WRITTEN QUESTION TO THE MINISTER FOR EXTERNAL RELATIONS
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QUESTION SUBMITTED ON MONDAY 27th OCTOBER 2025
ANSWER TO BE TABLED ON MONDAY 3rd NOVEMBER 2025

Question

"Will the Minister provide an update in respect of the current state of Jersey's engagement with the EU (European Union) and the OECD (Organisation for Economic Co-operation and Development), particularly in light of evolving global tax cooperation frameworks and the minimum tax directive?"

Answer

The formal relationship, from 1973 until 2020, between the Islands and the European Union was governed by Protocol 3 of the United Kingdom's Treaty of Accession. Under this arrangement, the Islands were part of the EU Customs Union and effectively within the Single Market for trade in goods, while remaining outside the European Union in all other respects.

Following the United Kingdom's withdrawal from the European Union, the Islands' formal relationship with the EU is now defined by the EU–UK Trade and Cooperation Agreement (TCA). The TCA applies to the Islands to a more limited extent than to the United Kingdom and covers:

(i) trade in goods, including customs tariffs, procedures, and certain regulatory standards for agricultural and manufactured products; and
(ii) access to fisheries resources within the territorial waters of each Bailiwick.

Outside the scope of the TCA, the Islands are treated as third countries and are not part of the European Economic Area.

The Channel Islands Brussels Office (CIBO) acts as the joint representation of the Governments of Guernsey and Jersey to the European Union. CIBO leads and coordinates engagement with EU institutions through regular contact with the Permanent Representations of Member States, relevant departments of the European Commission, and, where appropriate, Members of the European Parliament. This engagement is supported by annual visits by senior officials and twice-yearly joint ministerial visits.

EU

Jersey fully supports the principles of transparency and the prevention of base erosion and profit shifting, which are central to the ongoing tax initiatives led by the G20, the OECD, and the European Union.

Jersey is one of more than 100 third-country jurisdictions assessed under the EU's non-cooperative jurisdictions (NCJ) listing process, which is overseen by the EU Code of Conduct Group (CoCG). Jersey was first recognised as a cooperative jurisdiction and placed on the EU "white list" in March 2019. This position has been reaffirmed every six months since. Jersey attaches great importance to maintaining this status and to continuing to be a responsible and cooperative neighbour to the EU on tax matters.

With regard to the Pillar Two Global Minimum Tax initiative, EU Member States have implemented the framework through an EU Directive. All EU institutions and Member States agree that discussions on Pillar Two should take place within the OECD, and they do not act collectively as a bloc in that forum.

OECD

Jersey plays an active and constructive role in the OECD's Inclusive Framework on Base Erosion and Profit Shifting (BEPS). Jersey sits on the Steering Group of the Inclusive Framework, which currently meets frequently to provide strategic oversight of the Pillar Two Global Minimum Tax project. Jersey also participates in, and contributes to, a range of OECD working parties that address the technical detail of the Pillar Two initiative.

Jersey is an active member of the OECD Global Forum and currently chairs the OECD's Ad Hoc Group responsible for monitoring the global implementation and peer review of the Country-by-Country Reporting (CbCR) standard under BEPS Action 13.

As a member of the Automatic Exchange of Information Peer Review Group (APRG), Jersey contributes to advancing the Global Forum's agenda by reviewing draft reports for recently assessed jurisdictions and providing technical feedback on the interpretation and application of the Standard. Jersey has also demonstrated its commitment to this process and to wider tax transparency by providing two assessors who have served as members of expert teams evaluating the implementation of the Automatic Exchange of Information (AEOI) in other jurisdictions.

In addition, Jersey is a member of the OECD's Crypto-Asset Reporting Framework (CARF) Working Group and has actively contributed to discussions over the past 18 months to shape and support implementation of the framework, which is due to come into effect in Jersey from 1 January 2026.

Jersey also engages positively with the OECD Forum on Harmful Tax Practices, primarily in relation to its economic substance regime.