STATES OF JERSEY

CAPPING THE NUMBER OF HIGH-NET-WORTH INDIVIDUALS GRANTED ENTITLED STATUS VIA REGULATION 2(1) (E) (P.19/2026): COMMENTS

Presented to the States on 20th February 2026
by the Chief Minister

STATES GREFFE

COMMENTS

The Council of Ministers does not support Deputy Renouf's proposition.

The 2(1)e scheme generates significant tax income for the island and remains modest and controlled in the numbers it secures.

Since it was established in the 1970s, the initiative has successfully attracted individuals to live in Jersey who bring with them both business interests and philanthropic projects that have directly benefitted the Island and the community.

Scheme Numbers and Entrance Requirements

While the overall objective for annual arrivals is 15 per year, the net increase in 2(1)e individuals over the past decade has averaged just 8 people per year in a population of over 100,000. While new applicants are approved every year, not all of them ultimately decide to relocate to Jersey and others leave the Island, leave the scheme, or pass away.

Deputy Renouf's proposition calls for an arbitrary cap – asking Ministers to ration approvals – but the figures clearly show that a cap is not necessary because numbers are not excessive.

The current entrance requirements for applicants are much higher than for other jurisdictions, and Ministers believe this naturally limits arrivals to a moderate number while also maximising the benefits for Jersey.

New entrants are required to pay at least £250,000 in income tax per year. In addition, they must make a £100,000 charitable contribution per year.

In the last full tax year, £33m of income tax was paid, 5% of all income tax paid. In 2025, over £2.15 million has also been committed to the Jersey Community Foundation alone from new arrivals.

The entrance requirements are periodically reviewed, in consultation with the business community and financial services industry and using the latest data. The most recent review was undertaken in 2023.

Furthermore, the value of the initiative is much wider.

The small number of 2(1)(e) individuals in Jersey are of critical importance to the financial services industry and other sectors such as hospitality. Jersey has attracted significant fund businesses who employ staff and engage local professional service providers. They also host regular visitors for board meetings, utilise air links, telecoms services, hotels, taxis etc, as well as paying corporate and property taxes as appropriate.

The proposition also seems to confuse the concepts of approved applications and the number of people who arrive in Jersey following an application approval. The long-established objective has been 15 *arrivals* per year. There is no target for approvals. Just because an application has been approved does not mean that someone will arrive. Each year, the numbers applying and arriving varies naturally depending on the personal and family circumstances of the individuals, and the wider economic and geopolitical situations.

Conclusion

If policies are to be adjusted, this should be the result of an evidence-based approach to ensure that potential benefits to Jersey are not lost without a coherent argument or analysis.

Jersey has a reputation as a jurisdiction which provides stability and supports wealth and entrepreneurship, complementing our financial services industry. The 2(1)(e) initiative is a valuable and important contribution to this from a limited number of individuals.

Any changes to policy should involve discussions with stakeholders, be practical to implement, and, in so far as possible, be predictable and not undermine business confidence.

The Council of Ministers accordingly asks States Members to reject this proposition.

Comment under Standing Order 37A

This Comment was provided to the States Greffe shortly after noon on Friday 20th February to enable work on the drafting and tables to conclude.

Appendix:
<u>Table 1</u>:
2(1)(e) Application Approvals, Arrivals, and Departures, and Net Change in numbers on Scheme

	Approved applications	**Arrivals**	**Departures from the scheme**	**Net Change in no. of 2(1)(e) (arrivals less departures)**
2016	17	13	6	7
2017	34	20	3	17
2018	14	29	10	19
2019	21	12	6	6
2020	20	15	14	1
2021	23	28	16	12
2022	9	11	14	-3
2023	29	16	13	3
2024	18	11	10	1
2025	37	29	11	18
10 Year Total	**225**	**184**	**104**	**81**

<u>Table 2</u>:
2(1)(e) Departures remaining residence in Jersey

Year	**Departures from the scheme who remained resident**
2016	0
2017	1
2018	2
2019	3
2020	6
2021	4
2022	2
2023	3
2024	3
2025	5 *
10 Year Total	**29**

* provisional

<u>Table 3</u>:
2(1)(e) Taxpayers

Year	**Taxpayers**
2021	195
2022	205
2023	210
2024	211
2025	229 *

* provisional