

ORDER IN COUNCIL

IV
1959

ratifying a *Projet de Loi*

ENTITLED

The Income Tax (Amendment) (Guernsey) Law, 1959.

(Registered on the Records of the Island of Guernsey
on the 14th day of March, 1959.)



1973.

ORDER IN COUNCIL



IN THE ROYAL COURT OF THE ISLAND OF GUERNSEY

The 14th day of March, 1959, before Sir Ambrose James Sherwill, C.B.E., M.C., Bailiff; present:— Sir John Leale, William Robert Freake Clark, Esquire, Bertram Barilett, Esquire, O.B.E., Wilfred John Corbet, Esquire, O.B.E., Théophile Le Messurier Allez, Bertram Guy Blampied, Esquires, Richard Edward Gibson, Esquire, O.B.E., Claude Fortesque Nason, Henry Robin Bichard and Stanley Walter Gavey, Esquires, Jurats.

The Bailif having this day placed before the Court an Order of Her Majesty in Council dated the 20th day of February, 1959, ratifying a *Projet de Loi* entitled "The Income Tax (Amendment) (Guernsey) Law, 1959",—the Court, after the reading of the said Order in Council and after having heard Her Majesty's Procureur thereon, ordered that the said Order in Council be registered on the records of this Island, of which Order in Council the tenor followeth:—

At the Court at Buckingham Palace

The 20th day of February, 1959.

PRESENT,

The Queen's Most Excellent Majesty

EARL OF HOME

MR. SECRETARY MACLAY

MR. MAUDLING

MR. AUBREY JONES

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 6th day of February, 1959, in the words following, viz.:—

“YOUR MAJESTY having been pleased by Your General Order of Reference of the 22nd day of February, 1952, to refer unto this Committee the humble Petition of the States of the Island of Guernsey, setting forth:—

‘1. That the States of Deliberation at a meeting held on the 17th day of December, 1958, in pursuance of their Resolutions adopted on the 26th day of February, 1958, and the said 17th day of December, 1958, respectively, approved a Bill or “Projet de Loi” entitled “The Income Tax (Amendment) (Guernsey) Law, 1959” 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

Income Tax (Amendment) (Guernsey) Law, 1959” and to order that the same shall have the force of law in the Islands of Guernsey and Herm.’

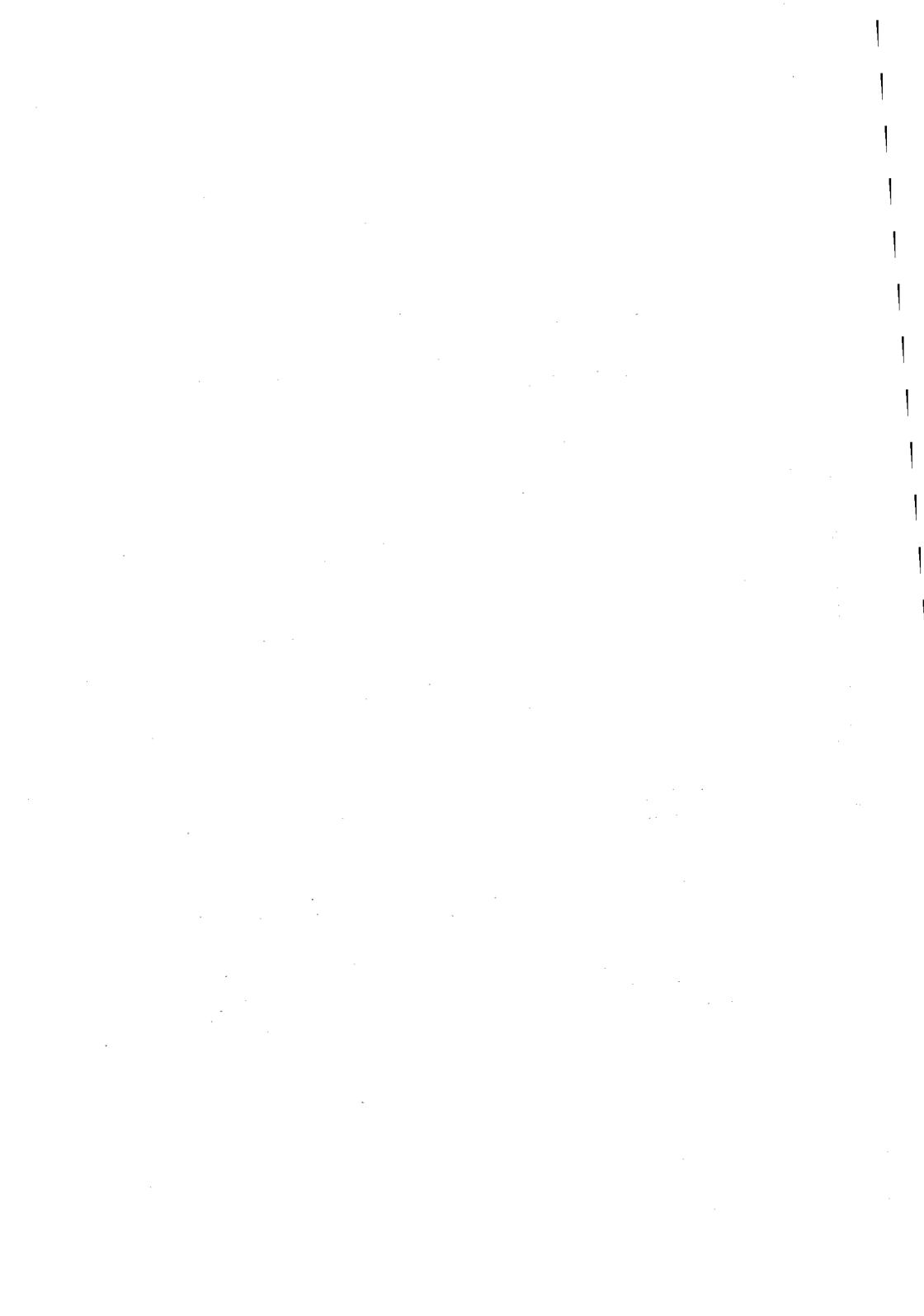
“THE LORDS OF THE COMMITTEE, in obedience to Your Majesty’s said Order of Reference, have taken the said Petition and the said Projet de Loi into consideration, and do this day agree humbly to report, as their opinion, to Your Majesty, that it may be advisable for Your Majesty to comply with the prayer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

