) In this Article, “relevant day” shall be construed in accordance with paragraph (3)(a).

131F Minimum retirement income²⁵⁶

- (1) An individual's entitlement to minimum retirement income shall be determined in accordance with this Article.
- (2) An individual is entitled to minimum retirement income if, on the day for which the entitlement is to be determined, the individual is in receipt of relevant income which is not less than the maximum States old age pension payable on that day to any individual who has never been married.
- (3) In this Article –

“relevant income” means any one or more of the following –

 - (a) the States old age pension;
 - (b) an old age pension payable by another government, other than a pension for which the income is fixed for the life of the individual;
 - (c) any income not falling within sub-paragraph (a) or (b) which –
 - (i) shall be paid for the remainder of the life of the individual, and
 - (ii) is guaranteed to increase by not less than 3% per annum; and
 - (d) the actuarial equivalent of any income not falling within sub-paragraphs (a) to (c) which shall be paid for the remainder of the life of the individual;

“States old age pension” means the pension payable under Article 25 of the Social Security (Jersey) Law 1974.²⁵⁷
- (4) The actuarial equivalent of any income shall be determined in the manner prescribed by Order of the Minister.

131G Withdrawal of approval under Articles 131 to 131E²⁵⁸

- (1) This Article applies to the following funds –
 - (a) a superannuation fund or pension scheme approved under Article 131;
 - (b) a superannuation fund approved under Article 131A;
 - (c) an annuity contract approved under Article 131B or 131C;
 - (d) a drawdown contract approved under Article 131D;
 - (e) a trust approved under Article 131E.
- (2) The Comptroller may withdraw approval of a fund to which this Article applies or part of such a fund if it appears to the Comptroller the facts concerning the fund or part of it, or its administration or arrangements made in accordance with it or part of it, do not warrant the continuance of approval.
- (3) The Comptroller shall give written notice of the withdrawal of approval, the grounds for withdrawal and the date on which the withdrawal takes effect to –
 - (a) the fund administrator;
 - (b) any person whose acts warranted the discontinuance of approval of the fund or part of it;
 - (c) any person who has benefited from the acts warranting discontinuance of approval of the fund or part of it; or
 - (d) any person connected with the person mentioned in subparagraph (c).
- (4) The date on which withdrawal of approval takes effect may be earlier than the date on which notice is given under paragraph (3) but shall not be earlier than the date on which the grounds for withdrawal appear to the Comptroller to have arisen.
- (5) Upon the withdrawal of approval taking effect, a person given notice under paragraph (3) shall be liable to tax under Schedule D Case VI, notwithstanding Article 1, at the rate of 50% on an amount equal to whichever, on the day on which the withdrawal takes effect, is the greater of –
 - (a) the market value of the assets held for the purposes of the fund; or
 - (b) the aggregate of –
 - (i) contributions to the fund, including transfers from other funds, and
 - (ii) income accrued from investments or deposits of the fund.
- (6) The Comptroller may abate the liability to tax under paragraph (5) by an amount which is, having regard to the relevant circumstances, just and reasonable.
- (7) Where all or any of the tax charged under paragraph (5) remains unpaid –

- (a) the Comptroller may give a further notice under paragraph (3) to any of the persons there mentioned who has not previously been given notice; and
 - (b) the person to whom the further notice is given shall be liable to so much of the tax charged under paragraph (5) as remains unpaid.
- (8) Any person or body of persons aggrieved by any decision of the Comptroller to withdraw approval of a fund or part of it under this Article shall be entitled to appeal to the Commissioners, on giving notice in writing to the Comptroller within 40 days of the date of the notice given by the Comptroller under paragraph (3).
- (9) The following provisions of this Law shall apply, with the necessary modifications, to an appeal under paragraph (8) as they apply to an appeal against any assessment –
- (a) the proviso to Article 27(1);
 - (b) Article 27(2);
 - (c) Article 28(1);
 - (d) Article 29, with the omission of paragraphs (4) and (5);
 - (e) Articles 29A, 35 and 36.
- (10) Where the Comptroller gives a notice under paragraph (3) to a person other than the fund administrator, the Comptroller shall inform the fund administrator that the notice has been given.
- (11) In this Article “fund administrator” means –
- (a) in the case of a superannuation fund or pension scheme approved under Article 131, the trustees and any other persons having management of the fund or scheme and any person connected with any of them;
 - (b) in the case of a superannuation fund approved under Article 131A, the trustees and any other persons having management of the fund and any person connected with any of them;
 - (c) in the case of an annuity fund approved under Article 131B or 131C, the person having control of the fund and any person connected with him or her;
 - (d) in the case of a drawdown contract approved under Article 131D, the manager and any person connected with him or her;
 - (e) in the case of a trust approved under Article 131E, the trustees and any person connected with any of them.

132 Purchased life annuities

- (1) A purchased life annuity (not being of a description excepted by paragraph (7)) shall, for the purposes of the provisions of this Law relating to tax on annuities and other annual payments, be treated as containing a capital element and, to the extent of that capital element, as not being an annual payment or in the nature of an annual payment; but the capital element in such an annuity shall be taken into account in computing profits or gains or losses for other purposes of this Law in any

circumstances in which a lump sum payment would be taken into account.

- (2) In the case of any purchased life annuity to which this Article applies –
- (a) the capital element shall be determined by reference to the amount or value of the payments made or other consideration given for the grant of the annuity;
 - (b) the proportion which the capital element in any annuity payment bears to the total amount of that payment shall be constant for all payments on account of the annuity;
 - (c) where neither the terms of the annuity nor the amount of any annuity payment depends on any contingency other than the duration of a human life or lives, that proportion shall be the same proportion which the total amount or value of the consideration for the grant of the annuity bears to the actuarial value of the annuity payments as determined in accordance with the next following paragraph; and
 - (d) where sub-paragraph (c) does not apply, the said proportion shall be such as may be just, having regard to that sub-paragraph and to the contingencies affecting the annuity.

(2A) Where, in the case of any purchased life annuity to which this Article applies, the amount of any annuity payment (but not the term of the annuity) depends on any contingency other than the duration of a human life or lives –

- (a) the capital element shall be determined by reference–
 - (i) to the amount or value of the payments made or other consideration given for the grant of the annuity (in this paragraph referred to as the ‘purchase price’ of the annuity), and
 - (ii) to the expected term of the annuity, as at the date when the first annuity payment began to accrue, expressed in years (and any odd fraction of a year), and determined by reference to the prescribed tables of mortality,

and in clause (ii) the word “term” means the period from the date when the first annuity payment begins to accrue to the date when the last payment becomes payable;

- (b) the capital element in any annuity payment made in respect of a period of 12 months shall be an amount equal to a fraction

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of the purchase price, where E is the said expected term;

- (c) the capital element in any annuity payment made in respect of a period of less than, or more than, 12 months shall be the amount referred to in sub-paragraph (b), reduced or, as the case may be, increased, in the same proportion as the length of that period bears to a period of 12 months;

- (d) paragraph (2) shall not apply, but paragraph (3)(a) and (b) thereof shall apply, as they apply to that paragraph,
- and in applying paragraph (2)(d), where both the amount and the term of the annuity depend on any contingency other than the duration of a human life or lives, regard shall be had to this paragraph (and not to the said paragraph (2)(c)) as well as to the contingencies affecting the annuity.²⁵⁹
- (3) For the purposes of paragraph (2) –
- (a) any entire consideration given for the grant of an annuity and for some other matter shall be apportioned as appears just (but so that a right to a return of premiums or other consideration for an annuity shall not be treated for this purpose as a distinct matter from the annuity);
- (b) where it appears that the amount or value of the consideration purporting to be given for the grant of an annuity has affected, or has been affected by, the consideration given for some other matter, the aggregate amount or value of those considerations shall be treated as one entire consideration given for both and shall be apportioned under sub-paragraph (a) accordingly; and
- (c) the actuarial value of any annuity payments shall be taken to be their value as at the date when the first of those payments begins to accrue, that value being determined by reference to the prescribed tables of mortality and without discounting any payment for the time to elapse between that date and the date it is to be made.
- (4) Where a person making a payment on account of any life annuity has been notified in the prescribed manner of any decision as to its being or not being a purchased life annuity to which this Article applies or as to the amount of the capital element (if any), and has not been notified of any alteration of that decision, the notice shall be conclusive as to those matters for the purpose of determining the amount of tax which the person is entitled or required to deduct from the payment, or for which the person is chargeable in respect of it.
- (5) Where a person making a payment on account of a purchased life annuity to which this Article applies has not been notified in the prescribed manner of the amount of the capital element, the amount of tax which the person is entitled or required to deduct from the payment, or for which the person is chargeable in respect of it, shall be the same as if the annuity were not a purchased life annuity to which this Article applies.
- (6) Any person carrying on a business of granting annuities on human life shall be entitled to repayment of tax borne by the person by deduction or otherwise for any year of assessment up to the amount of tax which, if this Article had not been passed, the person would have been entitled to deduct and retain on making payments due in that year of assessment on account of life annuities and which in accordance with this Article the person has not deducted.
- (7) This Article shall not apply –
- (a) to any annuity which would, apart from this Article, be treated for the purposes of the provisions of this Law relating to tax on

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- annuities and other annual payments as consisting to any extent in payment or repayment of a capital sum;
- (b) to any annuity where the whole or part of the consideration for the grant of the annuity consisted of sums satisfying the conditions for relief from tax under Article 101;
 - (ba) to any annuity where the whole or part of the consideration for the grant of the annuity consisted of sums satisfying the conditions for relief from tax under Article 131B;
 - (c) to any annuity purchased in pursuance of any direction in a will, or to provide for an annuity payable by virtue of a will or settlement (whether with or without resort to capital);
 - (ca) to any annuity purchased in satisfaction of a *droit de douaire* or a *droit de viduité*;
 - (d) to any annuity purchased under or for the purposes of any sponsored superannuation scheme or to any other annuity purchased by any person in recognition of another's services (or past services) in any office or employment; or
 - (e) to any annuity where the whole or part of the consideration for the grant of the annuity consisted of sums withdrawn from an approved drawdown contract or an approved trust.²⁶⁰
- (8) The Minister may by Order prescribe anything which is to be prescribed under this Article and any such Order may apply, for the purposes of this Article and of the Order, any provision of this Law (with or without modifications) and may, in particular, make provision as to all or any of the following matters, that is to say –
- (a) as to the information to be furnished in connection with the determination of any question whether an annuity is a purchased life annuity to which this Article applies, or what is the capital element in an annuity, and as to the persons who may be required to furnish any such information;
 - (b) as to the manner of giving effect to a decision on any such question and (notwithstanding anything in Article 86) as to the making of assessments for the purpose on the person entitled to the annuity;
 - (c) as to the extent to which the decision on any such question is to be binding, and the circumstances in which it may be reviewed.
- (9) In this Article –
- “life annuity” means an annuity payable for a term ending with (or at a time ascertainable only by reference to) the end of a human life, whether or not there is provision for the annuity to end during the life on the expiration of a fixed term or on the happening of any event or otherwise, or to continue after the end of the life in particular circumstances;
- “purchased life annuity” means a life annuity granted for consideration in money or money's worth in the ordinary course of a business of granting annuities on human life;
- “sponsored superannuation scheme” means any scheme or arrangement relating to service in particular offices or employments and having for its

objects or one of its objects to make provision in respect of persons serving therein against future retirement or partial retirement, against future termination of service through death or disability, or against similar matters, being a scheme or arrangement under which any part of the cost of the provision so made is or has been borne otherwise than by those persons by reason of their service; but for this purpose a person shall be treated as bearing by reason of his or her service the cost of any payment in respect of his or her service, if that payment is treated for the purposes of this Law as increasing his or her income, or would be so treated if the person were chargeable to tax under Case II of Schedule D in respect of his or her emoluments from that service.

- (10) This Article shall extend to life annuities whenever purchased or commenced.

