

GUERNSEY STATUTORY INSTRUMENT

2024 No. 96

**The Income Tax (Investment Companies)
(Commencement and Transitional Provisions)
(Guernsey) Regulations, 2024**

<i>Made</i>	<i>19th November, 2024</i>
<i>Coming into operation</i>	<i>1st December, 2024</i>
<i>Laid before the States</i>	<i>, 2025</i>

THE POLICY & RESOURCES COMMITTEE, in exercise of the powers conferred on it by sections 10 and 12 of the Income Tax (Investment Companies) (Guernsey) (Amendment) Ordinance, 2024 and section 203A of the Income Tax (Guernsey) Law, 1975^a, and all other powers enabling it in that behalf, hereby makes the following Regulations:-

PART I

COMMENCEMENT OF ORDINANCE

Date of commencement.

1. The Income Tax (Investment Companies) (Guernsey) (Amendment) Ordinance, 2024 ("**the Ordinance**") shall come into force on the 1st December, 2024.

^a Ordres en Conseil Vol. XXV, p. 124; this enactment has been amended.

PART II
TRANSITIONAL PROVISIONS

Purpose of Part II.

2. This Part of these Regulations makes provision for effecting the transition, in relation to the year of computation applicable to an investment company, from the law in force immediately before the commencement of the Ordinance to the law as it will have effect (subject to the provisions of these Regulations) immediately thereafter.

Transitional year.

3. For the purposes of the taxation, and the assessment to tax, of the income arising or accruing to an investment company, the year of charge 2024 is the transitional year.

Basis for assessment in transitional year.

4. (1) The assessable income of an investment company for the year of charge 2024 shall be the assessable income arising or accruing to the company in the company's accounting period ending within that year after the deduction of such part of that income as is assessed as being attributable to, and taxable in respect of, the year of charge 2023.

(2) The provisions of this regulation are subject to the provisions of regulation 5.

Anti-avoidance provisions.

5. (1) Where, in relation to the taxation of the income arising or accruing to an investment company, the effect of a transaction or series of transactions is the avoidance, reduction or deferral of the liability of any person ("**the person concerned**") to tax for the year of charge 2024, the Director may, in the Director's discretion, make

such adjustments and apportionments as respects the liability of the person concerned to tax as may in the Director's opinion be appropriate to counteract the avoidance, reduction or deferral of liability which would otherwise be effected by or as a result of that transaction or series of transactions.

(2) For the purposes of this regulation, a transaction includes any arrangement, agreement, operation, scheme or event, or any action, omission, decision or concurrence, whether or not –

- (a) enforceable by legal proceedings,
- (b) involving or dependent on any action, omission, decision or concurrence of the person concerned or any other person, or of more than one person,
- (c) brought to a conclusion, or
- (d) involving or dependent on any other transaction.

(3) For the purposes of this regulation, and for the avoidance of doubt, it is immaterial –

- (a) when or where the transaction or series of transactions (or any of the series of transactions) occurs,
- (b) whether or not the transaction or series of transactions (or any of the series of transactions) –

- (i) occurs in a year of charge or accounting period in which an avoidance, reduction or deferral of liability is effected by or as a result of it,
 - (ii) was undertaken by or on behalf of, or in conjunction with, the person concerned, or
 - (iii) was undertaken by or on behalf of, or in conjunction with, more than one person, or
- (c) whether or not the avoidance, reduction or deferral of liability –
- (i) was an intended effect of the transaction or series of transactions, or any of the series of transactions, or
 - (ii) was the only or principal effect.

PART III
GENERAL PROVISIONS

Interpretation.

6. In these Regulations, unless the contrary intention appears -

"**investment company**" means a company which is resident in Guernsey and whose activities consist wholly or mainly in the making of investments and the principal part of whose income is derived therefrom,

"**the Law**" means the Income Tax (Guernsey) Law, 1975,

"**the Ordinance**" means the Income Tax (Investment Companies) (Guernsey) (Amendment) Ordinance, 2024,

and other words and expressions have the same meanings as in the Law.

Citation.

7. These Regulations may be cited as the Income Tax (Investment Companies) (Commencement and Transitional Provisions) (Guernsey) Regulations, 2024.

Commencement.

8. These Regulations shall come into force on the 1st December, 2024.

Dated this 19th day of November, 2024



DEPUTY L. TROTT

President of the Policy & Resources Committee

For and on behalf of the Committee

EXPLANATORY NOTE

(This note is not part of the Regulations)

These regulations, made for the purposes of the Income Tax (Investment Companies) (Guernsey) (Amendment) Ordinance, 2024 ("**the Ordinance**") and the assessment to tax

of the income arising or accruing to an investment company –

- (a) bring the Ordinance into force on the 1st December, 2024,
- (b) make transitional provision for aligning the basis of assessment of investment companies with that of businesses under the Income Tax (Guernsey) Law, 1975, and
- (c) set out anti-avoidance provisions enabling the Director to make such adjustments to liabilities, and to grant such reliefs, as the Director thinks fit.

Prior to the commencement of the Ordinance, income tax for an investment company for a particular calendar year of charge was calculated on the basis of the company's income arising or accruing in that year of charge. From the 1st December, 2024 the relevant income of an investment company will be that for the accounting period ending within the year of charge.

The accounting period of an investment company will therefore become the year of computation, thus bringing the taxation of the income of an investment company into line with the taxation of the income of a business, but subject to the transitional provisions in these Regulations which have effect during the year of charge 2024 (the transitional year).

These Regulations come into force on the 1st December, 2024.