

GUERNSEY JOINS 66 OTHERS IN OECD'S BEPS AGREEMENT

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Guernsey reaffirmed its commitment to international tax co-operation by joining 66 other countries in an Organisation for Economic Cooperation and Development tax treaty.

States of Guernsey Chief Minister Gavin St Pier was in Paris on Wednesday to sign the ground-breaking agreement, which will improve the operation of over 1,100 tax treaties globally.

The OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting was developed through negotiation with over 100 countries and jurisdictions, including Guernsey, in order to help governments close gaps in international tax rules in line with the OECD's base erosion and profit shifting (BEPS) project.

Deputy St Pier said the signing of the agreement evidenced once again that Guernsey is at the forefront of international tax co-operation.

"It is an honour to sign this OECD agreement on behalf of Guernsey alongside so many other countries, including the major global economies," he said. "We were one of only four smaller jurisdictions invited to participate in the group that drafted this treaty, which is a real testament to our expertise in this area and the regard in which Guernsey is held."

The agreement is also the first multilateral agreement that Guernsey has signed itself in line with the development of our international personality as envisaged by the Constitutional Investigation Committee during the last States' term.

The signing provides an opportunity to discuss international tax matters with a number of finance ministers from around the world.

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Whilst in Paris, Deputy St Pier also met with the British Ambassador to France, His Excellency Ed Llewellyn OBE, alongside the Chief Minister of Jersey, Senator Ian Gorst and the Treasury Minister from the Isle of Man, Alfred Cannan MHK.

Deputy St Pier added: "Our relationship with France is important, not just regionally, but as an important Member State within the EU. The meeting with the British Ambassador is timely following the change in Government in France and the importance of our relationship with France following the start of the UK's exit from the EU."

Guernsey was a member of the OECD's 'whitelist' established in 2009, making it one of only 40 jurisdictions placed on the original list. Guernsey has also been assessed by the OECD's Global Forum on Tax Transparency and Exchange of Information for Tax Purposes as largely compliant with the international standards on exchange of information on request – a rating that is shared with the UK, Germany and the USA.

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