

Island of



Guernsey

## Ordinance of the States

**XXV**  
**2015**

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Made ..... 29th July, 2015

Coming into Operation ..... 1st January, 2015

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### **The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2015**



## **The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2015**

**THE STATES**, in pursuance of their Resolution of the 31<sup>st</sup> October, 2014<sup>a</sup>, and in exercise of the powers conferred on them by sections 203A and 208C of the Income Tax (Guernsey) Law, 1975<sup>b</sup> and all other powers enabling them in that behalf, 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)(ad)<sup>c</sup> insert the following paragraph -

"(ae) income from the administration of controlled investments (as defined in the Fourth Schedule),".

3. In section 7C<sup>d</sup>, in the heading, and in the text of the section, for the words "and insurance manager business" substitute ", insurance manager business and the administration of controlled investments".

4. After section 47G(ad)<sup>e</sup> insert the following paragraph -

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<sup>a</sup> Proposition 1 of Billet d'État No. XXII of 2014.

<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> Section 2 was substituted by the Income Tax (Zero 10) (Guernsey) Law, 2007 (Order in Council No. V of 2011) and paragraph (ad) was added by the Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2012.

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

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

"(ae) the administration of controlled investments carried on in Guernsey,".

5. After section 139(3) insert the following subsection -

"(4) In addition, subsection (2) does not apply in any year of charge to the losses of a company where -

- (a) in the year of charge 2014 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 2014, and
- (c) the company's income falls within class 2(2)(ae)."

6. In section 209(1) immediately before the definition of "appropriate rate" insert the following definition -

**"administration of controlled investments"** has the meaning assigned by the Fourth Schedule,".

7. In the Fourth Schedule<sup>f</sup> after paragraph 2D insert the following paragraph -

#### **"ADMINISTRATION OF CONTROLLED INVESTMENTS**

**2E.** (1) For the purposes of this Law the **"administration of controlled investments"** means the provision to an unconnected third party of any administrative, secretarial or clerical services in relation to a controlled investment (within the meaning of the Protection of Investors

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

(Bailiwick of Guernsey) Law, 1987), including -

- (a) the provision of general accountancy and book-keeping services, but not the audit of accounts, and
- (b) the provision of valuation services on a continuing basis in connection with any dealing in an investment,

and for the purposes of this paragraph services are provided to an unconnected third party only where the person who provides the services, and the person to whom the services are provided, are not connected to each other within the meaning of section 66A(8)(a).

(2) **"Income from the administration of controlled investments"** shall be any income arising from the administration of controlled investments."

8. In the Fifth Schedule<sup>g</sup> in the table therein insert the following entry immediately below the entry relating to "Income from insurance manager business"

"2(2)(ae)	Income from the administration of controlled investments	company intermediate rate	10%".
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**Year of computation: special provision.**

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

**Citation.**

10. This Ordinance may be cited as the Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2015.

**Commencement.**

11. This Ordinance shall be deemed to have come into force on the 1<sup>st</sup> January, 2015.



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Printed by Colour Monster Printshop, Lowlands Building, Lowlands Industrial Estate, Guernsey GY3 5XH.