

Jersey

1. Jersey was first reviewed during the 2017/2018 peer review. This report is supplementary to Jersey's 2017/2018 peer review report (OECD, 2018^[1]). The first filing obligation for a CbC report in Jersey applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Jersey's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[2]).

Part A: The domestic legal and administrative framework

3. Jersey has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard¹ establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. Jersey's 2017/2018 peer review included a monitoring point in relation to Jersey's local filing provision that was wider than permitted under the terms of reference and which Jersey was in the process of amending. Jersey confirms that it has applied the local filing obligations in line with the terms of reference, and has published guidance to this effect on its website² and therefore, this monitoring point is removed.

7. Jersey's 2017/2018 peer review also included a monitoring point in relation to Jersey's definition of "systemic failure" which could be interpreted in broader terms than intended under the terms of reference. Jersey has published updated interpretation on Jersey government website to clarify that systemic failure will be interpreted in line with the meaning in the MCAA and OECD's guidance.³ This monitoring point is therefore removed.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. Jersey's 2017/2018 peer review included a monitoring point in relation to having a process in place in case it is notified by another jurisdiction that it has reason to believe with respect to a Reporting entity that an error may have led to incorrect or incomplete information reporting or that there is non-compliance of a Reporting entity with respect to its obligation to file a CbC report. Jersey indicates that no other jurisdiction has notified them to date but says that CBC reports are handled by the same team which handles Jersey's CRS and FATCA reports. The process for following up on issues raised by partner jurisdictions in relation to CBC issues is therefore the same as the process for following up on issues raised in relation to CRS or FATCA reports, namely to acknowledge receipt of the notification, contact the reporting entity to require a corrected report or an explanation of why none is required, submit the corrected report or explanation to all jurisdictions affected and issue penalties to the reporting entity if applicable. The monitoring point is therefore removed.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Jersey since the previous peer review. Jersey meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework*(a) Exchange of information framework*

11. As of 31 May 2019, Jersey has 61 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Jersey has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.⁴ Regarding Jersey's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Jersey has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

13. Jersey has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

14. Jersey has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

15. Despite its procedures, Jersey reports late exchanges of CbC reports.⁵ However, Jersey also indicates that it has taken steps in order to ensure that any future exchanges of

CbC reports be carried out in accordance with the timelines provided for in the relevant QCAAs and terms of reference and therefore no recommendation is made.

(e) Temporary suspension of exchange or termination of QCAA

16. Jersey has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Jersey has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

18. Jersey confirms that it uses the OECD XML Schema and User Guide (OECD, 2017^[3]) for the international exchange of CbC reports.

(h) Method for transmission

19. Jersey indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

20. Jersey has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Jersey meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

21. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

22. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

23. Jersey meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

¹ Primary law consists the Taxation (Implementation) (Jersey) Law 2004, Article 2: <https://www.jerseylaw.je/laws/revised/Pages/17.850.aspx#content>

Secondary law consists of Taxation (Implementation) (International Tax Compliance) (Country-by-Country Reporting: BEPS) (Jersey) Regulations 2016 (hereafter referred to as the “Regulations”): <https://www.jerseylaw.je/laws/enacted/Pages/RO-128-2016.aspx>

²² <https://www.gov.je/taxesmoney/internationaltaxagreements/igas/pages/countrybycountryreporting.aspx>

³ www.gov.je/TaxesMoney/InternationalTaxAgreements/IGAs/Pages/CountrybyCountryReporting.aspx

⁴ No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

⁵ Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.



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