HER MAJESTY having taken the said Report into consideration is pleased, by and with the advice of Her 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 Islands of Guernsey and Herm.

AND HER 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 Her 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.

W. G. AGNEW.



Projet de Loi referred to in the foregoing
Order in Council.

PROJET DE LOI

ENTITLED

The Income Tax (Amendment) (Guernsey) Law, 1959.

Section No.

ARRANGEMENT OF SECTIONS

PART I

Life Annuities

1. Purchased life annuities other than retirement annuities.
2. Authority to make regulations.
3. Penalties.

PART II

Lands and Buildings

4. Income from land and building.
5. Annual rental value.
6. Authorised deductions.
7. Deductions on account of repairs.
8. Additional deductions for repairs.
9. Interest on borrowed money.
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12. Amendments to section 7 of the principal Law.
13. Interpretation of Part II.

Section No.

PART III

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14. Initial allowances on ships and aircraft.
15. Effect on balancing allowances and charges.
16. Power to vary allowances.
17. Amendment to section 21 (1) of the Law of 1955.
18. Amendment to section 21 (4) of the Law of 1955.
19. Amendment to section 41 of the Law of 1955.
20. Interpretation of Part III.

PART IV

Income of Class (2)

21. Offices and employments.
22. Commencements and Cessations.
23. Amendments to sections 15 and 16 of the principal Law.
24. Separate offices.
25. Offices or employments in Guernsey.
26. Directors.
27. Change of employment.
28. Fees and subscriptions to professional bodies, learned societies, etc.