PART 20

SPECIAL PROVISIONS AS TO LIFE ASSURANCE COMPANIES, INVESTMENT BUSINESSES AND SAVINGS BANKS

133 Relief to life assurance companies and others in respect of expenses of management

- (1) Where an assurance company carrying on life assurance business, or any company whose business consists mainly in the making of investments, and the principal part of whose income is derived therefrom, or any savings bank or other bank for savings, claims and proves to the satisfaction of the Comptroller that, for any year of assessment, it has been charged to tax by deduction or otherwise, and has not been charged in respect of its profits in accordance with the provisions of this Law applicable to Case I of Schedule D, the company or bank shall be entitled to repayment of so much of the tax paid by it as is equal to the amount of the tax on any sums disbursed as expenses of management (including commissions) for that year:

Provided that –

- (a) relief shall not be given under this Article so as to make the tax paid by the company or bank less than the tax which would have been paid if the profits had been charged in accordance with the said provisions;
- (aa) in the case of a company whose business consists mainly in the making of investments, relief shall only be given under this Article for interest of money as an expense of management in accordance with Article 90AB, 90AC or 90AD;²⁶¹
- (b) the amount of any fines, fees or profits arising from reversions in the case of an assurance company and, in the case of any other company or any such bank, the amount of any income or profits derived from sources not charged to tax, shall be deducted from the amount treated as expenses of management for the year;
- (ba) where a company whose business consists mainly in the making of investments would, apart from this proviso, be entitled to

repayment of tax for any year of assessment in respect of emoluments of an office or employment arising in that year which are not paid before the end of the following year of assessment the Comptroller, if he or she is of the opinion that the main purpose of deferral of payment of the emoluments is the avoidance or reduction of the liability of any person to income tax, may refuse to allow them as expenses of management; and

- (c) in calculating profits arising from reversions, the company may set off against those profits any loss arising from reversions for any previous year during which any enactment granting this relief was in operation.²⁶²

(1A) In paragraph (1)(ba) of this Article the time when emoluments are paid shall be determined in accordance with Article 65A as if “paid” were substituted for “received” throughout that Article.²⁶³

- (2) Where, on a claim for relief under this Article made by a company or bank for any year of assessment in respect of the sums disbursed by it as expenses of management (including commissions) for that year, relief is disallowed in respect of the whole or part of those sums by reason only of the provisions of paragraph (1)(a), the amount in respect of which relief has been so disallowed may be carried forward and treated for the purposes of this Article as if it had been disbursed as aforesaid for any subsequent year of assessment:

Provided that relief in respect of an amount so carried forward shall be given for the first year of assessment next following, in so far as relief can be so given in accordance with the provisions of this Article in respect of that amount as well as in respect of the sums actually disbursed as aforesaid for that year, and so far as it cannot be so given, then for the next year of assessment, and so on.²⁶⁴

- (3) If effect cannot be given, or cannot be fully given, to paragraph (1) because the company or bank has not been charged to tax for that year by deduction or otherwise, or because the sums disbursed for that year exceed the amount on which the company or bank has been charged to tax for that year, an amount equal to the sums disbursed, less any amount on which the company or bank has been so charged, may be carried forward and treated for the purposes of this Article as if it had been disbursed for any subsequent year of assessment:

Provided that relief in respect of an amount so carried forward shall be given for the first year of assessment next following, in so far as relief can be given in accordance with the provisions of this Article in respect of that amount as well as in respect of other sums disbursed or treated as disbursed for that year, and so far as it cannot be so given, then for the next year of assessment, and so on.²⁶⁵

- (4) Notice of any claim under this Article, together with the particulars thereof, shall be given in writing to the Comptroller within 12 months after the expiration of the year of assessment in respect of which the claim is made, and, where the Comptroller objects to such claim, the Commissioners shall hear and determine the same in the like manner as in the case of an appeal to them against an assessment under Schedule D,

and the provisions of this Law relating to appeals to the Royal Court shall apply.

- (6) Where income arising from the investments of the foreign life assurance fund of an assurance company has been relieved from tax in pursuance of the provisions of this Law, a corresponding reduction shall be made in the relief granted under this Article in respect of the expenses of management.

134 Taxation of profits of life assurance companies with head office outside Jersey²⁶⁶

- (1) Where an assurance company, not having its head office in Jersey, carries on life assurance business, industrial life assurance business, general annuity business, pension business or capital redemption business through any branch or agency in Jersey, each class of business shall, for the purposes of this Law, be treated as a separate business from any other class of business carried on by the branch or agency.
- (2) The assurance company may, for any year of assessment, be charged in respect of its profits from the branch or agency arising from any class of business carried on by it, in accordance with the provisions of this Law applicable to Case I of Schedule D, or, in accordance with the provisions of this Law, applicable to Cases III, IV and V of Schedule D:

Provided that –

- (a) the amount of profits chargeable for the purposes of this Law shall be limited to the amount of profits attributable to the business carried on in Jersey; and
 - (b) where the amounts of such profits cannot readily be determined, the company shall be liable upon the same proportion of its total profits computed in accordance with the provisions of this Law as the amount of premiums received in that year from policy holders resident in Jersey and from policy holders resident abroad whose proposals were made to the company at or through its branch or agency in Jersey bears to the total amount of the premiums received by the company, or on such other proportion or part of such total profits as the Comptroller may agree with the company.
- (3) Where an assurance company, not having its head office in Jersey, is charged under the provisions of this Law applicable to Cases III, IV and V on a proportion of its total profits, the relief in respect of expenses of management due under Article 133 shall be calculated by reference to a like proportion of its total expenses of management for the year, calculated according to the provisions of this Law.²⁶⁷

PART 20A**GENERAL PROVISION AGAINST LEGAL AVOIDANCE²⁶⁸****134A Power of Comptroller to make assessment to prevent avoidance of income tax²⁶⁹**

- (1) If the Comptroller is of the opinion that the main purpose, or one of the main purposes, of a transaction is the avoidance, or reduction, of the liability of any person to income tax, the Comptroller may, subject as hereinafter provided, make such assessment or additional assessment on that person as the Comptroller considers appropriate to counteract such avoidance or reduction of liability:

Provided that no assessment or additional assessment shall be made under this Article if the person shows to the satisfaction of the Comptroller either –

- (a) that the purpose of avoiding or reducing liability to income tax was not the main purpose or one of the main purposes for which the transaction was effected; or
- (b) that the transaction was a bona fide commercial transaction and was not designed for the purpose of avoiding or reducing liability to income tax.
- (2) The provisions of this Law shall apply to any assessment or additional assessment made under this Article as if it had been made in pursuance of Part 5.
- (3) Without prejudice to the generality of paragraph (2), any person who is aggrieved by any assessment or additional assessment made on the person under this Article shall be entitled to appeal to the Commissioners on the ground that –
- (a) the avoidance, or reduction, of the liability of that person to income tax was not the main purpose, or one of the main purposes, of the transaction;
- (b) the transaction was a bona fide commercial transaction and was not designed for the purpose of avoiding or reducing liability to income tax; or
- (c) that the person has been overcharged by the assessment or additional assessment,

and all the provisions of this Law relating to appeals against any assessment shall apply to any appeal made under this Article.

PART 21**SPECIAL PROVISIONS AS TO MINISTERS OF RELIGION****135 Deduction in respect of expenditure and houses of ministers of religion**

- (1) In assessing the tax chargeable under any Schedule on a clergyman or minister of any religious denomination, the following deductions may be made from any profits, fees or emoluments of the clergyman or minister's profession or vocation –
 - (a) any sums of money paid or expenses incurred by the clergyman or minister wholly, exclusively and necessarily in the performance of his or her duty as a clergyman or minister;
 - (b) a part of the rent (not exceeding 1/8) paid by the clergyman or minister in respect of a dwelling-house any part of which is used mainly and substantially for the purposes of his or her duty as such clergyman or minister,and where any such clergyman or minister is in the occupation of a dwelling-house, but pays no rent therefor, the clergyman or minister shall for the purposes of the foregoing provision be deemed to pay a rent equal to the annual value of the dwelling-house as assessed to tax under Schedule A.
- (2) If no such deduction has been made, a proportionate part of the tax paid by the clergyman or minister shall be repaid to the clergyman or minister on proof that any sum has been expended as aforesaid.

PART 21A²⁷⁰**SPECIAL PROVISION FOR PERSON GRANTED 1(1)(K) HOUSING CONSENT****135A Persons granted 1(1)(k) housing consent²⁷¹**

- (1) This Article applies to any person who, pursuant to a 1(1)(k) housing consent granted on or after 1st January 2005, acquires land or property conferring a right to occupy land (whether or not that person has previously been granted such a consent).
- (2) This Article shall cease to apply to the person upon –
 - (a) the revocation of the 1(1)(k) housing consent; or
 - (b) the person ceasing to own the land or property conferring the right to occupy land, unless, within the period of 6 months following such cessation, the person acquires other land or such property pursuant to a further 1(1)(k) housing consent.
- (3) Notwithstanding the rate of tax required by Article 1 to be charged for a year of assessment, where, for that year of assessment, so much of the person's total income as is not Jersey income exceeds the prescribed limit, the amount of the excess shall be chargeable to tax at the prescribed rate.

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- (4) The States may by Regulations, for the purposes of paragraph (3), specify a prescribed limit and either a single prescribed rate or different prescribed rates to apply to different portions of so much of a person's income as is chargeable to tax in accordance with that paragraph.
- (5) In this Article –
- “1(1)(k) housing consent” means consent under the Housing (Jersey) Law 1949²⁷² for the sale, transfer or lease of any land in the case described in Regulation 1(1)(k) of the Housing (General Provisions) (Jersey) Regulations 1970;²⁷³
- “Jersey income” means –
- (a) all annual profits or gains arising or accruing from –
 - (i) any rents or receipts described in Article 51,
 - (ii) any kind of property whatever, situated in Jersey,
 - (iii) any trade exercised in Jersey, whether or not through a fixed place of business in Jersey,
 - (iv) any profession, employment, vocation or office exercised within Jersey, or
 - (v) any pension arising in Jersey;
 - (b) all interest of money and annuities arising in Jersey; and
 - (c) all sums paid to an individual or an individual's personal representative pursuant to Article 131D or 131E,
- and includes any payment to be charged to tax by virtue of Article 86(2)(e).

135B Exchange of information for the purposes of Article 135A²⁷⁴

- (1) Notwithstanding anything in this Law or any other enactment –
 - (a) the Comptroller may disclose information to the Minister for Housing, or an officer in an administration of the States for which that Minister is assigned responsibility, for the purposes of the grant and revocation of 1(1)(k) housing consents;
 - (b) an officer in an administration of the States for which that Minister is assigned responsibility may disclose information to the Comptroller for the purposes of the administration of this Article.
- (2) A person to whom information is disclosed pursuant to paragraph (1) shall use it only for the purposes for which it is disclosed.
- (3) In this Article –
 - “1(1)(k) housing consent” has the same meaning as in Article 135A;
 - “officer” has the same meaning as in Article 25 of the States of Jersey Law 2005²⁷⁵.

