

Island of



Guernsey

## Ordinance of the States

**VIII**  
**2013**

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Made ..... 17th December, 2012  
Coming into Operation ..... 1st January, 2013  
Laid before the States ..... 27th February, 2013

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### **The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2012**



## **The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2012**

**THE STATES LEGISLATION SELECT COMMITTEE**, in pursuance of the States' Resolution of the 13<sup>th</sup> December, 2012<sup>a</sup>, and in exercise of the powers conferred on the States by sections 203A and 208C of the Income Tax (Guernsey) Law, 1975<sup>b</sup> and on the Committee by Article 66(3) of the Reform (Guernsey) Law, 1948<sup>c</sup>, hereby orders:-

### **Amendment of 1975 Law.**

1. The Income Tax (Guernsey) Law, 1975 ("**the Law**"), as amended, is further amended as follows.

2. After section 2(2)(a)<sup>d</sup> insert the following paragraphs -

"(aa) income from domestic insurance business (as defined in the Fourth Schedule),

(ab) income from fiduciary business (as defined in the Fourth Schedule),

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<sup>a</sup> Article 16 of Billet d'État No. XXVI of 2012.

<sup>b</sup> Ordres en Conseil Vol. XXV, p. 124; section 203A was inserted by Order in Council No. XVII of 2005 and section 208C was inserted by Order in Council No. V of 2011.

<sup>c</sup> Ordres en Conseil Vol. XIII, p. 288 (there are amendments not material to this Ordinance).

<sup>d</sup> Section 2 was substituted by the Income Tax (Zero 10) (Guernsey) Law, 2007 (Order in Council No. V of 2011).

(ac) income from insurance intermediary business  
(as defined in the Fourth Schedule),

(ad) income from insurance manager business (as  
defined in the Fourth Schedule),".

3. After section 7B<sup>e</sup> insert the following section -

**"Calculation of income from domestic insurance business, fiduciary  
business, insurance intermediary business and insurance manager  
business."**

7C. For the avoidance of doubt, and subject to Part XVII, income  
from domestic insurance business, fiduciary business, insurance  
intermediary business and insurance manager business shall be calculated in  
the same manner as income from any other business."

4. After section 47G(a)<sup>f</sup> insert the following paragraphs -

"(aa) domestic insurance business carried on in  
Guernsey,

(ab) fiduciary business carried on in Guernsey,

(ac) insurance intermediary business carried on in  
Guernsey,

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<sup>e</sup> Section 7B was inserted by the Income Tax (Zero 10) (Guernsey) (No. 2) Law, 2007 (Order in Council No. VI of 2011).

<sup>f</sup> Section 47G was inserted by the Income Tax (Zero 10) (Guernsey) (No. 2) Law, 2007 (Order in Council No. VI of 2011).

(ad) insurance manager business carried on in Guernsey,".

5. After section 137(3) insert the following subsection -

"(4) This section is subject to section 133A."

6. In section 139 -

(a) the text is renumbered as subsection (1), and

(b) after subsection (1) insert the following subsections -

"(2) This section is subject to section 133A.

(3) Subsection (2) does not apply in any year of charge to the losses of a company where -

(a) in the year of charge 2012 the company's income fell within class 2(2)(d),

(b) the company is carrying on the same business as it was carrying on in the year of charge 2012, and

(c) the company's income falls within class 2(2)(aa), 2(2)(ab), 2(2)(ac) or 2(2)(ad)."

7. After section 142(3) insert the following subsection -

"(4) This section is subject to section 133A."

8. After section 142A(5) insert the following subsection -

"(6) This section is subject to section 133A."

9. In section 209(1) add the following definitions at the appropriate places -

"**domestic insurance business**" has the meaning assigned by the Fourth Schedule,"

"**fiduciary business**" has the meaning assigned by the Fourth Schedule,"

"**insurance intermediary business**" has the meaning assigned by the Fourth Schedule,"

"**insurance manager business**" has the meaning assigned by the Fourth Schedule,"

10. In the Fourth Schedule<sup>g</sup> after paragraph 2 insert the following paragraphs -

**"DOMESTIC INSURANCE BUSINESS**

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<sup>g</sup> The Fourth Schedule was inserted by the Income Tax (Zero 10) (Guernsey) Law, 2007 (Order in Council No. V of 2011).

**2A.** (1) For the purposes of this Law "**domestic insurance business**" means the carrying on of insurance business which is domestic business within the meaning of the Insurance Business (Bailiwick of Guernsey) Law, 2002.

(2) "**Income from domestic insurance business**" shall be any income arising from domestic insurance business carried on by a licensed insurer within the meaning of that Law.

### **FIDUCIARY BUSINESS**

**2B.** (1) For the purposes of this Law "**fiduciary business**" means the carrying on of regulated activities within the meaning of the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000.

(2) "**Income from fiduciary business**" shall be any income arising from fiduciary business carried on by a licensed fiduciary within the meaning of that Law.

### **INSURANCE INTERMEDIARY BUSINESS**

**2C.** (1) For the purposes of this Law "**insurance intermediary business**" means the carrying on of business as an insurance intermediary within the meaning of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002

(2) "**Income from insurance intermediary business**" shall be any income arising from insurance intermediary business carried on by a licensed insurance intermediary within the meaning of that Law.

## INSURANCE MANAGER BUSINESS

**2D.** (1) For the purposes of this Law "**insurance manager business**" means acting as an insurance manager within the meaning of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002.

(2) "**Income from insurance manager business**" shall be any income arising from insurance manager business carried on by a licensed insurance manager within the meaning of that Law."

**11.** In the Fifth Schedule<sup>h</sup> in the table therein insert the following entries immediately below the entry relating to "Income from banking business" -

"2(2)(aa)	Income from domestic insurance business	company intermediate rate	10%
2(2)(ab)	Income from fiduciary business	company intermediate rate	10%
2(2)(ac)	Income from insurance intermediary business	company intermediate rate	10%
2(2)(ad)	Income from insurance manager business	company intermediate rate	10%".

### **Year of computation: special provision.**

**12.** Section 6(3A) of the Law applies to any company where the applicable rate of taxation of that company's income is altered by the provisions of this Ordinance *mutatis mutandis*.

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<sup>h</sup> The Fifth Schedule was inserted by the Income Tax (Zero 10) (Guernsey) Law, 2007 (Order in Council No. V of 2011).

**Citation.**

13. This Ordinance may be cited as the Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2012.

**Commencement.**

14. This Ordinance shall come into force on the 1<sup>st</sup> January, 2013.

D. J. ROBILLIARD,  
Her Majesty's Greffier.





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