

ORDER IN COUNCIL

XIII

ratifying a Projet de Loi

1950

ENTITLED

The Corporation Tax (Guernsey) Law, 1950

(Registered on the Records of the Island of Guernsey
on the 8th day of June, 1950.)



ORDER IN COUNCIL



IN THE ROYAL COURT OF THE ISLAND OF GUERNSEY

The 8th day of July, 1950, before Sir Ambrose James Sherwill, C.B.E., M.C., Bailiff; present:— Osmond Priaulx Gallienne, Esquire, Ernest de Garis, Esquire, O.B.E., Sir John Leale, James Frederick Carey, Arthur Falla, Quartier Le Pelley, Walter John Sarre, Esquires, Richard Henry Johns, Esquire, O.B.E., William Robert Freaake Clarke, Walter John Govey and Ernest Francis Lainé, Esquires, Jurats.

The Bailiff having this day placed before the Court an Order of His Majesty in Council dated the 26th day of June, 1950, ratifying a *Projet de Loi* entitled "The Corporation Tax (Guernsey) Law, 1950",—The Court, after the reading of the said Order in Council and after having heard His Majesty's Procureur thereon, ordered that the said Order in Council be registered on the records of this Island and that an extract of this present Act, together with a copy of the said Order in Council, be sent by His Majesty's Greffier to the Clerk of the Court of Alderney for registration on the records of that Island, of which Order in Council the tenor followeth:—

At the Court at Buckingham Palace

The 26th day of June, 1950.

PRESENT,

The King's Most Excellent Majesty.

LORD PRESIDENT

MR. SECRETARY GRIFFITHS

MR. GAITSKELL

SIR RONALD IAN CAMPBELL

WHEREAS there was this day read at the Board a Report from the Right Honourable the Lords of the Committee of Council for the Affairs of Guernsey and Jersey. dated the 5th day of June, 1950, in the words following, viz.:—

“YOUR MAJESTY having been pleased, by Your General Order of Reference of the 18th day of December, 1936, to refer unto this Committee the humble Petition of the States of the Island of Guernsey. setting forth:—

‘1.—That, in pursuance of their Resolution of the 6th day of May, 1949, the States of Deliberation at a meeting held on the 17th day of May, 1950, approved a Bill or “Projet de Loi” entitled “The Corporation Tax (Guernsey) Law, 1950,” and requested the Bailiff to present a most humble Petition to Your Majesty in Council praying for Your Royal Sanction thereto: 2. That the said Bill or “Projet de Loi” is in the words and figures set forth in the Schedule hereunto annexed. And most humbly praying that Your Majesty might be graciously pleased to grant Your Royal Sanction to the Bill or “Projet de Loi” of the States of Guernsey entitled “The Corporation Tax

(Guernsey) Law, 1950", and to order that the same shall have force of Law in the Island of Guernsey.'

"THE LORDS OF THE COMMITTEE, in obedience to Your Majesty's said Order of Reference, have taken the said Petition and the said Projet de Loi into consideration, and do this day agree humbly to report, as their opinion, to Your Majesty, that it may be advisable for Your Majesty to comply with the prayer of the said Petition and to approve of and ratify the said Projet de Loi."

HIS MAJESTY having taken the said Report into consideration is pleased, by and with the advice of His Privy Council, to approve of and ratify the said Projet de Loi, and to order, as it is hereby ordered, that the same shall have the force of Law within the Island of Guernsey.

AND HIS MAJESTY doth hereby further direct that this Order, and the said Projet de Loi (a copy whereof is hereunto annexed) be entered upon the Register of the Island of Guernsey and observed accordingly.

AND the Lieutenant Governor and Commander-in-Chief of the Island of Guernsey, the Bailiff and Jurats, and all other His Majesty's Officers, for the time being, in the said Island, and all other persons whom it may concern, are to take notice and govern themselves accordingly.

E. C. E. Leadbitter.

Projet de Loi referred to in the foregoing
Order in Council

PROJET DE LOI

ENTITLED

The Corporation Tax (Guernsey) Law, 1950

THE STATES, in pursuance of their Resolution of the 6th day of May, 1949, have approved the following provisions, which, subject to the Sanction of His Most Excellent Majesty in Council, shall have force of law in this Island.

1. The Loi instituant une Taxe dite "Corporation Tax", registered on the Records of this Island on the 4th day of January, 1936, and the Loi supplémentaire à la Loi instituant une Taxe dite "Corporation Tax", so registered on the 20th day of February, 1937, are hereby repealed.

2. (1) The Tax (hereinafter called "Corporation Tax") leviable under and by virtue of the provisions of this Law shall, subject to the provisions of section 4 hereof, be paid to the States of Guernsey by every limited liability company (société anonyme ou à responsabilité limitée") registered, whether before or after the commencement of this Law, in this Island.