PART V

Miscellaneous

29. National insurance contributions.
30. Annual allowance on glasshouse.
31. Income from other sources.

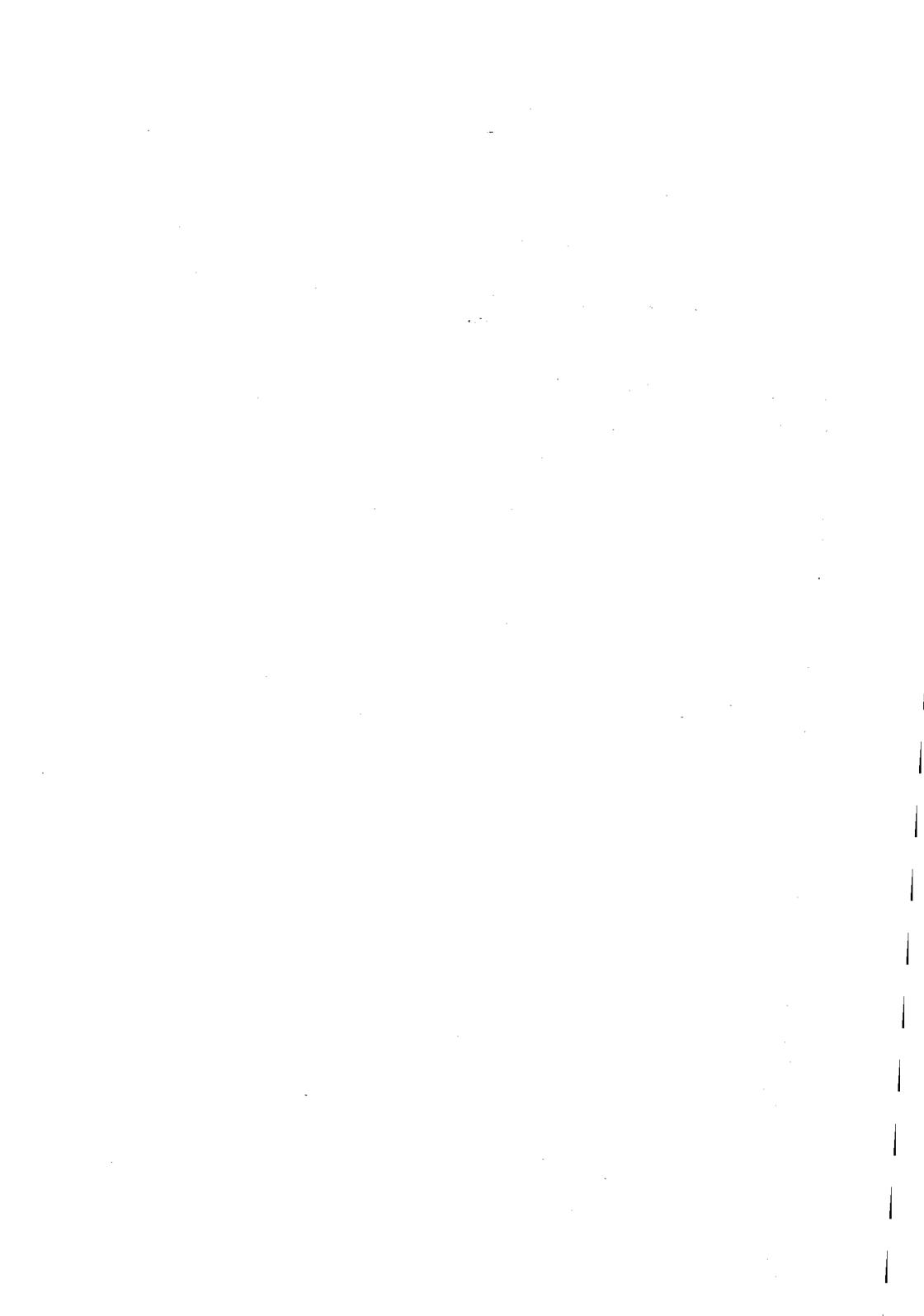
Section No.

PART VI

*Interpretation, repeals, commencement, construction,
etc.*

- 32. Interpretation.
- 33. Repeals.
- 34. Commencement.

SCHEDULE: Enactments repealed.



PROJET DE LOI

ENTITLED

The Income Tax (Amendment) (Guernsey) Law, 1959.

THE STATES, in pursuance of their Resolution of the twenty-sixth day of February, nineteen hundred and fifty-eight, and of their Resolution of the seventeenth day of December, nineteen hundred and fifty-eight, have approved the following provisions which, subject to the Sanction of Her Most Excellent Majesty in Council, shall have force of law in the Islands of Guernsey and Herm.

PART I

Life Annuities

1. (1) A purchased life annuity (not being of a description excepted by subsection (5) of this section) shall, for the purposes of the provisions of the Income Tax Laws relating to tax on annuities, which but for this section would fall to be charged to tax as income of class (4) under the provisions of section two of the principal Law, be treated as containing a capital element and, to the extent of the capital element, as not being income of that class.

Purchased life annuities other than retirement annuities.

(2) In the case of any purchased life annuity to which this section applies—

(a) the capital element shall be determined by reference to the amount or value of the payment made or other consideration given for the grant of the annuity; and

(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;
and

- (c) where neither the term 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 of value of the consideration for the grant of the annuity bears to the actuarial value of the annuity payments; and
- (d) where the last foregoing paragraph does not apply the said proportion shall be such as may be just, having regard to that paragraph and to the contingencies affecting the annuity.

(3) For the purposes of the last foregoing subsection—

- (a) any entire consideration given for the grant of an annuity and for some other matter shall be appointed 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 the foregoing paragraph 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) For the purposes of this section "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, and "purchased life annuity" as meaning 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.

(5) This section shall not apply—

- (a) to any annuity which would, apart from this section, be treated for the purposes of the provisions of the Income Tax Laws relating to tax on annuities as consisting to any extent in the payment or repayment of a capital sum; or
- (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 of tax prescribed by any resolution of the States made in pursuance of section eighteen of the principal Law; or
- (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 out of income of property disposed of by the will or settlement (whether with or without resort to capital); or

- (d) to any annuity purchased under or for the purposes of any superannuation scheme or retirement benefit scheme which has been approved under any of the provisions of the Income Tax Laws or in pursuance of any obligation imposed, or offer or acceptance made, under or in connection with any such scheme, or to any annuity purchased by any person in recognition of another's services (or past services) in any office or employment.

