

## Jersey Snapshot

### Basic facts

<b>Population</b>	87,500	<b>Inflation</b>	5.3% (2004)*
<b>Main languages</b>	English, French	<b>GDP per head</b>	n/a
<b>Currency</b>	Jersey pound, pound sterling (GBP)	<b>GDP growth</b>	n/a
<b>GDP sources</b>	5% agriculture, 2% industry, 93% services		
*Government sources.			

### Political environment

Jersey is an internally self-governing dependent territory of the British Crown and is not part of the United Kingdom. The lieutenant-governor is the British Crown representative. The bailiff is also appointed by the crown and serves as president and speaker of the legislative assembly—the States of Jersey. The island has a comprehensive independent legal, fiscal and administrative system.

### Foreign trade and investment

<b>Exports</b>	n/a	<b>Imports</b>	n/a
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Leading export markets: the UK.

Major exports: Flowers, potatoes, cauliflower, tomatoes, and Jersey cattle.

The financial services sector continues to provide Jersey's main source of income, including private banking, company and trust administration, and investment funds. The tourism industry also remains an important income-earner.

### Business and financing

<b>Business forms</b>	Exempt company
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Jersey has a well-developed trust sector, with strong support from law firms, trust managers and advisory practices.

### Labour environment

<b>Unemployment rate</b>	0.9% (2004)*	<b>Minimum wage</b>	£5.08 (hourly)
*Government sources.			

Jersey decided in 2004 to introduce a minimum wage for the first time. The £5.08 minimum wage took effect in April 2005.

The number of people registered as unemployed in Jersey increased in 2003 and during the first quarter of 2004, reaching 760 in February and March 2004.

## Taxation

### Corporate tax

**Main rate** 20%

Resident companies are taxed on their worldwide income; non-resident companies are taxed on Jersey-source income only. A company is resident in Jersey if incorporated there, or if central management and control takes place in Jersey. The rate of corporate tax is 20%, but there is a proposal to reduce the rate to 0% (with a 10% rate for financial services providers) by 2008. Capital gains are not included in taxable income. Intercompany dividends are effectively not taxed, as the tax is offset by an imputation tax credit.

### Individual tax

**Main rate** 20%

Resident individuals are taxed on their worldwide income; non-residents are taxed on Jersey-source income only. A person is considered resident if present in Jersey for 183 days in a tax year or 90 days in each of four consecutive tax years. The rate of individual income tax is 20%. Dividends received are taxable on the gross amount, but an imputation tax credit is available. Capital gains of individuals are not taxed.

### Capital gains

Not subject to tax

Capital gains are not taxed in Jersey.

### Indirect tax

No VAT or sales tax

There is no value-added tax (VAT) or sales tax in Jersey. There is, however, a proposal to introduce a goods and services tax from 2007.

### Tax administration and compliance

**Tax year** Companies: accounting year; Individuals: calendar year

Companies pay tax based on their accounting period ending in the previous tax year. A tax return is due within 30 days of its issue, and tax is then payable on assessment. A system of tax deduction at source from wages and salaries, known as ITIS, is being introduced from 2006. Individual tax returns are due within 60 days of their issue, after the end of the tax year. Assessments are issued in September following the tax year, and tax is payable on assessment.

### Additional tax information

<b>Withholding taxes</b>	Dividends 0%, Interest and Royalties 20%. Interest paid by banks is generally not subject to withholding; a 15% retention tax may apply to savings income paid to individuals in the EU.
<b>Tax treaties</b>	Arrangements have been agreed with the UK and Guernsey, and a limited (air and shipping) tax agreement has been concluded with France.
<b>Dividends</b>	Dividends are taxable, but with an imputation credit for residents.
<b>Revenue protection</b>	There is no transfer-pricing, thin-capitalisation or anti-haven (CFC) legislation, but there is a general anti-avoidance provision.
<b>Groups</b>	There are no provisions for group taxation.
<b>Incentives</b>	Exempt companies; international business companies.
<b>Other taxes</b>	Company registration fees, Motor vehicle duty, Parish rates, Probate fees, Stamp duty, States revenue duties.

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