Factsheet

Jersey for Tax Neutrality

Jersey Finance
Delivering Insight ▪ Driving Innovation

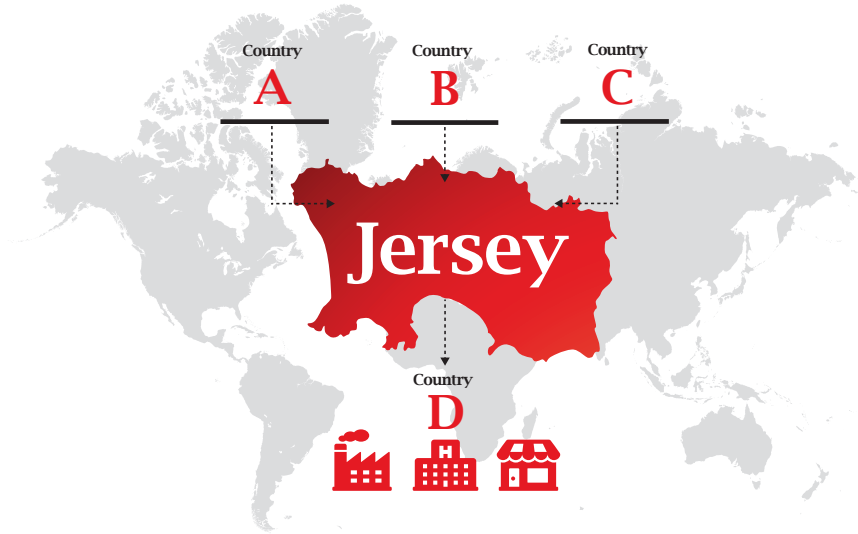
Jersey's finance industry believes strongly in the following:

- We believe in the importance of paying tax to the correct party in the jurisdiction to which it is owed;
- We believe that tax collection is necessary to build a better future for economies. Therefore, we are proud that more than half of all tax raised on our Island is generated by the finance industry;
- We believe in the positive benefits that international finance has on growing economies, creating jobs and increasing pension pots worldwide.

As an international finance centre, Jersey is here to enables these positives to exist together in harmony. And that's where tax neutrality comes in.

What is tax neutrality?

Tax neutrality is not a mechanism to avoid paying tax where it should be paid. It is designed to ensure that investors do not pay tax on their returns more than once. To make sure the right amount of tax is being paid, strong regulation is needed, which means we know exactly where all money in Jersey comes from and exactly where it is going. We share that information with relevant authorities through tax payer information exchange, working together with the country that has taxing rights to ensure the right amount of tax is being paid to the correct party at the appropriate time.



How it works

1. Investors in Countries A, B and C send money to Jersey for investment
2. This money sent by investors to Jersey is combined into a fund (investment vehicle). The fund and the investors are not taxed in Jersey
3. The money in Jersey is then used to invest in companies in Country D, such as shopping centres, factories and hospitals. Tax is payable by the investors in their home countries of A, B and C
4. Tax is payable by the companies in their home country D

Reasons why investors in Countries A, B and C would send their money to Jersey

- The investor avoids double taxation by only paying tax where it is due in their home country
- It also gives investors the ability to diversify their investment portfolios, which reduces risk
- It reduces the administrative burden of investors who want to pool their funds
- Jersey can provide a politically stable environment that provides investors with certainty that may not be available in Countries A, B and C
- It helps institutional investors, that is those organisations such as insurance companies and investment banks who invest on behalf of other people and who are exempt from tax, to access a broader range of funds, assets and countries. This gives them a better chance of stronger returns for their investors, without compromising their tax-exempt status
- There is a wealth of talented and experienced professionals that may not be available in Countries A, B and C
- Jersey provides an independent platform which treats each investor fairly
- Increased investment boosts the global economy and creates jobs
- Jersey's well-regulated environment allows investors to work together more efficiently
- The beneficial effects of international investment help build a better future for people around the world

Contact us

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