(6) Any question whether an annuity is a purchased life annuity to which this section applies or as to what is the capital element in such annuity shall be determined by the Administrator.

(7) Where a person is aggrieved by a determination of the Administrator in pursuance of the provisions of the last preceding subsection he may appeal to the Authority.

(8) The provisions of section sixty-two of the principal Law shall apply in the case of an appeal under the provisions of the last foregoing subsection as they apply in the case of an appeal from an assessment, penalty, direction or order made or imposed by the Administrator.

Authority
to make
regulations.

2. (1) The Authority may, from time to time, make regulations for the purposes of carrying into effect the foregoing provisions of this Part of this Law and for prescribing anything which is to be prescribed thereunder.

(2) The provisions of the Proviso to section forty-five of the principal Law shall apply to regulations made under the provisions of the last foregoing subsection as they apply to regulations made under the provisions of the said section forty-five.

3. (1) If any person for the purpose of obtaining Penalties.
under this Part of this Law, either for himself or for any other person, any relief from or any repayment of tax or in order not to be charged with tax or to be charged with a less amount of tax than that which he or that other person ought to be charged, knowingly makes any false statement or false representation, he shall be liable to a penalty of five hundred pounds.

(2) In any case where the Administrator is of opinion that there are prima facie grounds for believing that a person is liable to a pecuniary penalty under the provisions of the last preceding subsection, the provisions of subsections (1), (2) and (4) of section eighty-one of the principal Law shall apply as they apply in the case where the Administrator is of opinion that there are prima facie grounds for believing that a person is liable to pecuniary penalty under any of the provisions of Part IX of the principal Law other than section seventy-nine thereof.

(3) In section eighty-two of the principal Law the words "hereinbefore contained" are hereby deleted and the words "of this Law" are hereby substituted therefor.

PART II

Lands and buildings

4. (1) The assessable income arising from the ownership of any land and building situate in Guernsey shall, except as otherwise provided in this Part of this Law, be the annual value thereof. Income from
land and
building.

(2) The annual value of any land or building situate in Guernsey shall be the annual rental value thereof subject to the authorised deductions in accordance with the provisions of this Part of this Law.

Annual
rental
value.

5. (1) Except as otherwise in this section provided, the annual rental value shall be the sum arrived at by taking the reasonable rent at which any land or building would be expected to be let from year to year on the terms that the landlord be liable for all repairs and pay all landlord's rates and taxes and insurances.

(2) If the annual rent or other consideration receivable by the owner under any lease, licence or other agreement is in excess of the sum so arrived at in accordance with the provisions of the last preceding subsection, the amount of such annual rent or other consideration shall be deemed to be the annual rental value.

(3) If the nature of the lease, licence or other agreement is such that the annual rent or other consideration cannot readily be ascertained the annual rental value shall be such sum as the Administrator may determine.

(4) Where it is necessary to have regard to the annual rent or other consideration receivable in order to determine the annual rental value and the annual rent or other consideration includes the value of any goods provided or services rendered or provided by the landlord, otherwise than by way of repair or maintenance of the property, then—

(a) the value of such goods or services shall be deducted from the annual rent or other consideration for the purposes of determin-

ing the annual rental of any land or building; and

- (b) an amount equal to the difference between the annual rent or other consideration receivable and the annual rental value shall be treated as income of class (4) under the provisions of section two of the principal Law arising to the owner of the land or building concerned.

6. The authorised deductions to be made from the annual rental value under the provisions of section four of this Law for the purposes of arriving at the annual value shall be the following:—

Authorised deductions.

- (a) such amount on account of repairs as is mentioned in the next succeeding section;
- (b) where the property is subject to a rente, the annual amount or a proportion thereof, as the case may be, as is payable in and as respects the basis period;
- (c) where the property is subject to a crown or manorial charge, the amount of such charge;
- (d) where there is payable in and as respects the basis period by the person chargeable with tax an amount, not being of a capital nature or an instalment of a capital sum, as consideration for the extinguishment or the acquisition, in whole or in part, of a usufruct, that amount.

7. (1) Subject to the provisions of the next succeeding subsection, the amount to be deducted from the annual rental value on account of repairs shall be ascertained in accordance with the following provisions:—

Deductions on account of repairs.

- (a) where the annual rental value is that of land (other than a quarry) on which there is

no building the said deduction shall be five per centum of the annual rental value;

- (b) where the annual rental value is that of a dwelling house or a glasshouse the said deduction shall be twenty-five per centum of the annual rental value;
- (c) where the annual rental value is that of a building, other than a dwelling house or a glasshouse, the said deduction shall be fifteen per centum of the annual rental value.