PART 22**GENERAL PROVISIONS AS TO PROSECUTIONS AND PENALTIES****136 Penalties for failure to deliver statements, etc.**

- (1) Subject to the provisions of this Article, if any person who has been required by a notice or precept given, issued or served under this Law to deliver or furnish any statement, list, return, schedule, certificate or document, fails to comply with the notice or precept, the person shall be liable to a fine not exceeding level 3 on the standard scale, and if the failure continues after it has been declared by the Court before which proceedings for the recovery of the fine have been commenced, to a further fine not exceeding level 2 on the standard scale for each day on which the failure so continues.²⁷⁶
- (2) A person shall not be liable to any fine for a failure incurred under this Article to comply with any notice (other than a general notice given under Article 16) or a precept if the failure is remedied before proceedings for recovery of the fine are commenced.
- (3) Where a person liable to a fine incurred under this Article for a failure to comply with a notice served under Article 16(4) proves to the satisfaction of the Court that he or she is not chargeable to tax, the maximum fine which may be imposed under this Article in respect of the offence shall be level 2 on the standard scale.²⁷⁷
- (4) ²⁷⁸
- (5) For the purposes of this Article, a person shall be deemed not to have failed to deliver or furnish any statement, list, return, schedule, certificate or document required to be delivered or furnished within a limited time if he or she delivered or furnished it within such further time, if any, as the Comptroller or the Commissioners may have allowed; and where a person had a reasonable excuse for not delivering or furnishing any statement, list, return, schedule, certificate or document, he or she shall be deemed not to have failed to do so if he or she did it without unreasonable delay after the excuse had ceased.²⁷⁹

137 Penalties for fraudulently or negligently making incorrect statements, etc.

- (1) If any person fraudulently or negligently –
 - (a) delivers any incorrect statement required by Article 16;
 - (b) makes any incorrect statement, return or declaration in connection with any claims for any allowance, deduction or relief;
 - (c) submits to the Comptroller any incorrect accounts in connection with the ascertainment of his or her liability to income tax,the person shall be liable to a fine not exceeding the aggregate of –
 - (i) level 3 on the standard scale, and
 - (ii) twice the amount, or in the case of fraud, 3 times the amount, of the difference between the amount of income tax payable on the assumption that the statement, return, declaration or accounts as

delivered, made or submitted by the person were correct and the amount of income tax which would have been payable if the statement, return, declaration or accounts had been correct.²⁸⁰

- (2) If any person fraudulently or negligently delivers or furnishes any incorrect statement, list, return schedule or certificate under any provision of this Law other than Article 16, the person shall be liable to a fine not exceeding level 3 on the standard scale, or in the case of fraud, level 4 on the standard scale.²⁸¹
- (3) Where any such statement, return, declaration or accounts as are mentioned in paragraph (1) were delivered, made or submitted by any person neither fraudulently nor negligently and it comes to his or her notice that they were incorrect, then, unless the error is remedied without unreasonable delay, the statement, return, declaration or accounts shall be treated for the purposes of this Article as having been negligently delivered, made or submitted by the person.
- (4) Where the Comptroller is of the opinion that any person has committed an offence against paragraph (1), the Comptroller may accept a pecuniary settlement instead of proceedings being instituted in respect of the offence; and where any criminal proceedings are instituted against such person for any form of fraud or wilful neglect in connection with or in relation to income tax or any proceedings are instituted against the person for the recovery of any sum due from the person, whether by way of tax or penalty, in relation to income tax, any statements made or documents produced by the person or on the person's behalf shall not be inadmissible in the proceedings by reason only that it has been drawn to his or her attention that –
 - (a) the Comptroller may accept a pecuniary settlement instead of proceedings being instituted; and
 - (b) though no undertaking can be given as to whether or not the Comptroller will accept such a settlement in the case of any particular person, it is the practice of the Comptroller to be influenced by the fact that a person has made a full confession of any fraud or default to which he or she has been a party and has given full facilities for investigation,and that the person was or may have been induced thereby to make the statements or produce the documents.
- (5) For the avoidance of doubt, it is provided that for the purposes of this Article any accounts submitted on behalf of any person, shall be deemed to have been submitted by the person unless he or she proves that they were submitted without his or her consent or connivance.²⁸²

138 Penalty for assisting in making incorrect statements, etc.

Any person who assists in or induces the delivering, making, furnishing or submitting for any purposes of income tax of any statement, return, accounts, list, schedule or certificate which the person knows to be incorrect shall be liable to a fine not exceeding level 4 on the standard scale.²⁸³

139 Penalty for refusing to allow deduction of tax, and avoidance of agreements for payment without deduction

- (1) A person who refuses to allow a deduction of tax authorized by this Law to be made out of any payments shall be liable to a fine not exceeding level 2 on the standard scale.²⁸⁴
- (2) Subject to paragraph (3) every agreement for payment of interest or other annual payment in full without allowing any such deduction shall be void.²⁸⁵
- (3) Paragraph (2) shall not apply to an agreement for payment of interest entered into on or after the first day of January 2004.²⁸⁶

141 Penalties to belong to States' revenues

All penalties recovered under this Law shall be paid into the consolidated fund.

PART 23**MISCELLANEOUS PROVISIONS****142 Provisions for giving effect to any increase, during any year of assessment, in the standard rate of income tax**

- (1) The amount of tax payable by virtue of any assessment made before the increase, during the year of assessment, in the standard rate of income tax, shall be treated as varied to such extent as is necessary to give effect to such increase in the standard rate:

Provided that this paragraph shall not apply in the case of income chargeable or under Article 87.²⁸⁷

- (2) In the case of such income as is mentioned in the proviso to paragraph (1), any deficiencies in the amount of tax deducted from any payment (being a deficiency arising by reason of the increase in the standard rate) shall, so far as possible, be made good by increasing the deduction required or authorized by law to be made from the next payment, by an amount equal to the amount of the deficiency and the deficiency so made good shall be accounted for and assessed in the same manner as the tax deducted from the original payment.
- (3) Where, in any year of assessment, any payments have been made on account of any such income as is mentioned in the proviso to paragraph (1) previously to the passing of the Act imposing the tax for that year, and tax has not been charged thereon or deducted therefrom or has not been charged thereon or deducted therefrom at the rate ultimately imposed for that year, and it is not possible to make good the deficiency under paragraph (2), the amount not so charged or deducted shall be charged under Schedule D in respect of those payments as profits or gains not charged by virtue of any other Schedule under Case VI of Schedule D, and the agents entrusted with the payment of such income or the person by or through whom the payments were made, as the case may be, shall, on requisition made by the Comptroller, furnish to the Comptroller

a list containing the names and addresses of the persons to whom payments have been made, the amounts of those payments and the amounts of tax deducted.

- (4) Where, during any year of assessment, the standard rate of income tax is increased, any person liable to pay any interest, annuity, or any royalty or other sum in respect of the user of a patent, or to make any other annual payment, shall be authorized to make, on the occasion of the next payment, any deduction on account of tax which the person has failed to make or to make up any deficiency in any such deduction which has been so made, in addition to any other deduction which he or she may be by law authorized to make, and shall also be entitled, if there is no future payment from which the deduction may be made, to recover the sum which might have been deducted as if it were a debt due from the person against whom the deduction could originally have been made if the standard rate of income tax had then been so increased.

This paragraph shall also apply to any preference dividend from which a deduction of tax may be made under Article 88.

- (5) Where on payment of a dividend (not being a preference dividend) income tax has, under Article 88, been deducted therefrom by reference to a standard rate of tax lesser than the standard rate for the year in which the dividend became due, the net amount received shall, for all the purposes of this Law, be deemed to represent income of such an amount as would, after deduction of tax by reference to the standard rate last mentioned, be equal to the net amount received, and for the said purposes there shall, in respect of that income, be deemed to have been paid by deduction of tax of such an amount as is equal to the amount of tax on that income computed by reference to the standard rate last mentioned.
- (6) In paragraphs (4) and (5), the expression “preference dividend” means –
- (a) a dividend payable on a preferred share at a fixed gross rate %; or
 - (b) where a dividend is payable on a preferred share partly at a fixed gross rate % and partly at a variable rate, such part of that dividend as is payable at a fixed gross rate %, and

the expression “share” includes stock.

144 Power to make Orders

- (1) The Minister may make Orders for any purpose for which Orders may be made under this Law and generally for the purpose of carrying this Law into effect.
- (2) The Subordinate Legislation (Jersey) Law 1960,²⁸⁸ shall apply to Orders made under this Law.

145 Delivery and service of notices and forms

A notice or form which is to be served under this Law on a person may be either delivered to the person personally or sent to him or her by post at his or her

usual or last-known place of abode or place of business, or, in the case of a company, at its registered office or place of business.

Provided that a person may request in writing that a notice or form be delivered, or sent by post, to his or her appointed agent and the Comptroller shall not unreasonably refuse such a request.²⁸⁹

149A Savings and transitional provisions: general²⁹⁰

Schedule 5 shall have effect to make transitional provisions and savings consequential upon amendments to this Law.

PART 24

CITATION

150 Citation

This Law may be cited as the Income Tax (Jersey) Law 1961.

SCHEDULE 1

(Article 11)

OATHS OF OFFICE**Form of Oath to be taken by the Commissioners of Appeal**

You swear and promise before God that you will well and faithfully discharge the duties of a Commissioner of Appeal, without favour, hatred or partiality, in accordance with the laws relating to income tax; and that you will not disclose any information which may come to your knowledge in the performance of such duties to anyone whomsoever.

Form of Oath to be taken by the Comptroller, Deputy Comptroller and Assistant Comptroller of Income Tax

You swear and promise before God that you will well and faithfully discharge the duties of [Comptroller] [Deputy Comptroller] [Assistant Comptroller] of Income Tax in accordance with the laws relating to income tax; that you will conduct yourself without hatred, favour or partiality; that you will exercise the powers entrusted to you by the said laws in such manner only as shall appear to you to be necessary for the due execution of the same; and that you will not disclose any information which may come to your knowledge in the performance of your duties except to such persons only as shall act in execution of the said laws and where it shall be necessary to disclose the same to them for the purposes of the said laws, or in so far as you may be required to disclose the same for the purposes or in the course of a prosecution for an offence against the said laws, or in such cases as you are expressly authorized by the said laws to disclose the same.

Form of Oath to be taken by other officers and by persons employed as auditors.

You swear and promise before God that you will well and faithfully discharge the duties of in accordance with the laws relating to income tax; and that you will not disclose any information which may come to your knowledge in the performance of your duties, except to such persons only as shall act in execution of the said laws and where it shall be necessary to disclose the same to them for the purposes of the said laws, or in so far as you may be required to disclose the same for the purposes or in the course of a prosecution for an offence against the said laws.

SCHEDULE 2²⁹¹

(Article 65B(2)(b))

BENEFITS: EXEMPTIONS**1 Pensions, insurance, etc.**

There shall be left out of account –

- (a) contributions to a superannuation fund or pension scheme, within the meaning of Article 131;
- (b) contributions in respect of the employer's liability under the Social Security (Jersey) Law 1974;²⁹²
- (c) premiums for life insurance (other than term assurance) for the office holder or employee or for any member of that person's family or household, apart from any premiums in respect of which the office holder or employee is entitled to make a deduction pursuant to Article 101;
- (d) premiums for private medical insurance for the office holder or employee or for any member of that person's family or household, apart from any premiums in respect of which the office holder or employee is entitled to make a deduction pursuant to Article 101A; and
- (e) insurance provided by the employer for the employer's office holders and employees against the loss of all or part of an office holder's or employee's emoluments of the office or employment by reason of the office holder or employee being unable, through ill-health, to discharge the duties of the office or employment.²⁹³

2 Third party insurance

There shall be left out of account insurance covering the office holder's or employee's liability in respect of alleged negligence in the performance of the duties of the office or employment.

3 Medical screening

There shall be left out of account medical screening, where screening is available to all office holders and employees of the employer for whom such screening may be appropriate.

4 Motor vehicles

- (1) There shall be left out of account the provision of a motor vehicle for use –
 - (a) where the vehicle is constructed or adapted for use for the carriage or haulage of –

-
- (i) equipment required for the performance of the duties of the office or employment, or
 - (ii) goods or any other burden to be transported in the performance of the duties of the office or employment;
 - (b) where more than one office holder or employee is entitled to use the vehicle in the performance of the duties of their office or employment (disregarding any office holder or employee who is a member of the family or household of the office holder or employee seeking the exemption) and the vehicle is habitually used by more than one such person; or
 - (c) where the vehicle is used solely by the office holder or employee in the performance of the duties of the office or employment and is essential to the performance of those duties.
- (2) For the purposes of sub-paragraph (1)(c), in determining whether or not a vehicle is used solely by an office holder or employee in the performance of the duties of that person's office or employment, there shall be disregarded –
- (a) any travel by the office holder or employee between that person's place of residence and place of work; and
 - (b) any other minor, personal use by the office holder or employee that the Comptroller may allow.

5 Boats, aircraft and helicopters

- (1) There shall be left out of account the provision of a boat, aircraft or helicopter for use where the boat, aircraft or helicopter is used solely by the office holder or employee in the performance of the duties of the office or employment and is essential to the performance of those duties.
- (2) For the purposes of sub-paragraph (1), in determining whether or not a boat, aircraft or helicopter is used solely by an office holder or employee in the performance of the duties of the person's office or employment, there shall be disregarded any minor, personal use by the office holder or employee that the Comptroller may allow.

6 Transport

There shall be left out of account transport provided within Jersey for use between an office holder's or employee's place of residence and normal place of work –

- (a) where the office holder or employee is required, for the performance of the duties of the office or employment, to commence the journey between 10 pm and 6 am; or
- (b) where the office holder or employee is severely disabled.

