

Who misled who?

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I have now got a copy of the Jersey Evening Post for last Thursday when they looked at the zero-ten crisis in detail.

Two things strike me. First Chief Minister Senator Le Sueur said:

The EU indication is that their original declaration that zero-ten was compliant, which they signalled in 2006 is nowâšÃ„¶..they have backtracked

I would like to see that indication: as [I have recounted](#), the people who might have given it told me in 2006 that any such assurance was not possible.

Second the Senator was asked:

How do you explain your comments in April 2008 that we were compliant with what the EU wanted?

He said;

I do not think that I misled anybody. If any misleading has been done it is the EU who have misled me by changing their minds. If I were asked the question in April 2008 again I would probably come out with the same answer. I might with the benefit of hindsight say âšÃ„¶On the basis of the present legislation, Jersey's, like the Isle of Man's, is fully compliant — however the EU could change their mind in the future.'

I maintain: the legislation [was never approved](#) so this is wrong.

It was also very odd he claimed that the Isle of Man was compliant in April 2008. It's scheme, enacted in 2006 was [rejected in October 2007](#) (note — consideration only happened after enactment — as I have persistently said — which is exactly whey Jersey has never had an approval as its legislation only came into effect this year). This was noted in a letter John Christensen and I wrote to the Jersey Evening Post. As [I said then](#):

Terry le Sueur, Jersey's finance minister recently assured Jersey's business community

that it's new zero ten tax system had met with approval by the EU.

There's one problem with the assurance. It's wrong. The EC will not have considered this issue as yet; it's time scale would not allow that to have happened. As a result John Christensen and I had the following letter in the [Jersey Evening Post on Saturday](#):

So you meet the EU code? Says who?

From John Christensen, director and Richard Murphy, senior adviser, Tax Justice Network

WE note Treasury Minister Terry Le Sueur's claim (reported by Christine Herbert) that the zero-ten tax regime is fully compliant with the EU Code of Conduct for Business Taxation. Since the zero-ten regime has only recently come into effect it cannot, to the best of our knowledge and belief, have been considered by the European Union for compliance purposes as yet.

Remember, the Isle of Man government was only informed in October 2007 that their new regime, which came into effect in 2006, was not compliant. We anticipated that the Isle of Man measures would be rejected by the EU, and for similar though not identical reasons, we likewise anticipate that the Jersey regime will be deemed non-compliant with EU requirements. At this stage it would be unwise to rely too heavily on the Treasury Minister's assurances.

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Sometime soon these people are going to have to realise that their only option is active compliance. But it certainly hasn't occurred to them as yet. When it does the game will stop, and the people of Jersey will suffer. Le Sueur will have retired. If one person will not carry the responsibility for this it is him. I admit, that annoys me.

I was wrong on the last point — it's going to haunt him.

And I maintain — I cannot see how it can be said the EU misled anyone. The reality has always been — as Tax Justice Network has always said — the EU has never approved Jersey's zero-ten, and any other claim just has to be wrong.

But produce the paperwork and I'll apologise.