(2) If under the terms of any lease, licence or other agreement in respect of any land or building situate in Guernsey the owner thereof is not liable for all repairs or to pay all landlord's rates and taxes and insurances, the amount to be deducted on account of repairs shall be such proportion of the deduction ascertained in accordance with the provisions of the last preceding subsection as may be just and reasonable and as the Administrator may determine.

Additional
deductions
for repairs.

8. (1) If in respect of any year of charge, and subject to the provisions of the next succeeding subsection, the owner of any land or building situate in Guernsey proves that the cost to him of the maintenance, repairs, insurance and management of any such land or building, according to the average of the cost to him in the five years preceding that year of charge, has exceeded the amount to be deducted from the annual rental value on account of repairs as provided in section seven of this Law he shall, in addition to the authorised deductions, be entitled to have the income which would otherwise be assessable in respect of the land or building on which the expenditure has been incurred reduced by the amount of the excess:

PROVIDED that the amount of such reduction shall in no case exceed the difference between the annual rental value of the said land or building and the

authorised deduction on account of the repairs thereof.

(2) For the purposes of the last foregoing subsection, in the case of a glasshouse, repairs shall mean painting, glazing and minor repairs and repairs necessitated by Act of God but the amount to be taken into account in respect of the repairs and the conditions under which such repairs may be taken into account shall be the same as if the glasshouse had been in the occupation of the owner for the purpose of a business carried on by him.

(3) For the purpose of determining the cost of the maintenance, repairs, insurance and management of any land or building there shall be left out of account—

- (a) any expenditure which has been or may be taken into account as a deduction in computing income or profits under any other provision of the Income Tax Laws or of this Law;
- (b) any expenditure in respect of additions or improvements or any other expenditure of a capital nature.

(4) In determining the amount to be deducted in respect of current repairs and maintenance under the provisions of subsection (3) of section seven of the principal Law there shall be left out of account any expenditure which would be taken into account for the purpose of determining the cost of the maintenance, repairs, insurance and management of any land or building under the provisions of subsection (3) of this section.

9. Where any land has been acquired or any building has been acquired, constructed, reconstructed or repaired with borrowed money, the income which would otherwise be assessable in respect of that land

Interest on
borrowed
money.

or building in accordance with the provisions of this Part of this Law in any year of charge shall be reduced by the amount of the interest paid on the borrowed money in the basis period for that year of charge:

PROVIDED that no deduction shall be made under the provisions of this section if a deduction has been made in respect of the amount of such interest under any other of the provisions of the Income Tax Laws or of this Law.

Vacancies.

10. Where a building is vacant in the basis period for any year of charge, the income which would otherwise be assessable in respect of that building in accordance with the provisions of this Part of this Law shall be reduced by an amount which bears the same proportion to a sum equal to the difference between the annual rental value of the building and the authorised deductions for repairs as the period during which the building is wholly vacant bears to a period of a year, or, where the building is let in parts, by an amount, calculated in accordance with the provisions of this section, appropriate to the vacant part.

Lost rent.

11. (1) Where the rent or part of the rent payable in respect of any land or building situated in Guernsey has in the basis period for any year of charge been wholly and irrecoverably lost by reason of—

- (a) the insolvency or absconding of the tenant or occupier by whom such rent was payable; or
- (b) the fraudulent assignment or removal of his goods by the said tenant or occupier;

the owner may claim that the income which would otherwise be assessable in respect of the said land or building shall be reduced by an amount equal to the difference between the rent so lost and the authorised deduction on account of repairs.

(2) Any claim for relief under this section must be made in writing to the Administrator within one year of the end of the year of charge to which the claim relates except that claims in respect of the years of charge nineteen hundred and fifty-six and nineteen hundred and fifty-seven may be made at any time within one year of the date on which this Law comes into force.

12. Section seven of the principal Law is hereby further amended as follows—

Amend-
ments to
section 7
of the
principal
Law.

(a) in sub-paragraph (iv) of paragraph (b) of subsection (1) thereof the word "buildings" is hereby deleted;

(b) the full stop at the end of sub-paragraph (ix) of paragraph (b) of subsection (1) thereof is hereby deleted and a semicolon is substituted therefor and immediately after the said sub-paragraph (ix) there is hereby inserted the following additional sub-paragraph numbered "(x)"—

"(x) such amounts in respect of the annual value of and the repairs and maintenance of any land or building as are mentioned in subsections (2) and (3) of this section.";

(c) subsections (2) and (3) thereof are hereby deleted and the following subsections substituted therefor—

"(2) In computing the profits of any business, the profits of which fall to be computed in accordance with the provisions of this section, there shall be deducted a sum equal to the annual value of any land or building or part of any land or building owned by the person who

is carrying on the business and used and occupied by him wholly and exclusively for the purposes of the business.

