

**The Income Tax**  
**(Gratuity Schemes) (Guernsey)**  
**(Amendment) Ordinance, 2025**

THE STATES, in pursuance of their Resolution of the 16<sup>th</sup> December, 2020<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 order:-

**Amendment of 1975 Law.**

1. For section 40(nn)<sup>c</sup> of the Income Tax (Guernsey) Law, 1975 substitute the following paragraph –

"(nn) any lump sum or pension, annuity or other income paid out of or under the provisions of -

(i) a gratuity scheme, or

(ii) an international savings plan,

provided that –

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<sup>a</sup> Proposition 6 of Article I of Billet d'État No. XXVI of 2020.

<sup>b</sup> Ordres en Conseil Vol. XXV, p. 124; this enactment has been amended.

<sup>c</sup> Paragraph (nn) of section 40 was inserted by the Income Tax (Guernsey) (Amendment) (No. 2) Ordinance, 2018.

- (A) the beneficiaries of the scheme or plan are non-resident, and
- (B) all income paid out of or under the provisions of the scheme or plan is income from non-Guernsey sources, other than any interest arising in Guernsey on money deposited with a licensed institution within the meaning of the Banking Supervision (Bailiwick of Guernsey) Law, 2020 or other person exempted by the provisions of that Law from the requirement to be licensed thereunder,

and for the purposes of this paragraph –

"**gratuity scheme**" means a fund, contract, scheme or trust, or part of a fund, contract, scheme or trust (not being a fund, contract, scheme or trust, or part of a fund, contract, scheme or trust, described in paragraph (a), (b) or (c) of the definition of "pension scheme" below) -

- (a) which has for its sole purpose the provision of benefits in respect of persons' employment wholly outside Guernsey in a trade or undertaking (and,

for the purpose of determining whether employment is wholly outside Guernsey, duties performed in Guernsey, the performance of which is incidental to the performance of other duties outside Guernsey, are to be treated as performed outside Guernsey),

(b) which is established under Guernsey law under contract, statute or irrevocable trusts in connection with a trade or undertaking carried on –

(i) wholly or partly outside Guernsey, and

(ii) by a person not resident in Guernsey, and

(c) which is administered by a licensed fiduciary within the meaning of Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020 whose licence authorises the carrying on of regulated activities described in section 2(1)(e) of that Law (the formation, management or administration of pension schemes or

gratuity schemes, etc),

and "**international savings plan**" has the same meaning,

"**pension scheme**" means any fund, contract, scheme or trust –

- (a) which is approved by the Director of the Revenue Service under section 150, 154A, 157A or 157E,
- (b) which is established in Guernsey and exempt from tax under paragraph (o),
- (c) any annuity or lump sum payable pursuant to which is exempt from tax under paragraph (ee),".

**Citation.**

2. This Ordinance may be cited as the Income Tax (Gratuity Schemes) (Guernsey) (Amendment) Ordinance, 2025.

**Commencement.**

3. This Ordinance shall be deemed to have come into force on the 1<sup>st</sup> January, 2025 (and accordingly shall have effect for the year of charge 2025 and thereafter).