

ORDER IN COUNCIL

V
1996

ratifying a Projet de Loi

ENTITLED

The Income Tax (Limited Partnership Amendments) (Guernsey) Law, 1996

(Registered on the Records of the Island of Guernsey
on the 30th September, 1996.)



1996

ORDER IN COUNCIL



IN THE ROYAL COURT OF THE ISLAND OF GUERNSEY

The 30th day of September, 1996 before de Vic Graham Carey, Esquire, Deputy Bailiff; present:—Stanley Walter John Jehan, John Edward Morris, Charles Anthony Spensley, Lawrence Oscar Ozanne, John Richard Rowe Henry, David Charles Lowe, Esquires, Mrs. Eileen May Glass, Laurence Lenfestey Guille, Derek Martin Le Page, Stephen Edward Francis Le Poidevin and Alan Cecil Bisson, Esquires, Jurats.

The Deputy Bailiff having this day placed before the Court an Order of Her Majesty in Council dated the 23rd of July, 1996, approving and ratifying a *Projet de Loi* entitled “The Income Tax (Limited Partnership Amendments) (Guernsey) Law, 1996”, THE COURT, after the reading of the said Order in Council and having heard Her Majesty’s Procureur thereon, ORDERED:—

1. That the said Order in Council be registered on the records of this Island, and
2. That an extract of this present Act, together with a copy of the said Order in Council, be sent by Her 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 23rd day of July, 1996

PRESENT,

The Queen's Most Excellent Majesty in Council

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 8th day of July 1996 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, in pursuance of their Resolution of the 31st day of January 1996, the States of Deliberation at a meeting held on the said 31st day of January 1996 approved a Bill or “Projet de Loi” entitled “The Income Tax (Limited Partnership Amendments) (Guernsey) Law, 1996”, 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 as 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 (Limited Partnership Amendments) (Guernsey) Law, 1996”, and to order that the same shall have 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, and 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 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.

N. H. Nicholls

(No.V - 1996)

PROJET DE LOI

ENTITLED

**The Income Tax (Limited Partnership Amendments)
(Guernsey) Law, 1996**

THE STATES, in pursuance of their Resolution of 31st January 1996(a), 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.

Amendments relating to limited partnerships

1. In the Income Tax (Guernsey) Law, 1975(b) as amended(c):

(a) Immediately after section 5(1A) there is inserted:

"(1B) For the purposes of paragraphs (b) and (d) of subsection (1) of this section:

(i) any income which is wholly derived from the international operations of a limited partnership in which an individual who is not solely or principally resident in Guernsey, or a company which is not resident in Guernsey, is a limited partner, shall not be regarded in the hands of that individual or company as arising or accruing from a source in Guernsey; and

(a) on Article VI of Billet d'Etat No. I of 1996.

(b) Ordres en Conseil Vol. XXV, p.124.

(c) Ordres en Conseil Vol XXVI, pp. 146, 200 and 292; Vol. XXVII, pp.84, 118, 200, 333 and 565; Vol. XXVIII, pp. 184, 178, 353 and 409; No. XIII of 1986; Nos. XIV and XXIII of 1989; No. XXVI of 1990; No. IV of 1991; No. VI of 1992; Nos. IV and VIII of 1993; No. XXV of 1994; Nos. III and VII of 1995.

- (ii) any interest paid to such a limited partner under a limited partnership arrangement shall not be regarded as arising or accruing from a source in Guernsey;

- (b) in section 209(1), the following definitions are inserted at the appropriate places in the alphabetical order:
 - (i) **"international operations"**, with reference to a limited partnership, means business operations conducted on behalf of a limited partnership with, and investments made on behalf of a limited partnership in, persons who are not resident in Guernsey for the purposes of this Law";

 - (ii) **"limited partnership"** means:
 - (a) an arrangement which is registered as such, and in respect of which there is a valid certificate of registration, under the Limited Partnerships (Guernsey) Law, 1995; or

 - (b) an arrangement entered into under the laws of a place outside Guernsey between two or more persons, under which the Authority is satisfied that -
 - (i) one or more of them is, or are jointly and severally, liable without limitation for all debts and obligations to third parties incurred pursuant to the arrangement, and

(ii) the others have (by whatever means) contributed or agreed to contribute specified amounts pursuant to the arrangement, and are not liable for those debts and obligations (unless they participate in controlling the business or are otherwise subjected to a greater liability by those laws in specified circumstances) beyond the amount of those contributions;"

(iii) "**partnership**" includes a limited partnership;"

Consequential repeal

2. Section 45(4) of the Limited Partnerships (Guernsey) Law, 1995(d) is repealed.

Citation

3. This Law may be cited as the Income Tax (Limited Partnership Amendments) (Guernsey) Law, 1996.

Effective Date

4. This Law shall have effect, by virtue of the States Resolution of 31st January 1996(e), under and subject to the provisions of the Taxes and Duties (Provisional Effect) (Guernsey) Law, 1992(f), on and after 1st February 1996.

(d) Order in Council No. XII of 1995.

(e) on Article VI of Billet d'Etat No. I of 1996.

(f) Order in Council No. XI of 1992.