(2A) Where any dwelling or part of any dwelling is owned by the person carrying on the business and is occupied, free of rent, by a person employed by him in the business, in such circumstances that an amount equal to the annual rental value forms part of the emoluments of the occupier's office or employment, then for the purposes of subsection (2) of this section only, that dwelling or part thereof shall be deemed to be a building used and occupied by the owner wholly and exclusively for the purposes of the business.

(2B) Where any dwelling or part of any dwelling is owned by the person carrying on the business and is occupied, in consideration of a rent less than the annual rental value thereof, by a person employed by him in the business, in such circumstances that an amount equal to the difference between the annual rental value and the rent payable by the occupier forms part of the emoluments of the occupier's office or employment, then for the purposes of subsection (2) of this section only, that proportion of the dwelling or part thereof, as the case may be, having an annual rental value equal to the said difference shall be deemed to be a building used and occupied by the owner wholly and exclusively for the purposes of the business.

(3) In computing the profits of any business, the profits of which fall to be computed in accordance with the provi-

sions of this section, and, subject to the provisions of sub-section (2A) of this section, there shall be deducted the amount expended by the person carrying on the business in respect of the current repairs and maintenance of any land or building occupied by him and used by him wholly and exclusively for the purposes of the business.

(3A) For the purposes of the last foregoing subsection, in the case of a glasshouse, current repairs shall mean painting, glazing and minor repairs, and the amount allowable in respect of minor repairs shall not exceed a sum calculated in accordance with such rate per hundred feet of glass thirty feet wide as may from time to time be determined by the Authority and published in La Gazette Officielle and, in the case of a glasshouse which has sustained damage by Act of God, and the Administrator is satisfied that the glasshouse building had been maintained in a reasonable state of repair he may allow such further amount on account of repairs as may from time to time be reasonable and just.

(3B) In determining the amount to be deducted in respect of current repairs and maintenance for the purposes of subsection (3) of this section, there shall be left out of account any expenditure in respect of additions or improvements or any other expenditure of a capital nature.”

13. For the purposes of this Part of this Law the expression “basis period” has the same meaning as in section forty of the Law of 1955. Interpretation of Part II.

PART III

Ships and aircraft

Initial allow-
ances on
ships and
aircraft.

14.(1) Subject to the provisions of this Law, where, on or after the first day of January, nineteen hundred and fifty-seven, a person carrying on a trade incurs capital expenditure on the provision of a new ship or a new aircraft for the purposes of that trade there shall be made to him for the year of charge in the basis period for which the expenditure is incurred, an allowance (in this Part of this Law referred to as "an initial allowance") equal to three-tenths of the expenditure.

(2) Any expenditure incurred for the purposes of a trade on or after the date prescribed in subsection (1) of this section by a person about to carry on the said trade shall be treated for the purposes of that subsection as if it had been incurred by that person on the first day on which he commences to carry on the trade.

Effect on
balancing
allowances
and charges.

15. The amount of any initial allowance made under section fourteen of this Law shall be taken into account for the purpose of determining whether any, and, if so, what, balancing allowance or balancing charge falls to be made to or on the person to whom the initial allowance has been made.

Power to
vary
allowances.

16. (1) The States may, from time to time, by Resolution vary the provisions of or may suspend the operation of the provisions of section fourteen of this Law.

(2) A Resolution under the provisions of this section may make different provisions for different classes of ships or aircraft and may make different provisions for different categories of ships or aircraft within those classes.

17. In subsection (1) of section twenty-one of the Law of 1955 there is hereby inserted immediately after the words "annual allowance" the words "or an initial allowance".

Amendment
to section
21 (1) of
the Law
of 1955.

18. The full stop at the end of paragraph (c) of subsection (4) of section twenty-one of the Law of 1955 is hereby deleted and a comma and the word "and" are hereby substituted therefor and immediately after that paragraph there is hereby inserted the following additional paragraph—

Amendment
to section
21 (4) of
the Law
of 1955.

“(d) the amount of the initial allowance, if any, made to him in respect of the said expenditure.”.

19. Immediately after sub-paragraph (iii) of paragraph (a) of section forty-one of the Law of 1955 there is hereby inserted the following additional sub-paragraph—

Amendment
to section
41 of
the Law
of 1955.

“(iv) the amount of the initial allowance, if any, made to him in respect of that expenditure.”.

20. For the purposes of this Part of this Law the expression "basis period" shall have the same meaning as in section forty of the Law of 1955.

Interpreta-
tion of
Part III.

PART IV

Income of Class (2)

21. (1) In the case of income chargeable to tax as income of Class (2) under the provisions of section two of the principal Law, the assessable income shall be the full emoluments of the office or employment arising or accruing in the year of computation less the authorised deductions.