7 Accommodation

There shall be left out of account –

- (a) accommodation provided for the use of a clergyman or minister of any religious denomination by any charity or ecclesiastical body mainly and substantially for the purposes of that person's duty as a clergyman or minister; or
- (b) accommodation –
 - (i) that forms part of the employer's premises, and
 - (ii) the occupation of which is essential to the performance of the office holder's or employee's duties as a person responsible for the care and security of those premises or for the care of persons occupying those premises or animals kept on those premises.

8 Entertainment

There shall be left out of account –

- (a) the provision of entertainment facilities for the sole or main purpose of conducting business to which the duties of the office holder or employee are relevant; and
- (b) the provision of entertainment for the employer's office holders and employees generally.

9 Catering or crèche facilities

There shall be left out of account –

- (a) the provision for use of any catering services or catering facilities which are available to the employer's office holders and employees generally; and
- (b) the provision for use of any crèche facilities which are available to the employer's office holders and employees generally.

10 Meal vouchers

There shall be left out of account the first £5 per working day of the value of non-transferable meal vouchers provided to the office holder or employee where –

- (a) the employer does not also provide any services or facilities described in paragraph 9(a); and
- (b) such vouchers are provided to the employer's office holders and employees generally.

11 Equipment, periodicals and clothing

(1) There shall be left out of account –

- (a) the provision for use of any telephone;

-
- (b) the provision for use of a computer;
 - (c) the provision of newspapers;
 - (d) the provision of periodicals and journals for use by the office holder or employee for the performance of the duties of the office or employment; and
 - (e) the provision for use of any plant, machinery, specialized uniform or protective clothing for use by the office holder or employee only in the performance of the duties of the office or employment.
- (2) For the purposes of sub-paragraph (1)(e), the wearing of a uniform or protective clothing between the office holder's or employee's place of residence and normal place of work shall be deemed to be use in the performance of the duties of the office or employment.

12 Staff discounts and loans

There shall be left out of account –

- (a) the amount of any discount on a purchase by an office holder or employee, or a member of that person's family or household, of any goods or services ordinarily supplied by the employer in the course of the employer's business; and
- (b) the waiver of or reduction in interest payable on a loan entered into by an office holder or employee or a member of that person's family or household or any other preferential condition of such a loan.

13 Car parking

There shall be left out of account the provision of any car parking space.

14 Relocation expenses

There shall be left out of account the payment of –

- (a) the actual, reasonable expenditure incurred, in relation to an office holder or employee newly recruited or transferred to Jersey from a place outside Jersey, in the office holder's or employee's removal to and establishment in Jersey, in respect of –
 - (i) the removal to Jersey of the household furniture and effects, including motor vehicles, of the office holder or employee and members of that person's family and household,
 - (ii) storage, for a period not exceeding 12 months, of the household furniture and effects, including motor vehicles, of the office holder or employee and members of that person's family and household, and
 - (iii) travel to Jersey, upon the office holder's or employee's recruitment or transfer, by the office holder or employee and by members of that person's family and household; and
- (b) the first £7,500 of any disturbance allowance in respect of the removal.

15 Training

- (1) There shall be left out of account the provision of training, where the subject matter of the training is related to the duties or anticipated future duties of the office holder or employee.
- (2) For the purposes of this paragraph, the provision of training includes –
 - (a) the provision of relevant books, study materials, accommodation, travel and other direct expenditure; and
 - (b) the meeting of the cost of training provided by a third party, including the cost of training and examinations leading to a professional qualification.

16 Long service awards

- (1) Subject to sub-paragraph (2), there shall be left out of account the amount attributable to the provision of an award (other than cash) in respect of an office holder or employee who has provided service to the employer for a period of, or periods totalling, 10 years or more.
- (2) The amount left out of account shall not exceed £50 for each year of service or part thereof so provided.

17 Property held by company

There shall be left out of account any benefit derived by an office holder or employee having control of the company providing it or by a member of that person's family or household if, and to the extent that, the company is not entitled to make any deduction in computing the profits of its business under Article 70, or to claim any allowances or relief under Article 106A or 133, in connection with the provision of that benefit or in relation to any asset of whose ownership or use that benefit consists.

18 Incidental benefits

There shall be left out of account any benefit which arises in respect of expenditure incurred by the employer wholly and exclusively for the purposes of the employer's business, where the benefit to the office holder or employee is wholly incidental in nature.

19 Interpretation

In this Schedule "business" includes a profession and the activities of any Minister or administration of the States, or any parish.

SCHEDULE 3²⁹⁴

(Article 65B(4)(c))

VALUATION OF BENEFIT**1 Motor vehicles**

- (1) The amount attributable, in any year of assessment, to the use of a motor vehicle owned by the employer shall be –
 - (a) 5% of the value of the vehicle for that year, where the business use is 75% or more in that year; or
 - (b) 20% of the value of the vehicle for that year, where the business use is less than 75% in that year.²⁹⁵
- (1A) The amount attributable, in any year of assessment, to the use of a motor vehicle leased or hired by the employer shall be –
 - (a) 25% of the value of the vehicle for that year, where the business use is 75% or more in that year; or
 - (b) 100% of the value of the vehicle for that year, where the business use is less than 75% in that year.²⁹⁶
- (2) For the purposes of this paragraph, the value, for a year of assessment, of a motor vehicle owned by the employer shall be –
 - (a) where the vehicle is acquired by the employer in the year of assessment, the cost of acquisition; or
 - (b) where the vehicle was acquired by the employer before the year of assessment, the amount determined by reducing by 20% –
 - (i) for the year following the year of acquisition, the cost of acquisition of the vehicle, and
 - (ii) for each ensuing year, the balance of that cost reduced in accordance with this sub-paragraph.
- (3) For the purposes of sub-paragraph (2), the cost of acquisition of a vehicle is –
 - (a) where the vehicle is acquired by purchase on the open market, the cost of purchase by the employer; or
 - (b) where the vehicle is acquired wholly or partly in exchange for other property or by assignment, transfer or any other means, the amount that it would have cost the employer to purchase the vehicle, at the time of acquisition, on the open market.
- (4) Sub-paragraph (2) applies notwithstanding that the motor vehicle was acquired before 2004.
- (5) For the purposes of this paragraph, the value, for a year of assessment, of a motor vehicle leased or hired by the employer shall be the aggregate of

the costs incurred by the employer, in that year, in connection with the provision of the vehicle.

- (6) Subject to sub-paragraph (8) of this paragraph, where the lease or hire of a motor vehicle by the employer commences before the year of assessment in which it is first provided as a benefit which is not left out of account pursuant to Article 65B(2), the costs incurred by the employer before that year, in connection with the lease or hire of the vehicle, shall be deemed to have been incurred in the year of assessment in which it is first provided as such a benefit.
- (7) Subject to sub-paragraph (8) of this paragraph, where the lease or hire of a motor vehicle by the employer continues after the year of assessment in which it is last provided as a benefit which is not left out of account pursuant to Article 65B(2), the costs incurred by the employer after that year, in connection with the lease or hire of the vehicle, shall be deemed to have been incurred in the year of assessment in which it is last provided as such a benefit.
- (8) Where it is shown, to the satisfaction of the Comptroller –
- (a) that the period for which a motor vehicle is provided for use as a benefit which is not left out of account pursuant to Article 65B(2) of this Law is a nominal proportion only of the period for which the vehicle is leased or hired; or
- (b) that, during the period for which the vehicle is leased or hired, it has been provided to more than one office holder or employee as a benefit which is not left out of account pursuant to Article 65B(2) of this Law,

the Comptroller, having regard to those matters, may allow a proportionate reduction in, or a waiver of, the amount of the costs deemed, pursuant to sub-paragraph (6) or (7) of this paragraph, to be incurred in a year of assessment in which the vehicle is provided for use.

- (9) For the purposes of this paragraph, the percentage business use of a motor vehicle shall be, for any year of assessment, the portion of the total use of the vehicle, determined by reference to the mileage undertaken by the office holder or employee which is attributable to travel which that person is required to undertake in the performance of the duties of the office or employment, disregarding any travel by the office holder or employee between his or her place of residence and place of work.

2 Boats, aircraft and helicopters

- (A1) The amount attributable, in any year of assessment, to the use of a boat, aircraft or helicopter shall be determined –
- (a) where the boat, aircraft or helicopter is owned by the employer and has an open market value for that year of £200,000 or less, in accordance with sub-paragraph (1);
- (b) where the boat, aircraft or helicopter is leased or hired by the employer and has an open market value for that year of £200,000 or less, in accordance with sub-paragraph (1A);

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- (c) where the boat, aircraft or helicopter is owned by the employer and has an open market value for that year of more than £200,000, in accordance with sub-paragraph (2);
 - (d) where the boat, aircraft or helicopter is leased or hired by the employer and has an open market value for that year of more than £200,000, in accordance with sub-paragraph (2A).²⁹⁷
- (1) In the case described in sub-paragraph (A1)(a), the amount attributable, in the year of assessment, to the use of the boat, aircraft or helicopter shall be –
- (a) 5% of the value of the boat, aircraft or helicopter for that year, where the business use is 75% or more in that year; or
 - (b) 20% of the value of the boat, aircraft or helicopter for that year, where the business use is less than 75% in that year.²⁹⁸
- (1A) In the case described in sub-paragraph (A1)(b), the amount attributable, in the year of assessment, to the use of the boat, aircraft or helicopter shall be –
- (a) 25% of the value of the boat, aircraft or helicopter for that year, where the business use is 75% or more in that year; or
 - (b) 100% of the value of the boat, aircraft or helicopter for that year, where the business use is less than 75% in that year.²⁹⁹
- (2) In the case described in sub-paragraph (A1)(c), the amount attributable, in the year of assessment, to the use of the boat, aircraft or helicopter shall be –
- (a) 1% of the value of the boat, aircraft or helicopter for that year, where the business use is 75% or more in that year; or
 - (b) 4% of the value of the boat, aircraft or helicopter for that year, where the business use is less than 75% in that year.³⁰⁰
- (2A) In the case described in sub-paragraph (A1)(d), the amount attributable, in any year of assessment, to the use of the boat, aircraft or helicopter shall be –
- (a) 5% of the value of the boat, aircraft or helicopter for that year, where the business use is 75% or more in that year; or
 - (b) 20% of the value of the boat, aircraft or helicopter for that year, where the business use is less than 75% in that year.³⁰¹
- (3) For the purposes of sub-paragraphs (1) and (2), the value, for a year of assessment, of a boat, aircraft or helicopter owned by the employer shall be –
- (a) where the boat, aircraft or helicopter is acquired by the employer in the year of assessment, the cost of acquisition; or
 - (b) where the boat, aircraft or helicopter was acquired by the employer before the year of assessment, the amount determined by reducing by 20% –
 - (i) for the year following the year of acquisition, the cost of acquisition of the boat, aircraft or helicopter, and

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- (ii) for each ensuing year, the balance of that cost reduced in accordance with this sub-paragraph.³⁰²
- (4) For the purposes of sub-paragraph (3), the cost of acquisition of a boat, aircraft or helicopter is –
- (a) where the boat, aircraft or helicopter is acquired by purchase on the open market, the cost of purchase by the employer; or
- (b) where the boat, aircraft or helicopter is acquired wholly or partly in exchange for other property or by assignment, transfer or any other means, the amount that it would have cost the employer to purchase the boat, aircraft or helicopter, at the time of acquisition, on the open market.
- (5) Sub-paragraph (3) applies notwithstanding that the boat, aircraft or helicopter was acquired before 2004.
- (6) For the purposes of sub-paragraphs (1A) and (2A), the value, for a year of assessment, of a boat, aircraft or helicopter leased or hired by the employer shall be the aggregate of the costs incurred by the employer, in that year, in connection with the provision of the boat, aircraft or helicopter.³⁰³
- (7) Subject to sub-paragraph (9) of this paragraph, where the lease or hire of a boat, aircraft or helicopter by the employer commences before the year of assessment in which it is first provided as a benefit which is not left out of account pursuant to Article 65B(2), the costs incurred by the employer before that year, in connection with the lease or hire of the boat, aircraft or helicopter, shall be deemed to have been incurred in the year of assessment in which it is first provided as such a benefit.
- (8) Subject to sub-paragraph (9) of this paragraph, where the lease or hire of a boat, aircraft or helicopter by the employer continues after the year of assessment in which it is last provided as a benefit which is not left out of account pursuant to Article 65B(2), the costs incurred by the employer after that year, in connection with the lease or hire of the boat, aircraft or helicopter, shall be deemed to have been incurred in the year of assessment in which it is last provided as such a benefit.
- (9) Where it is shown, to the satisfaction of the Comptroller –
- (a) that the period for which a boat, aircraft or helicopter is provided for use as a benefit which is not left out of account pursuant to Article 65B(2) is a nominal proportion only of the period for which the boat, aircraft or helicopter is leased or hired; or
- (b) that, during the period for which the boat, aircraft or helicopter is leased or hired, it has been provided to more than one office holder or employee as a benefit which is not left out of account pursuant to Article 65B(2),

the Comptroller, having regard to those matters, may allow a proportionate reduction in, or a waiver of, the amount of the costs deemed, pursuant to sub-paragraph (7) or (8) of this paragraph, to be incurred in a year of assessment in which the boat, aircraft or helicopter is provided for use.

