States Assembly

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Deputy Elaine Millar
Minister for Treasury and Resources
19-21 Broad Street
St Helier
Jersey
JE2 3RR

BY E-MAIL
23rd August 2024

CC: Deputy Ian Gorst

Dear Minister,

OECD Pillar 2 Sub-Panel

OECD Pillar 2 Review Launch and Terms of Reference

I write to inform you that the Organisation for Economic Cooperation and Development (OECD) Pillar 2 Sub-Panel ('the Sub-Panel') has agreed to undertake a review of the proposed legislation (P.53/2024 and P.54/2024) and implementation strategy related to the OECD Pillar 2 international tax initiative. Attached to this letter are the Terms of Reference for the Sub-Panel's review.

We intend to begin our work immediately and shall hold public hearings with you and the Minister for External Relations, to which our Officers will liaise with your Private Secretaries to arrange this. We shall request the views of affected businesses in a public call for evidence as well as targeted external stakeholders to collect evidence and insights.

We hope that the evidence we gather, and our final output, will help to ensure the legislation and implementation strategy provide the optimal outcome for the Island. Should you have any questions regarding the Sub-Panel's work for this review, I would be happy to address these.

Yours sincerely,

Jonathan Renouf

Deputy Jonathan Renouf
Chair
OECD Pillar 2 Sub-Panel

OECD Pillar 2 Sub-Panel

OECD Pillar 2 Review

Terms of Reference

1. Conduct a comprehensive review of Propositions P.53/2024 (Draft Multinational Taxation (Global Anti-Base Erosion – IIR Tax) (Jersey) Law 202-) and P.54/2024 (Draft Multinational Corporate Income Tax (Jersey) Law 202-), with consideration to how the underpinning draft legislation and the Government of Jersey's approach for implementing the Organisation for Economic Cooperation and Development (OECD) Pillar 2 Framework provides the optimal outcome for Jersey.

2. Assess Jersey's alignment with the OECD Pillar 2 Model Framework, with consideration to:

   - The deviations from the OECD model legislation and the rationale thereof.
   - Any resultant gaps, inconsistencies and unforeseen challenges.
   - Whether the draft legislation is clear, precise, and internally consistent.

3. Evaluate the draft legislations' alignment with the Government's intended objectives and policy goals.

4. Assess the feasibility of the draft legislation for implementing the OECD Pillar 2 Framework, focusing on how it ensures that Jersey's approach can be practically implemented, including the evaluation of timelines, processes, and resource allocation.