Offices and
employ-
ments.

(2) For the purposes of this section the following shall be deemed to be emoluments of an office or employment, that is to say—

- (a) the cash value of the perquisite of free board or of free lodging or of both;
- (b) where board or lodging, or both, are provided by an employer in such circumstances that the cost to the employee is less than the cash value of the board or lodging so provided, the amount by which the said cash value exceeds the cost to the employee.

(3) The authorised deductions to be made from the full emoluments of an office or employment in respect of expenses defrayed by the holder of the office or the employee out of those emoluments shall be the following—

- (a) any expense, wholly, exclusively and necessarily incurred in the performance of the duties of the office or employment;
- (b) the amount of any ordinary contribution to an approved superannuation fund or of any statutory contribution in accordance with the provisions of section seventy-five of the Law of 1955;
- (c) the amount of such relief in respect of certain capital expenditure as is provided for in section thirty-four of the Law of 1955;
- (d) such sums on account of replacement of implements, utensils and articles, as would be allowable if the holder of the office or the employee had been carrying on a business provided that such sums are expenses wholly, exclusively and necessarily incurred in the performance of the duties of the office or employment;
- (e) such sums on account of annual fees or subscriptions as are provided for in section twenty-eight of this Law;

- (f) the amount of any contribution which, but for this provision, could have been claimed as a deduction under the provisions of section ten of the principal Law.

22. Except as provided in section twenty-three of this Law, the provisions of section fifteen and section sixteen of the principal Law shall apply to income arising from an office or employment which, ceasing to be held or exercised outside Guernsey, commences to be held or exercised in Guernsey, and to income arising from an office or employment which, ceasing to be held or exercised in Guernsey, commences to be held or exercised outside Guernsey, as if the income commenced or ceased to arise to the person holding or exercising the office or employment, as the case may be, at the time when the office or employment commenced or ceased to be held or exercised in Guernsey.

Commencements and Cessations.

23. The provisions of sub-paragraph (iv) of paragraph (b) of section fifteen of the principal Law and of subsection (3) of section sixteen of the principal Law shall not apply to income arising or accruing to any person from any office or employment held or exercised by him.

Amendment to sections 15 and 16 of the principal Law.

24. Every office or employment held or exercised shall constitute a separate source of income and any office or employment held or exercised in Guernsey shall be treated as separate from any office or employment not so held or exercised.

Separate offices.

25. An office or employment shall be treated as held or exercised in Guernsey where the whole or part of the duties thereof are performed in Guernsey, but if the duties thereof are performed mainly outside Guernsey it shall be so treated only to the extent to which the duties are performed in Guernsey.

Offices or employments in Guernsey.

Directors.

26. (1) The office of director, by whatever name called, of a company incorporated according to the law of Guernsey, shall be treated as held in Guernsey provided that the office shall not be treated as so held if—

- (a) the meetings of the board of directors or other governing body are ordinarily held outside Guernsey; or
- (b) the director, owing to the nature of his duties, is continuously resident outside Guernsey and is not required to and does not attend meetings of the board or other governing body held in Guernsey.

(2) The Proviso to subsection (1) of this section shall not apply for the purpose of determining whether any repayment falls to be made under the provisions of section nine of the Corporation Tax (Guernsey) Law, 1950, and, if so, the amount of any such repayment.

Change of
employment.

27. (1) Where a person, on entering upon any new office or employment in Guernsey (in this section referred to as a "new employment") ceases to hold any other office or employment in Guernsey (in this section referred to as an "old employment") and—

- (a) the nature of the duties of the old and the new employment respectively was and is such as to require the holder thereof to devote substantially the whole of his time to the performance of those duties; and
- (b) his average monthly net emoluments arising from the new employment for the first twelve months of his tenure thereof, or for such shorter period as his tenure thereof endures, do not exceed by more than one quarter his average monthly net emoluments arising from the old employment for

the last twelve months of his tenure thereof, or for such shorter period as his tenure thereof endured;

the income assessable in respect of both the old employment and the new employment shall be computed as if the provisions of section fifteen and section sixteen of the principal Law did not apply unless that person, by giving notice to the Administrator in writing, within eighteen months next after the end of the year of charge in which he entered upon the new employment, elects that the said section shall apply.

(2) For the purposes of this section the expression "net emoluments" in relation to an office or employment for any period means the emoluments of the office or employment for that period after making the authorised deductions.

28. (1) Subject to the succeeding provisions of this section and to the provisions of subsection (3) of section twenty-one of this Law, any annual fee or subscription paid to a body of persons approved for the purposes of this section by the Administrator shall be deemed to be an expense wholly, exclusively and necessarily incurred in the performance of the duties of the office or employment out of the emoluments of which it is defrayed.