- (10) For the purposes of this paragraph, the percentage business use of a boat, aircraft or helicopter shall be, for any year of assessment, the portion of the total use of the boat, aircraft or helicopter determined by reference to the distances travelled by the office holder or employee which is attributable to travel which that person is required to undertake in the performance of the duties of the office or employment.

3 Accommodation

- (1) Subject to sub-paragraph (2), the amount attributable in any year of assessment to the use of any accommodation shall be –
- (a) where the accommodation is furnished, 20% of the office holder's or employee's assessable emoluments of the office or employment (disregarding any other benefits) for the period for which the accommodation is used;
 - (b) where the accommodation is unfurnished, 15% of the office holder's or employee's assessable emoluments of the office or employment (disregarding any other benefits) for the period for which the accommodation is used.³⁰⁴
- (2) The office holder or employee may, on producing evidence, to the satisfaction of the Comptroller, of the open market rental value of the accommodation for the period for which it is used by the office holder or employee, elect, for any year of assessment, for the amount attributable to the use of the accommodation to be the amount of the open market rental value.³⁰⁵
- (3) For the purposes of sub-paragraph (1), where the employer is a company of which the office holder or employee has control, the assessable emoluments of the office holder or employee shall be deemed to include any dividend paid to that person by the company.

4 General rules for valuation

The amount attributable to any benefit provided for use for which express provision is not made in this Schedule shall be the total costs incurred, whether directly or indirectly, by the employer in connection with the provision of the benefit.

4A Rule for apportionment

Where, in accordance with this Schedule, the amount attributable to the use of a benefit is determined by reference to a period (the "calculation period") which exceeds the period for which the benefit is used by the office holder or employee or a member of that person's family or household, the amount attributable to the use of the benefit shall be reduced by a proportion equal to the proportion which the part of the calculation period for which the benefit is not used by that person bears to the whole of that period.³⁰⁶

5 General rule for deduction for business use

The amount attributable to any benefit provided for use, apart from a benefit valued in accordance with paragraph 1 or 2 of this Schedule, shall be reduced by an amount equal to the proportion, if any, of the total use of the benefit which is attributable to use by the office holder or employee in the performance of the duties of the office or employment.

6 Interpretation

In this Schedule “business” includes a profession and the activities of any Minister or administration of the States, or any parish.

SCHEDULE 5³⁰⁷

(Article 149A)

SAVINGS, TRANSITIONAL AND SIMILAR PROVISIONS: GENERAL³⁰⁸**1 Income Tax (Amendment No. 23) (Jersey) Law 2004**

- (1) In this paragraph “amending Law” means the Income Tax (Amendment No. 23) (Jersey) Law 2004.³⁰⁹
- (2) Notwithstanding its repeal by Article 35 of the amending Law, Article 79(1) of this Law shall continue to have effect in the case of a pension to which it applies in the year of assessment 2003.
- (3) Notwithstanding its repeal by Article 37 of the amending Law, Article 96 of this Law shall continue to have effect in the case of a widow or widower who, for the year of assessment 2003, is entitled to a deduction under it, until that person’s entitlement ceases.
- (3A) In a case to which sub-paragraph (3) applies, Article 96 shall continue to have effect –
 - (a) for the year of assessment 2007, with the substitution in paragraph (1) of that Article of the amount “one thousand five hundred pounds” by the amount “£1,200”;
 - (b) for the year of assessment 2008, with the substitution in paragraph (1) of that Article of the amount “£1,200” by the amount “£900”;
 - (c) for the year of assessment 2009, with the substitution in paragraph (1) of that Article of the amount “£900” by the amount “£600”;
 - (d) for the year of assessment 2010, with the substitution in paragraph (1) of that Article of the amount “£600” by the amount “£300”.³¹⁰
- (3B) In a case to which sub-paragraph (3) applies, Article 96 shall continue to have effect with the deletion of the word “higher” in sub-paragraph (b) of the proviso.³¹¹
- (4) Notwithstanding its repeal by Article 39 of the amending Law, Article 99 of this Law shall continue to have effect in the case of an individual who, for the year of assessment 2003, is entitled to a deduction under it until the entitlement in respect of the person whom he or she maintains in that year ceases.
- (4A) In a case to which sub-paragraph (4) applies, Article 99 shall continue to have effect –
 - (a) for the year of assessment 2007, with the substitution in paragraph (1) of that Article of the amount “one thousand five hundred pounds” by the amount “£1,200”;

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- (b) for the year of assessment 2008, with the substitution in paragraph (1) of that Article of the amount “£1,200” by the amount “£900”;
 - (c) for the year of assessment 2009, with the substitution in paragraph (1) of that Article of the amount “£900” by the amount “£600”;
 - (d) for the year of assessment 2010, with the substitution in paragraph (1) of that Article of the amount “£600” by the amount “£300”.³¹²
- (5) Notwithstanding its repeal by Article 40 of the amending Law, Article 100 of this Law shall continue to have effect in the case of an individual who, for the year of assessment 2003, is entitled to a deduction under it, until the individual’s entitlement ceases.
- (5A) In a case to which sub-paragraph (5) applies, Article 100 shall continue to have effect –
- (a) for the year of assessment 2007, with the substitution in paragraph (1) of that Article of the amount “one thousand five hundred pounds” by the amount “£1,200”;
 - (b) for the year of assessment 2008, with the substitution in paragraph (1) of that Article of the amount “£1,200” by the amount “£900”;
 - (c) for the year of assessment 2009, with the substitution in paragraph (1) of that Article of the amount “£900” by the amount “£600”;
 - (d) for the year of assessment 2010, with the substitution in paragraph (1) of that Article of the amount “£600” by the amount “£300”.³¹³
- (6) The amendments made by Article 42 of the amending Law to Article 112 of this Law shall not have effect in the case of a pension to which Article 79(1) of this Law applies in the year of assessment 2003.
- (7) Where, before the amendments made by Article 18 of the amending Law to Article 131A of this Law come into force, exemption from income tax is allowed pursuant to the said Article 131A in respect of income derived from investments or deposits of a superannuation fund, the superannuation fund shall be deemed to have been approved by the Comptroller under the said Article 131A as so amended.

2 Income Tax (Amendment No. 24) (Jersey) Law 2005: transitional provisions for Article 19A³¹⁴

- (1) Article 19A shall apply to a person who, on 31st December 2004, is an employer but who has not, at any time in 2004, delivered a return pursuant to Article 20, as if the person became an employer on 1st January 2005.
- (2) Article 19A shall apply to a building contractor who, on 31st December 2004, has a contract with a sub-contractor but who has not, at any time in 2004, delivered a return pursuant to Article 20A, as if the building contractor first contracted with a sub-contractor on 1st January 2005.

2A Income Tax (Amendment No. 24) (Jersey) Law 2005: partial release of liability under Article 26

Notwithstanding Article 17(2) of the Interpretation (Jersey) Law 1954³¹⁵, any liability incurred by a person under Article 26 in respect of the years of assessment 1998 and 1999 and remaining outstanding when this paragraph comes into force shall be determined as if, in paragraph (1) of that Article, as it had effect in relation to those years, the words “and the anniversary of that day in all ensuing years” were omitted.³¹⁶

3 Income Tax (Amendment No. 24) (Jersey) Law 2005: transitional provision for Article 95³¹⁷

- (1) In this paragraph “amending Law” means the Income Tax (Amendment No. 24) (Jersey) Law 2005.³¹⁸
- (2) In the case of an individual entitled, for the year of assessment 2004, to a deduction under Article 95(1)(b) or (2) in respect of a child receiving instruction at any university, college or other establishment for further instruction, but who is not receiving full-time higher education, Article 95 shall, for so long as the child continues to receive such instruction at that university, college, or other establishment for further instruction, continue to have effect without the amendment made by Article 18 of the amending Law.
- (3) In sub-paragraph (2) of this paragraph “higher education” has the same meaning as in the Education (Jersey) Law 1999.³¹⁹

4 Income Tax (Amendment No. 25) (Jersey) Law 200-: saving provision for Article 131C

A retirement annuity contract that was, immediately before the amendment of Article 131C by the Income Tax (Amendment No. 25) (Jersey) Law 200-³²⁰, the subject of an approval under paragraph (1) of that Article shall be taken to have been approved by the Comptroller under Article 131C(1)(a) as in force immediately after that amendment, but nothing in this paragraph shall prevent the withdrawal of that approval in accordance with this Law nor affect any condition to which that approval was subject immediately before that amendment.³²¹

ENDNOTES**Table of Legislation History**

Legislation	Year and No	Commencement
Income Tax Law (Jersey) 1961	L.29/1961	1 January 1962
Income Tax (Amendment) (Jersey) Law 1962	L.3/1962	24 April 1962
Income Tax (Amendment No. 2) (Jersey) Law 1963	L.11/1963	Article 1 in force 1 January 1962; Article 2 in force 31 May 1962; Article 3 in force 19 July 1963
Solemn Affirmations (Jersey) Law 1963	L.15/1963	23 August 1963
Income Tax (Amendment No. 3) (Jersey) Law 1963	L.21/1963	22 November 1963
Finance (Jersey) Law 1964	L.5/1964	27 November 1963 (R&O.4508)
Income Tax (Amendment No. 4) (Jersey) Law 1964	L.8/1964	Article 1 in force 1 January 1962; Articles 2 and 3 in force 3 July 1964
Income Tax (Amendment No. 5) (Jersey) Law 1965	L.8/1965	25 June 1965
Finance (Jersey) Law 1965	L.12/1965	27 November 1964 (R&O.4596); Parts 5 and 6 in force 1 January 1965
Finance (Jersey) Law 1967	L.4/1967	30 November 1966 (R&O.4868)
Income Tax (Amendment No. 6) (Jersey) Law 1967	L.10/1967	30 June 1967
Finance (Jersey) Law 1968	L.5/1968	29 November 1967 (R&O.5006)
Finance (Jersey) Law 1969	L.8/1969	3 December 1968 (R&O.5173)
Income Tax (Amendment No. 7) (Jersey) Law 1969	L.11/1969	20 June 1969
Finance (Jersey) Law 1971	L.10/1971	1 December 1970 (R&O.5601); Part 4 and 5 in force 1 January 1971
Income Tax (Amendment No. 8) (Jersey) Law 1971	L.11/1971	2 July 1971
Income Tax (Amendment No. 9) (Jersey) Law 1972	L.14/1972	26 May 1972
Finance (Jersey) Law 1972	L.20/1972	7 December 1971 (R&O.5601)
Finance (Jersey) Law 1973	L.9/1973	6 December 1972 (R&O.5758); Part 4 in force 1 January 1973
Finance (Jersey) Law 1974	L.8/1974	4 December 1973 (R&O.5899)
Income Tax (Amendment No.	L.20/1974	23 August 1974

