

GUERNSEY STATUTORY INSTRUMENT

2022 No. 61

**The Income Tax (Independent Taxation)
(Commencement and Transitional Provisions)
Regulations, 2022**

Made , 2022
Coming into operation 1st January, 2023
Laid before the States , 2022

THE POLICY & RESOURCES COMMITTEE, in exercise of the powers conferred upon it by section 19(b) of the Income Tax (Independent Taxation) (Guernsey) (Amendment) Ordinance, 2020^a, section 203A of the Income Tax (Guernsey) Law, 1975^b and section 20 of the Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016^c, and all other powers enabling it in that behalf, hereby makes the following regulations:-

Commencement of Independent Taxation Ordinance.

1. (1) Subject to paragraph (2), the Income Tax (Independent

^a Ordinance No. XIX of 2020.

^b Ordres en Conseil Vol. XXV, p. 124; section 203A was inserted by the Income Tax (Guernsey) (Amendment) Law, 2005 (No. XVII of 2005); the enactment has been otherwise amended.

^c Order in Council No. V of 2018; the enactment has been amended.

Taxation) (Guernsey) (Amendment) Ordinance, 2020 (the "**Independent Taxation Ordinance**") shall come into force on the 1st January, 2023 (the "**commencement date**").

(2) Paragraph (1) does not apply to sections 6 and 7 of the Independent Taxation Ordinance, which came into force on the 1st January, 2021.

Savings and transitional provisions – Alderney tax cap.

2. The tax cap applicable to individuals resident in Alderney under the provisions of paragraph 2 of the Sixth Schedule to the Income Tax Law shall, after the commencement date, and in respect of years of charge up to and including 2025, continue to be applicable in respect of individuals who were eligible for that cap, and in respect of whom that cap was being applied, immediately before the commencement date in all respects as if the Independent Taxation Ordinance had not been brought into force; and the provisions of the Income Tax Law and the Sixth Schedule thereto shall continue to have effect after the commencement date and in respect of those individuals (in relation to that tax cap and those years of charge) accordingly.

Savings and transitional provisions – open market tax cap.

3. (1) The open market tax cap which may be claimed by individuals under the provisions of paragraph 3 of the Sixth Schedule to the Income Tax Law may, after the commencement date, and in respect of individuals described in paragraph (2), continue to be claimed and allowed in all respects as if the Independent Taxation Ordinance had not been brought into force; and the provisions of the Income Tax Law and the Sixth Schedule thereto shall continue to have effect after the commencement date and in respect of those individuals (in relation to the open market tax cap and the years of charge specified in paragraph 3 of the said Sixth Schedule) accordingly.

(2) The individuals referred to in paragraph (1) are –

- (a) individuals who were eligible for the open market tax cap, and in respect of whom the open market tax cap was being applied, immediately before the commencement date,

- (b) individuals who –
 - (i) took up permanent residence in Guernsey before the commencement date, and

 - (ii) subsequently demonstrate compliance with conditions 3(i), (ii) and (iii), and

- (c) individuals who –
 - (i) satisfied condition 3(i) immediately before the commencement date, and

 - (ii) subsequently demonstrate compliance with conditions 3(ii) and (iii).

(3) References in subparagraph (2) to conditions 3(i), (ii) and (iii) are references to the conditions respectively set out in paragraphs 3(i), (ii) and (iii) of the Sixth Schedule to the Income Tax Law.

Consequential amendment of Interest Payments Ordinance.

4. In section 1(2)(b)(ii) of the Income Tax (Tax Relief on Interest Payments)

(Guernsey) Ordinance, 2007^d -

- (a) immediately before the words "the amount specified in column 2" insert ", in respect only of the years of charge 2016 to 2022,", and
- (b) in column 2 in the table, the entries in respect of the year of charge 2023 (£4000) and 2024 (£2,000) are deleted.

Consequential amendment of Income Tax Law.

5. (1) Section 42A of the Income Tax Law^e (Termination of applicability of sections 43 to 47) is renumbered as section 42C.

(2) In sections 81A(1)(c) and 81B(1)(c) of the Income Tax Law for the expression "section 42A" substitute "section 42C".

Interpretation.

6. In these Regulations –

"commencement date" means the 1st January, 2023,

^d Ordinance No. I of 2008 (Recueil d'Ordonnances Tome XXXIII, p. 1); section 1(2)(b)(ii) was substituted by the Income Tax (Tax Relief on Interest Payments) (Guernsey) (Amendment) Ordinance, 2015; the enactment has been otherwise amended.

^e Section 42A was inserted by the Independent Taxation Ordinance.

"Income Tax Law" means the Income Tax (Guernsey) Law, 1975^f,

"Independent Taxation Ordinance" means the Income Tax (Independent Taxation) (Guernsey) (Amendment) Ordinance, 2020^g.

Citation.

7. These Regulations may be cited as the Income Tax (Independent Taxation) (Commencement and Transitional Provisions) Regulations, 2022.

Commencement.

8. These Regulations shall come into force on the 1st January, 2023.

Dated this 30th day of August, 2022



Deputy P. T. R. Ferbrache

President of the Policy & Resources Committee

For and on behalf of the Committee

^f Ordres en Conseil Vol. XXV, p. 124; the enactment has been amended.

^g Ordinance No. XIX of 2020.

EXPLANATORY NOTE

(This note is not part of the regulations)

These Regulations bring the Income Tax (Independent Taxation) (Guernsey) (Amendment) Ordinance, 2020 into force on the 1st January, 2023. The regulations also make savings provisions in respect of individuals currently benefiting from, or acting on, the open market and Alderney tax caps, and clarify that the doubling of the amount of interest on which tax relief can be claimed for a married couple in respect of the purchase of a principal private residence will cease, with each party able to claim individual relief in their own right.