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

(2) The Administrator may on the application of the body approve for the purposes of this section 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 section are to a significant extent directed to objects other than those mentioned in subsection (2) of this section the Administrator may determine that such specified part only of any annual subscription paid to the body may be deducted under this section as corresponds to the extent to which its activities are directed to objects mentioned in that subsection; and in doing so the Administrator 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 treated as defrayed out of 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) 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 subsection (2) of this section, 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 section 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 section in pursuance of an application made before the end of any year of charge a deduction may be made under this section in respect of a fee or 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 Administrator to approve that body for the purposes of this section, or by his withdrawal of the approval or by any determination made by him under this section or the variation of or the refusal to withdraw or to vary any such determination shall be entitled to appeal to the Authority.

(7) The provisions of section sixty-two of the principal Law shall apply in the case of an appeal under the provisions of the last foregoing subsection as they apply in the case of an appeal from an assessment, penalty, direction or order made or imposed by the Administrator.

PART V

Miscellaneous

29. The amount of any contribution paid by any person in pursuance of any of the provisions of the National Insurance Act, 1946, or in pursuance of the National Insurance Act (Northern Ireland), 1946, in order to secure a retirement pension, widow's benefit or dependant's pension for that person, his widow or dependants, as the case may be, shall be treated as if it were premium paid to an assurance company in respect of a deferred annuity on the life of that person and accordingly as entitling him to any

National
Insurance
contribu-
tions.

allowance which may be claimable under the provisions of section eighteen of the principal Law.

Annual allowance on glasshouse.

30. Any allowance which falls to be made under section sixteen of the Law of 1955 for any year of charge shall be reduced by the amount of any allowance which falls to be made in respect of the same glasshouse for the same year of charge under any of the other provisions of the Income Tax Laws or of this Law.

Income from other sources.

31. The assessable income from sources not covered by section seven of the principal Law or by Part II or Part IV of this Law shall be the income arising or accruing from such sources after deduction of any expenditure not being in the nature of capital expenditure or personal expenses wholly and exclusively incurred for the purpose of earning such income.

PART VI

Interpretation, repeals, commencement, construction, etc.

Interpretation.

32.(1) For the purposes of this Law the following expressions have the meanings hereby respectively assigned to them—

“Guernsey” includes the Island of Herm;

“the principal Law” means the Income Tax (Guernsey) Law, 1950;

“the Law of 1955” means the Income Tax (Guernsey) Law, 1955;

“the Income Tax Laws” mean the Income Tax (Guernsey) Laws, 1950 to 1955.

(2) Any reference in this Law to any other enactment shall be construed as including a reference to that enactment as amended, extended or applied by or under any other enactment including this Law.

33. The enactments set out in the left-hand column of the Schedule to this Law are hereby repealed to the extent set out in the right-hand column of that Schedule: Repeals.

PROVIDED that the provisions of this Law shall not apply in relation to tax for any year of assessment or charge previous to the commencement of any Part of this Law and the provisions of the said enactments shall continue to apply for any such year to the same extent as they would have applied thereto if any of the Parts of this Law had not been passed.

34. (1) Part I of this Law shall be deemed to have come into force on the first day of January, nineteen hundred and fifty-seven. Commence-
ment.

(2) Part II of this Law, other than section eleven thereof, shall be deemed to have come into force on the first day of January, nineteen hundred and fifty-nine, and section eleven thereof shall be deemed to have come into force on the first day of January, nineteen hundred and fifty-six.

(3) Part IV of this Law shall be deemed to have come into force on the first day of January, nineteen hundred and fifty-eight.

(4) Section twenty-nine shall be deemed to have come into force on the first day of January, nineteen hundred and fifty-eight.

(5) Section thirty shall be deemed to have come into force on the first day of January, nineteen hundred and fifty-nine.

(6) Section thirty-one shall be deemed to have come into force on the first day of January, nineteen hundred and fifty-nine.

(7) This Law and the Income Tax (Guernsey) Laws, 1950 to 1955, shall be construed as one and this Law and those Laws may be cited together as the Income Tax (Guernsey) Laws, 1950 to 1959.

SCHEDULE

<i>Enactment</i>	<i>Extent of repeal</i>
The Income Tax (Guernsey) Law, 1950.	In sub-paragraph (iv) of paragraph (b) of subsection (1) of section seven, the Proviso thereto. Section nine. Section twelve. Section thirteen so far as it remains unrepealed.
The Income Tax (Guernsey) Amendment Law, 1951.	Section nine.
The Income Tax (Guernsey) Law, 1955.	Section seventy-two. Section seventy-three. In the right-hand column of the Schedule thereto the reference to paragraph (e) of subsection (2) of section twelve.

R. H. VIDELO,

Her Majesty's Greffier.