Legislation	Year and No	Commencement
10) (Jersey) Law 1974		
Finance (Jersey) Law 1975	L.8/1975	4 December 1974 (R&O.6092)
Income Tax (Amendment No. 11) (Jersey) Law 1975	L.13/1975	17 October 1975
Finance (Jersey) Law 1976	L.15/1976	2 December 1975 (R&O.6240)
Income Tax (Amendment No. 12) (Jersey) Law 1977	L.5/1977	19 August 1977
Finance (Jersey) Law 1978	L.4/1979	7 December 1976 (R&O.6358); Part 4 in force 1 January 1977
Finance (No. 2) (Jersey) Law 1978	L.5/1979	6 December 1977 (R&O.6485)
Income Tax (Amendment No. 13) (Jersey) Law 1979	L.16/1979	29 June 1979
Finance (Jersey) Law 1979	L.17/1979	5 December 1978 (R&O.6596)
Finance (Jersey) Law 1980	L.12/1980	11 December 1979 (R&O.6741)
Income Tax (Amendment No. 14) (Jersey) Law	L.15/1980	8 August 1980
Income Tax (Amendment No. 15) (Jersey) Law 1981	L.8/1981	14 August 1981
Finance (Jersey) Law 1981	L.9/1981	2 December 1980 (R&O.6879)
Finance (Jersey) Law 1982	L.12/1982	1 December 1981 (R&O.7001)
Finance (Jersey) Law 1983	L.22/1983	30 November 1982 (R&O.7122)
Finance (Jersey) Law 1984	L.13/1984	30 November 1983 (R&O.7238)
Finance (Jersey) Law 1986	L.30/1986	5 December 1984 (R&O.7345)
Finance (No. 2) (Jersey) Law 1986	L.31/1986	3 December 1985 (R&O.7447)
Finance (Jersey) Law 1987	L.10/1987	25 November 1986 (R&O.7577)
Finance (Jersey) Law 1988	L.12/1988	1 December 1987 (R&O.7696)
Finance (Jersey) Law 1989	L.10/1989	6 December 1988 (R&O.7842)
Finance (Jersey) Law 1990	L.10/1990	28 November 1989 (R&O.8001)
Finance (Jersey) Law 1991	L.11/1991	4 December 1990 (R&O.8142)
Companies (Jersey) Law 1991	L.30/1991	30 March 1992
Finance (Jersey) Law 1992	L.7/1992	3 December 1991 (R&O.8305)
Income Tax (Amendment No. 16) (Jersey) Law 1993	L.12/1993	14 May 1993
Finance (Jersey) Law 1995	L.1/1995	24 November 1992 (R&O.8490)
Finance (No. 2) (Jersey) Law 1995	L.2/1995	30 November 1993 (R&O.8613); Part 9 in force 1 January 1994
Finance (No. 4) (Jersey) Law 1995	L.21/1995	6 December 1994 (R&O.8763)
Finance (Jersey) Law 1996	L.24/1996	5 December 1995

Legislation	Year and No	Commencement
		(R&O.8891); Part 9 in force 31 December 1995
Income Tax (Amendment No. 17) (Jersey) Law 1997	L.20/1997	3 December 1996 (R&O.9026)
Finance (Jersey) Law 1997	L.21/1997	3 December 1996 (R&O.9025)
Finance 1998 (Jersey) Law 2001	L.10/2001	3 December 1997 (R&O.9179)
Income Tax (Amendment No. 18) (Jersey) Law 1998	L.2/1998	16 January 1998
Financial Services Commission (Jersey) Law 1998	L.11/1998	Articles 1-4, 8, 10-21, 24, Schedule 1 in force 4 June 1998; Articles 5-7, 9, 22-23, remainder Schedule 2 and Schedule 3 in force 1 July 1998 (R&O.9238); the amendments to the Limited Liability Partnerships (Jersey) Law 1997 in Schedule 2 in force 9 September 1998 (R&O.9278)
Income Tax (Amendment No. 20) (Jersey) Law 1999	L.11/1999	30 April 1999
Finance (Jersey) Law 1999	L.19/1999	2 December 1998 (R&O.9324)
Income Tax (Amendment No. 19) (Jersey) Law 1999	L.21/1999	2 December 1998 (R&O.9325)
Criminal Procedure (Prescription of Offences) (Jersey) Law 1999	L.23/1999	23 July 1999
Finance (Jersey) Law 2000	L.16/2000	30 November 1999 (R&O.9475)
Income Tax (Amendment No. 21) (Jersey) Law 2001	L.14/2001	Article 1 in force 27 April 2001; Articles 2-5 in force 7 December 2001 (R&O.133/2000)
Finance (Jersey) Law 2001	L.19/2001	7 December 2000 (R&O.132/2000)
Finance (Jersey) Law 2002	L.23/2002	6 December 2001 (R&O.175/2001); Article 5 in force 1 January 2002
Finance (Jersey) Law 2003	L.21/2003	5 December 2002 (R&O.155/2002)
Income Tax (Amendment No. 22) (Jersey) Law 2003	L.22/2003	5 December 2002 (R&O.156/2002)
Finance (Jersey) Law 2004	L.13/2004	5 December 2003 (R&O.160/2003)
Income Tax (Amendment No. 23) (Jersey) Law 2004	L.20/2004	5 December 2003 (R&O.161/2003) Part 2 had effect on 1 January 2004, Part 3 had effect in relation to tax payable for the year of assessment 2003 and

Legislation	Year and No	Commencement
		ensuing years, Part 4 had effect in relation to statements required to be delivered under Article 16 in respect of the year of assessment 2003 and ensuing years, Part 5 had effect in any case in which withdrawal of approval of a fund under Article 131G took effect after Part 5 came into force, Part 6 took effect for the year of assessment 2004 and ensuing years, Part 7 took effect in relation to losses incurred after Part 7 came into force, Part 8 had effect in relation to expenditure incurred after Part 8 came into force, Part 10 had effect for the year of assessment 2004 and ensuing years with the exception of Articles 38 and 39 which shall have effect for the year of assessment 2003 and ensuing years, provisions in the Schedule have effect on the dates respectively stated
Income Tax (Amendment No. 24) (Jersey) Law 2005	L.12/2005	Part 3 in force for year of assessment 2004 and ensuing years; Articles 2, 3 and 5, Article 7 (to the extent that it inserts Articles 41C, 41D and 41F) and Part 4 in force 1.1.05; Part 6 in force for year of assessment 2005 and ensuing years; Articles 4, 6, 7 (to the extent that it is not already in force), 8 and 9 in force 1.1.06; Part 5 in force for year of assessment 2006 and ensuing years; remainder in force 14.12.04 (R&O.157/2004)
Children (Jersey) Law 2002	L.50/2002	1 August 2005 (R&O.74/2005)
Finance (Jersey) Law 2006	L.14/2006	1 December 2005 (R&O.184/2005)

Legislation	Year and No	Commencement
Income Tax (Amendment No. 25) (Jersey) Law 2006	L.15/2006	1 December 2005 as to Parts 1, 4 and 7 Parts 2 and 3 have effect for the year of assessment 2005 and ensuing years 1 January 2006 as to Part 5 (Part 6 not in force on revision date) (R&O.185/2005)
States of Jersey (Amendments and Construction Provisions No. 2) (Jersey) Regulations 2005	R&O.43/2005	9 December 2005
Public Finances (Consequential Amendments) (Jersey) Regulations 2005	R&O.126/2005	9 December 2005
States of Jersey (Amendments and Construction Provisions No. 12) (Jersey) Regulations 2005	R&O.133/2005	9 December 2005
Employment of States of Jersey Employees (Consequential, Amendment, Repeal, Transitional and Savings Provisions) (Jersey) Regulations 2005	R&O.155/2005	9 December 2005
Finance (Jersey) Law 200-	P.131/2006	5 December 2006 (R&O.134/2006*)
Income Tax (Amendment No. 26) (Jersey) Law 200-	P.132/2006	5 December 2006 as to Parts 1 and 3 Part 2 Chapter 1 has effect for the year of assessment 2007 and ensuing years Part 2 Chapter 2 will have effect for the year of assessment 2011 and ensuing years (R&O.135/2006*)
Income Tax (Amendment No. 27) (Jersey) Law 200-	P.167/2006	16 January 2007 The Law has effect for the year of assessment 2007 and ensuing years (R&O.9/2007*)

*** Draft Laws given effect by acte opératoire**

A Law must be adopted by the States and then sanctioned by Her Majesty in Council in order to be enacted. However, an acte opératoire made under Article 19 of the Public Finances (Jersey) Law 2005 (chapter 24.900) provides for taxation legislation to be given immediate effect as if it were enacted, even though it may not have been adopted, and has not been sanctioned, as described. If a Law that has been given immediate effect by acte opératoire is not subsequently enacted at all, or is amended before enactment, Article 19 requires the repayment or making good of any money paid or deducted in accordance with any provision of it which is not enacted or is

Legislation	Year and No	Commencement
amended.		

Table of Renumbered Provisions

Original	Current
PART I	PART 1
PART II	PART 2
PART III	PART 3
PART IV	PART 4
16(1)(a)	repealed by L.30/1986
21	repealed by L.30/1986
PART V	PART 5
22(2)	repealed by L.30/1986
PART VI	PART 6
30	repealed by L.30/1986
PART VII	PART 7
PART VIII	PART 8
56	repealed by L.30/1986
Part IX 57	repealed by L.23/2002
58	repealed by L.23/2002
59	repealed by L.23/2002
60	repealed by L.23/2002
60A	repealed by L.23/2002; inserted by L.20/1972
PART X	PART 10
65(2)	repealed by L.22/2003; amended by L.14/2001
65B(6)	repealed by L.20/2004
71	repealed by L.20/2004
72	repealed by L.31/1986
73	repealed by L.31/1986
73A	repealed by L.31/1986; inserted by L.11/1969
79(1)	repealed by L.20/2004
PART XI	PART 11
87(3)	repealed by L.20/2004
88(2)	repealed by L.20/2004
91	repealed by L.20/1997
PART XII	PART 12
92(2)	repealed by L.12/1988
96	repealed by L.20/2004
97	repealed by L.10/1990
98	repealed by L.10/1990
99	repealed by L.20/2004

Original	Current
100	repealed by L.20/2004
PART XIII	PART 13
106(1)	repealed by L.20/2004
109	repealed by L.16/1979
PART XIV	PART 14
112(4)	repealed by L.20/2004
PART XV	PART 15
118(1)	repealed by L.13/1984
PART XVI	PART 16
PART XVII	PART 17
PART XVIII	PART 18
PART XIX	PART 19
131(5)(d)	repealed by L.20/2004
131D(11)(c)	repealed by L.20/2004
131E(9)(c)	repealed by L.20/2004
PART XX	PART 20
133(5)	repealed by L.21/1999
PART XXI	PART 21
PART XXII	PART 22
140	repealed by L.23/1999
PART XXIII	PART 2
143	repealed by L.15/1963
PART XXIV	PART 24
146	spent, omitted from this revised edition
147	spent, omitted from this revised edition
148	spent, omitted from this revised edition
149	spent, omitted from this revised edition
SECOND SCHEDULE, (renumbered as SCHEDULE 4 by L.22/2003)	spent, omitted from this revised edition

Table of Endnote References

¹ *This Law has been amended by the States of Jersey (Amendments and Construction Provisions No. 2) (Jersey) Regulations 2005 and the States of Jersey (Amendments and Construction Provisions No. 12) (Jersey) Regulations 2005 . The amendments replace all references to a Committee of the States of Jersey with a reference to a Minister of the States of Jersey, and remove and add defined terms appropriately, consequentially upon the move from a committee system of government to a ministerial system of government.*

This Law has been amended by the Public Finances (Consequential Amendments) (Jersey) Regulations 2005. The amendments are consequential upon the repeal of the Public Finances (Administration) (Jersey) Law 1967 and its replacement by the Public Finances (Jersey) Law 2005.

This Law has been amended by the Employment of States of Jersey Employees (Consequential, Amendment, Repeal, Transitional and Savings Provisions) (Jersey) Regulations 2005. The amendments are consequential upon the repeal of the Civil Service (Administration) (Jersey) 1948 and its replacement by the Employment of States of Jersey Employees (Jersey) Law 2005.