(2) The management and administration of Corporation Tax shall be the responsibility of the Administrator of Income Tax.

3. (1) The amount of Corporation Tax leviable in any calendar year in the case of a company (which

expression shall hereinafter be deemed to mean a limited liability company) incorporated before the commencement of that year shall be the sum of fifty pounds, to be paid on or before the 31st day of January in that year by means of a States revenue stamp impressed upon the Annual Return ("Liste Annuelle") required by Article LXV of the Law entitled "Loi relative aux Sociétés Anonymes ou à Responsabilité Limitée", registered on the Records of this Island on the 21st day of March, 1908, (hereinafter referred to as "the Companies Law, 1908,") or under any Law amending or superseding the same to be forwarded to His Majesty's Greffier (hereinafter referred to as "the Greffier") during the month of January in each year.

(2) The amount of Corporation Tax leviable in any calendar year in the case of a company incorporated during that year shall be the product of the multiplication of one-twelfth part of the sum of fifty pounds by the number of months occurring in that year after the last day of the month immediately preceding the month in which the company was incorporated and that amount shall be paid by means of a States revenue stamp impressed on the Memorandum of Association of the company before the registration thereof.

4. The following companies shall not be liable to pay Corporation Tax in a particular calendar year—

- (a) a company incorporated before the commencement of that calendar year which delivers to the Greffier on or before the 31st day of January in that year a declaration in duplicate under the seal of the company to the effect that in that calendar year the company will be controlled in

Guernsey or, in the case of a company which will not be so controlled, that it will maintain in that year an established place of business in Guernsey and that a substantial part of its activities will be conducted in Guernsey;

- (b) a company incorporated after the commencement of that calendar year as respects which there is delivered to the Greffier on or before the registration of its Memorandum of Association a declaration in duplicate signed by three at the least of the founder members who have signed that Memorandum to the effect that in the remaining portion of that calendar year the company will be controlled in Guernsey or, in the case of a company which will not be so controlled; that it will in such remaining portion of the year maintain an established place of business in Guernsey and that a substantial portion of its activities will be conducted in Guernsey.

5. The Greffier shall file one copy of every such declaration and shall forthwith transmit the other copy thereof to the said Administrator. Such declaration shall constitute irrebuttable proof as between the company by or on behalf of which the same is made and the said Administrator that in the calendar year or part thereof to which the same relates the company is for the purposes of section 4 of the Income Tax (Guernsey) Law, 1950, resident in Guernsey.

6. The Greffier shall supply the said Administrator with such information as the said Administrator shall from time to time require for the purpose of fulfilling his duties under this Law.

7. Proceedings for the recovery of unpaid Corporation Tax may be instituted and prosecuted by the said Administrator and for the purposes of any such proceedings and of the provisions of the Companies Law, 1908, the said Administrator shall be deemed to be the creditor of the company for the amount of the unpaid Corporation Tax and that amount shall be deemed to be a debt owing by the company to the said Administrator.

8. For the removal of doubt, it is hereby declared that the meaning of the expression "une somme excédant cinquante livres sterling" contained in paragraph (a) of section 4 of Article LXXII of the Companies Law, 1908, is "a sum exceeding fifty pounds sterling in the money legally current in Guernsey at the time of the commencement of that Law and exceeding forty-seven pounds twelve shillings and sixpence in the money legally current at the commencement of this Law."

9. (1) If the said Administrator is satisfied that for any calendar year a company, if it had been treated as a company resident in Guernsey—

- (a) would not have been chargeable to Income Tax either in respect of its own profits as computed in accordance with the Income Tax (Guernsey) Law, 1950, or, under the provisions of the said Law, as an agent of a person not resident in Guernsey; or
- (b) would have been so chargeable, but only in an amount less than the Corporation Tax paid by the company for that year:

he shall repay to the company, if the case falls within paragraph (a) of this section, the whole of the Corporation Tax paid by the company for that year, or, if the case falls within paragraph (b), the

difference between the Corporation Tax so paid and the amount for which the company would have been chargeable to Income Tax:

PROVIDED that no repayment shall be made under this subsection unless the company claims such repayment in writing from the said Administrator on or before the 30th day of June in the year following the year in respect of which such claim is made.

(2) If a company has paid Corporation Tax for any calendar year and it is subsequently found to be resident in Guernsey for the purposes of section 4 of the Income Tax (Guernsey) Law, 1950, the said Administrator shall, if the amount of the Income Tax due from the company in respect of that year is equal to or greater than the amount of Corporation Tax paid, treat such payment as a payment of, or on account of, such Income Tax, as the case may be, or, if the amount of such Income Tax is less than the amount of Corporation Tax paid, shall repay the difference between the former and the latter amounts.

10. This Law shall come into force on the 1st day of January, 1951.

JAMES E. LE PAGE,

H.M. Greffier.