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The Finance (Jersey) Law 200- (P.131/2006, given immediate effect by R&O.134/2006) provides, in Article 1, that “There shall be levied and charged in Jersey for the year 2007, in accordance with the Income Tax (Jersey) Law 1961, income tax at the standard rate of 20 pence in the pound”; for previous years the rate of income tax was set by the following laws:

2006	L.14/2006
2005	L.13/2005
2004	L.13/2004
2003	L.21/2003
2002	L.23/2002
2001	L.19/2001
2000	L.16/2000
1999	L.19/1999
1998	L.10/2001
1997	L.21.1997
1996	L.24/1996
1995	L.21/1995
1994	L.2/1995
1993	L.1/1995
1992	L.7/1992
1991	L.11/1991
1990	L.10/1990
1989	L.10/1989
1988	L.12/1988
1987	L.10/1987
1986	L.30/1986
1985	L.31/1986
1984	L.13/1984
1983	L.22/1983
1982	L.12/1982
1981	L.9/1981
1980	L.12/1980
1979	L.17/1979
1978	L.5/1979
1977	L.4/1979
1976	L.15/1976
1975	L.8/1975
1974	L.8/1974
1973	L.9/1973
1972	L.20/1972
1971	L.10/1971
1970	L.2/1970
1969	L.8/1969
1968	L.5/1968
1967	L.4/1967
1966	L.11/1966
1965	L.12/1965
1964	L.5/1964

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- 1963 L.10/1963
 1962 L.4/1962
 1961 L.25/1961
- ³ Article 1 amended by L.23/2002, L.12/2005
- ⁴ Article 3(1) definition “approved drawdown contract” inserted by L.22/2003
- ⁵ Article 3(1) definition “approved trust” inserted by L.22/2003
- ⁶ Article 3(1) definition “assessable income” amended by L.20/2004
- ⁷ chapter 13.425
- ⁸ Article 3(1) definition “authorized insurance company” inserted by L.22/2003
- ⁹ Article 3(1) definition “connected” and “unconnected” inserted by L.22/2003
- ¹⁰ Article 3(1) definition “document” inserted by L.24/1996
- ¹¹ Article 3(1) definition “emoluments” inserted by L.22/2003
- ¹² Article 3(1) definition “enactment” inserted by L.21/1963
- ¹³ Article 3(1) definition “Guernsey” inserted by L.13/1975
- ¹⁴ Article 3(1) definition “lifetime annuity” inserted by L.22/2003
- ¹⁵ Article 3(1) definition “minimum retirement income” inserted by L.22/2003
- ¹⁶ Article 3(1) definition “motor vehicle” inserted by L.22/2003
- ¹⁷ chapter 13.475
- Article 3(1) definition “partnership” inserted by L.21/1999
- ¹⁸ Article 3A inserted by L.7/1992
- ¹⁹ Article 4(1) amended by L.20/2004
- ²⁰ Article 4(2) amended by L.20/2004
- ²¹ chapter 16.325
- ²² Article 10(1) amended by L.20/2004
- ²³ Article 11 amended by L.22/2003
- ²⁴ Article 13(1) amended by L.14/2001
- ²⁵ L.8/2005
- Article 13(2) inserted by L.14/2001
- ²⁶ Article 13A inserted by L.2/1998
- ²⁷ Article A15 inserted by L.12/2005
- ²⁸ Article 16(1) amended by L.22/1983, L.30/1986, L.20/2004
- ²⁹ Article 16(2) substituted by L.20/2004, former paragraph amended by L.30/1986
- ³⁰ Article 16A inserted by L.24/1996
- ³¹ Article 17A inserted by L.20/2004
- ³² Article 17A(13) repealed by L.15/2006
- ³³ Article 19A inserted by L.12/2005
- ³⁴ Article 20 substituted by L.12/2005
- ³⁵ chapter 26.900
- ³⁶ Article 20A substituted by L.12/2005
- ³⁷ chapter 26.900
- ³⁸ Article 24(1) amended by L.10/1967
- ³⁹ Article 26 repealed by L.12/2005; formerly inserted by L.21/1999; former Article
 repealed by L.12/1993
- ⁴⁰ Article 27 substituted by L.16/1979
- ⁴¹ Article 27(1) amended by L.21/1999
- ⁴² Article 27(2) substituted by L.11/1999
- ⁴³ Article 28(2) substituted by L.21/1999
- ⁴⁴ Article 28(3) inserted by L.21/1999
- ⁴⁵ Article 28(4) inserted by L.21/1999
- ⁴⁶ Article 29(1) amended by L.11/1999
- ⁴⁷ Article 29(2) substituted by L.11/1999
- ⁴⁸ Article 29(3) substituted by L.11/1999
- ⁴⁹ Article 29(6) inserted by L.11/1999
- ⁵⁰ Article 29(7) inserted by L.11/1999
- ⁵¹ Article 29A inserted by L.11/1999
- ⁵² Article 35(3) amended by L.5/1977, L.11/1999
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- ⁵³ Article 39 amended by L.12/2005
⁵⁴ Article 41A inserted by L.12/2005
⁵⁵ chapter 24.750.60
⁵⁶ Article 41B inserted by L.12/2005
⁵⁷ Article 41C inserted by L.12/2005
⁵⁸ Article 41C(4) amended by L.15/2006
⁵⁹ Article 41D inserted by L.12/2005
⁶⁰ Article 41E inserted by L.12/2005
⁶¹ Article 41F inserted by L.12/2005
⁶² Article 41G inserted by L.12/2005
⁶³ Article 41H inserted by L.12/2005
⁶⁴ chapter 26.900
⁶⁵ Article 41I inserted by L.12/2005
⁶⁶ Article 41I(9) repealed by L.15/2006
⁶⁷ Article 42(1) amended by L.15/2006
⁶⁸ Article 42(1A) inserted by L.15/2006
⁶⁹ Article 42(1B) inserted by L.15/2006
⁷⁰ Article 50 substituted by L.30/1986
⁷¹ Article 51 substituted by L.22/1983, L.30/1986
⁷² Article 52 substituted by L.30/1986
⁷³ Article 53 substituted by L.30/1986
⁷⁴ Article 54 substituted by L.30/1986
⁷⁵ Article 54(1) amended by L.2/1998
⁷⁶ Article 54(2) substituted by L.2/1998
⁷⁷ Article 54(2A) inserted by L.2/1998
⁷⁸ Article 55 substituted by L.30/1986
⁷⁹ Article 61(1) amended by L.23/2002, L.22/2003, L.12/2005
⁸⁰ Article 61(1A) inserted by L.12/2005
⁸¹ Article 61(2) inserted by L.20/2004
⁸² Article 62(1) amended by L.23/2002, L.22/2003
⁸³ Article 65(1) amended by L.14/2001
⁸⁴ Article 65(1A) inserted by L.14/2001
⁸⁵ Article 65(1B) inserted by L.14/2001
⁸⁶ Article 65A inserted by L.14/2001
⁸⁷ Article 65B inserted by L.22/2003
⁸⁸ Article 65B(4) amended by L.20/2004
⁸⁹ Article 67(2) amended by L.16/1979
⁹⁰ Article 68(1)(a) amended by L.20/2004
⁹¹ Article 69 substituted by L.30/1986
⁹² Article 69(1) amended by L.20/2004
⁹³ Article 69A inserted by L.14/2001
⁹⁴ Article 69A(2) amended by L.22/2003
⁹⁵ Article 70 amended by L.22/1983, L.30/1986, L.23/2002
⁹⁶ Article 70A inserted by L.15/1980, amended by L.16/2000
⁹⁷ chapter 26.900
⁹⁸ Article 70A(1) amended by L.21/1995, L.19/1999
⁹⁹ Article 70A(1A) inserted by L.16/2000
¹⁰⁰ Article 75(1) amended by L.16/1979
¹⁰¹ Article 75(2) amended by L.11/1963
¹⁰² Article 76A inserted by L.21/1995
¹⁰³ Article 79(2) amended by L.20/2004
¹⁰⁴ Article 80(1) amended by L.20/1974, L.14/2001
¹⁰⁵ Article 80(1A) inserted by L.14/2001
¹⁰⁶ Article 80(1B) inserted by L.14/2001
¹⁰⁷ Article 80(2) substituted by L.20/1974
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- ¹⁰⁸ Article 80(3) amended by L.20/1974
- ¹⁰⁹ Heading amended by L.22/2003
- ¹¹⁰ Article 81(1) amended by L.22/2003, L.20/2004
- ¹¹¹ Article 81A inserted by L.20/1974
- ¹¹² Article 83 amended by L.23/2002
- ¹¹³ Article 86(1) amended by L.8/1965, L.20/2004
- ¹¹⁴ Article 86(2) substituted by L.20/2004
- ¹¹⁵ Article 86(2A) inserted by L.20/2004
- ¹¹⁶ Article 86(2B) inserted by L.20/2004
- ¹¹⁷ Article 86(3) amended by L.11/1971
- ¹¹⁸ Article 87(1) amended by L.24/1996, L.22/2003
- ¹¹⁹ Article 87A inserted by L.7/1992
- ¹²⁰ Article 87A(2) substituted by L.21/1995
- ¹²¹ Article 87A(3) substituted by L.21/1995
- ¹²² Article 87B inserted by L.7/1992
- ¹²³ Article 87B(1) amended by L.21/1995, L.19/2001
- ¹²⁴ L.1/1861
- ¹²⁵ Article 89(2) amended by L.5/1977, L.11/1999
- ¹²⁶ Article 89A inserted by L.21/1997
- ¹²⁷ Article 89A(2) amended by L.20/2004
- ¹²⁸ Article 90 amended by L.20/2004
- ¹²⁹ Article 90AA inserted by L.20/2004
- ¹³⁰ Article 90AA(8) inserted by P.132/2006
- ¹³¹ Article 90AB inserted by L.20/2004
- ¹³² Article 90AC inserted by L.20/2004
- ¹³³ Article 90AD inserted by L.20/2004
- ¹³⁴ Article 90AE inserted by L.20/2004
- ¹³⁵ Article 90AF inserted by L.20/2004
- ¹³⁶ Article 90A inserted by L.20/1997
- ¹³⁷ Article 90B inserted by L.20/1997
- ¹³⁸ Article 90B(1) substituted by L.20/2004
- ¹³⁹ Article 90B(4) amended by L.20/2004
- ¹⁴⁰ Article 90B(5) added by P.132/2006
- ¹⁴¹ Article 90C inserted by L.20/1997
- ¹⁴² Article 90C(9) added by P.132/2006
- ¹⁴³ Article 90D inserted by P.132/2006
- ¹⁴⁴ Article 92 heading substituted by P.132.2006
- ¹⁴⁵ Article 92 amended by L.5/1968, L.10/1971, L.8/1974, L.15/1976, L.5/1979, L.17/1979, L.12/1980, L.9/1981, L.12/1982, L.22/1983, L.13/1984, L.30/1986, L.31/1986, L.10/1987, L.12/1988, L.10/1989, L.11/1991, L.7/1992, P.132/2006
- ¹⁴⁶ Article 92A substituted by P.132/2006; formerly substituted by L.10/1971 - see revised edition 1 January 2006 as to amendments of former Article; former Article inserted by L.5/1964
- ¹⁴⁷ Article 92B substituted by P.132/2006; formerly inserted by L.21/1999- see revised edition 1 January 2006 as to amendment of former Article
- ¹⁴⁸ chapter 10.700
- ¹⁴⁹ Article 92C inserted by P.132/2006
- ¹⁵⁰ Article 94 substituted by P.132/2006; see revised edition 1 January 2006 for amendments of former Article
- ¹⁵¹ Article 95(1) substituted by L.16/2000, amended by L.10/2001, L.12/2005; former paragraph amended by L.9/1973, L.8/1974, L.4/1979, L.17/1979, L.12/1980, L.9/1981, L.12/1982, L.22/1983, L.13/1984, L.30/1986, L.31/1986, L.10/1987, L.12/1988, L.10/1989, L.10/1990, L.11/1991, L.7/1992, substituted by L.21/1995, amended by L.24/1996, L.21/1997
- ¹⁵² Article 95(2) amended by L.12/2005
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- ¹⁵³ Article 95(3) substituted by L.16/2000, amended by L.10/2001; former paragraph substituted by L.12/1965, amended by L.4/1979, L.17/1979, L.12/1980, L.9/1981, L.12/1982, L.22/1983, L.13/1984, L.30/1986, L.31/1986, L.10/1987, L.12/1988, L.10/1989, L.10/1990, L.11/1991, L.7/1992, L.21/1995, L.24/1996
- ¹⁵⁴ chapter 10.800
- ¹⁵⁵ Article 95(6) added by L.12/2005
- ¹⁵⁶ Article 98A substituted by L.10/1990, former Article inserted by L.4/1967, amended by L.8/1974, L.8/1975, L.4/1979, L.17/1979, L.12/1980, L.9/1981, L.12/1982, L.22/1983, L.13/1984, L.30/1986, L.31/1986, L.10/1987, L.12/1988, L.10/1989
- ¹⁵⁷ Article 98A(1) amended by L.11/1991, L.7/1992, L.21/1995, L.24/1996, L.21/1997, L.16/2000, L.20/2004, P.132/2006
- ¹⁵⁸ Article 101(1A) inserted by P.132/2006
- ¹⁵⁹ Article 101(2)(a) amended by L.20/2004
- ¹⁶⁰ Article 101(5) added by P.132/2006
- ¹⁶¹ Article 101A inserted by L.10/1990
- ¹⁶² Article 101A(1) amended by P.132/2006
- ¹⁶³ Article 101A(2) amended by L.11/1991
- ¹⁶⁴ Article 101B inserted by P.132/2006
- ¹⁶⁵ Article 102 repealed by L.12/2005; formerly inserted by L.21/1999; former Article repealed by L.30/1986
- ¹⁶⁶ Article 105(2) amended by L.20/2004
- ¹⁶⁷ Article 106(2) amended by L.7/1992, L.20/2004
- ¹⁶⁸ Article 106(3) inserted by L.10/1990, amended by L.7/1992, L.20/2004
- ¹⁶⁹ Part 12A heading inserted by L.31/1986
- ¹⁷⁰ Article 106A inserted by L.31/1986
- ¹⁷¹ Article 106B inserted by L.31/1986
- ¹⁷² Article 106C inserted by L.31/1986
- ¹⁷³ Article 106C(3) amended by L.20/2004
- ¹⁷⁴ Article 107(1) amended by L.1/1995, L.20/2004
- ¹⁷⁵ Article 107(3) amended by L.1/1995
- ¹⁷⁶ Article 107A inserted by L.1/1995
- ¹⁷⁷ Article 108(1) amended by L.16/1979
- ¹⁷⁸ Article 108(3) substituted by L.16/1979
- ¹⁷⁹ Article 112(3) amended by L.20/2004
- ¹⁸⁰ Article 112(5) amended by L.21/1995
- ¹⁸¹ Article 115(fa) amended by L.20/2004
- ¹⁸² chapter 07.245
- ¹⁸³ chapter 26.100
- ¹⁸⁴ chapter 26.400
- ¹⁸⁵ chapter 26.600
- ¹⁸⁶ chapter 12.200
- ¹⁸⁷ chapter 26.300
- ¹⁸⁸ Article 115 amended by L.11/1963, L.21/1963, L.8/1964, L.20/1974, L.13/1975, L.17/1979, L.15/1980, L.10/1990, L.2/1995, L.24/1996, L.16/2000, L.10/2001, L.22/2003, L.50/2002, L.15/2006
- ¹⁸⁹ Article 116 amended by L.10/1967, L.24/1996
- ¹⁹⁰ Article 118(2) amended by L.13/1984, L.23/2002
- ¹⁹¹ Article 118A inserted by L.23/2002
- ¹⁹² Article 119A inserted by L.11/1971
- ¹⁹³ Article 119A(1) amended by L.20/2004
- ¹⁹⁴ Article 121(1) amended by L.22/2003
- ¹⁹⁵ Article 121(2) amended by L.22/2003
- ¹⁹⁶ Article 121A inserted by L.22/2003
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- ¹⁹⁷ Article 121B inserted by L.22/2003
- ¹⁹⁸ Article 121B(4) amended by L.20/2004, P.132/2006
- ¹⁹⁹ chapter 13.125
- ²⁰⁰ Article 123(1) substituted by P.167/2006; formerly substituted by L.10/1989, amended by L.30/1991
- ²⁰¹ Article 123A inserted by L.10/1989
- ²⁰² chapter 13.250
- ²⁰³ Article 123A(1) amended by L.1/1995, L.11/1998, L.10/2001
- ²⁰⁴ Article 123A(9) amended by L. 20/2004
- ²⁰⁵ chapter 13.100
- ²⁰⁶ Article 123A(10) amended by L.11/1998
- ²⁰⁷ Article 123B inserted by L.1/1995
- ²⁰⁸ chapter 13.250
- ²⁰⁹ Article 123B(1) amended by L.2/1995, L.11/1998, L.10/2001
- ²¹⁰ Article 123B(2) amended by L.2/1995
- ²¹¹ Article 123B(3) substituted by L.2/1995, amended by L.10/2001
- ²¹² Article 123B(3A) inserted by L.10/2001
- ²¹³ Article 123B(5) amended by L.15/2006
- ²¹⁴ Article 123B(8) amended by L.10/2001
- ²¹⁵ Article 123B(8A) inserted by L.10/2001
- ²¹⁶ Article 123B(11) amended by L.2/1995, L.10/2001
- ²¹⁷ Article 123B(13) amended by L.11/1998
- ²¹⁸ Article 129A inserted by L.12/2005
- ²¹⁹ Article 130 substituted by L.5/1968
- ²²⁰ chapter 26.900
- ²²¹ Article 130(1) amended by L.13/1975, L.15/1980, P.132/2006
- ²²² Article 130A inserted by L.15/1980
- ²²³ chapter 26.600
- ²²⁴ Article 131 substituted by L.13/1975
- ²²⁵ Article 131(3) amended by L.10/1990, L.22/2003
- ²²⁶ Article 131(5) amended by L.20/2004
- ²²⁷ Article 131A inserted by L.3/1962
- ²²⁸ Article 131A(1) substituted by L.20/2004; former paragraph amended by L.22/2003
- ²²⁹ Article 131A(1A) inserted by L.20/2004
- ²³⁰ Article 131A(1B) inserted by L.20/2004
- ²³¹ Article 131A(1C) inserted by L.20/2004
- ²³² Article 131A(2) amended by L.20/2004
- ²³³ Article 131B inserted by L.10/1987
- ²³⁴ Article 131B(1) amended by L.21/1995, L.22/2003
- ²³⁵ Article 131B(3) amended by L.10/1989, L.11/1991, L.21/1995, L.24/1996, L.21/1997, L.19/1999
- ²³⁶ Article 131B(4) amended by L.10/1990, L.21/1995, L.24/1996, L.22/2003
- ²³⁷ Article 131B(7A) inserted by L.21/1995
- ²³⁸ Article 131B(9) substituted by L.19/1999; former paragraph amended by L.21/1997
- ²³⁹ Article 131B(9A) inserted by L.21/1995
- ²⁴⁰ Article 131C inserted by L.10/1990
- ²⁴¹ Article 131C(1) substituted by L.15/2006
- ²⁴² Article 131C(5) inserted by L.15/2006
- ²⁴³ Article 131C(6) inserted by L.15/2006
- ²⁴⁴ Article 131D inserted by L.22/2003
- ²⁴⁵ chapter 13.100
- ²⁴⁶ chapter 13.225
- ²⁴⁷ chapter 13.100
- ²⁴⁸ chapter 13.075
- ²⁴⁹ chapter 13.450
- ²⁵⁰ chapter 13.425
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- 251 *chapter 13.225*
- 252 *Article 131D(11) amended by L.20/2004*
- 253 *Article 131E inserted by L.22/2003*
- 254 *chapter 13.225*
- 255 *Article 131E(9) amended by L.20/2004*
- 256 *Article 131F inserted by L.22/2003*
- 257 *chapter 26.900*
- 258 *Article 131G inserted by L.20/2004*
- 259 *Article 132(2A) inserted by L.11/1971*
- 260 *Article 132(7) amended by L.8/1965, L.21/1995, L.22/2003*
- 261 *Article 133(1) paragraph (aa) inserted by L.20/2004*
- 262 *Article 133(1) amended by L.14/2001*
- 263 *Article 133(1A) inserted by L.14/2001, amended by L.22/2003*
- 264 *Article 133(2) amended by L.16/1979*
- 265 *Article 133(3) amended by L.16/1979*
- 266 *Article 134 substituted by L.21/1999*
- 267 *Article 134(3) amended by L.20/2004*
- 268 *Part 20A heading inserted by L.10/1967*
- 269 *Article 134A inserted by L.10/1967*
- 270 *Part 21A inserted by L.12/2005*
- 271 *Article 135A inserted by L.12/2005*
- 272 *chapter 18.315*
- 273 *chapter 18.315.50*
- 274 *Article 135B inserted by L.12/2005*
- 275 *chapter 16.800*
- 276 *Article 136(1) substituted by L.8/1981, amended by L.24/1996, L.11/1999; former paragraph amended by L.5/1977*
- 277 *Article 136(3) amended by L.5/1977, L.8/1981, L.11/1999*
- 278 *Article 136(4) repealed by L.12/2005*
- 279 *Article 136(5) amended by L.24/1996*
- 280 *Article 137(1) amended by L.5/1977, L.8/1981, L.11/1999*
- 281 *Article 137(2) amended by L.5/1977, L.11/1999*
- 282 *Article 137(5) inserted by L.8/1965*
- 283 *Article 138 amended by L.5/1977, L.11/1999*
- 284 *Article 139(1) amended by L.5/1977, L.11/1999*
- 285 *Article 139(2) amended by L.20/2004*
- 286 *Article 139(3) inserted by L.20/2004*
- 287 *Article 142(1) amended by L.23/2002*
- 288 *chapter 15.720*
- 289 *Article 145 amended by L.12/1993*
- 290 *Article 149A inserted by L.20/2004*
- 291 *Schedule 2 inserted by L.22/2003*
- 292 *chapter 26.900*
- 293 *Schedule 2 paragraph 1(e) inserted by L.20/2004*
- 294 *Schedule 3 inserted by L.22/2003*
- 295 *Schedule 3 paragraph 1(1) amended by L.20/2004*
- 296 *Schedule 3 paragraph 1(1A) inserted by L.20/2004*
- 297 *Schedule 3 paragraph 2(A1) inserted by L.20/2004*
- 298 *Schedule 3 paragraph 2(1) amended by L.20/2004*
- 299 *Schedule 3 paragraph 2(1A) inserted by L.20/2004*
- 300 *Schedule 3 paragraph 2(2) amended by L.20/2004*
- 301 *Schedule 3 paragraph 2(2A) inserted by L.20/2004*
- 302 *Schedule 3 paragraph 2(3) amended by L.20/2004*
- 303 *Schedule 3 paragraph 2(6) amended by L.20/2004*
- 304 *Schedule 3 paragraph 3(1) substituted by L.20/2004*
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- ³⁰⁵ Schedule 3 paragraph 3(2) substituted by L.20/2004
- ³⁰⁶ Schedule 3 paragraph 3(4A) inserted by L.20/2004
- ³⁰⁷ Schedule 5 inserted by L.20/2004
- ³⁰⁸ Schedule 5 heading amended by L.15/2006
- ³⁰⁹ L.20/2004
- ³¹⁰ Schedule 5 paragraph 1(3A) inserted by P.132/2006
- ³¹¹ Schedule 5 paragraph 1(3B) inserted by P.132/2006
- ³¹² Schedule 5 paragraph 1(4A) inserted by P.132/2006
- ³¹³ Schedule 5 paragraph 1(5A) inserted by P.132/2006
- ³¹⁴ Schedule 5 paragraph 2 inserted by L.12/2005
- ³¹⁵ chapter 15.360.
- ³¹⁶ Schedule 5 paragraph 2A inserted by L.15/2006
- ³¹⁷ Schedule 5 paragraph 3 inserted by L.12/2005
- ³¹⁸ L.12/2005
- ³¹⁹ chapter 10.800
- ³²⁰ P.256/2005
- ³²¹ Schedule 5 paragraph 4 inserted by L.15/2006