Who is Jersey kidding when it comes to withholding taxe...

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As Tax-News.com has reported (straight from a press release, so I feel happy to copy it):

Jersey's Comptroller of Taxes has remitted to EU member states a total of GBP4m in retention tax for the year 2010.

Retention tax is applied by Jersey paying agents and passed to the Comptroller of Taxes in accordance with the EU Savings Tax Directive, which requires withholding tax to be applied to the deposits of the residents of EU member states.

Under the terms of the Directive, 75% of the tax retained (GBP4m) is sent to the individual member states and the remaining 25% (GBP1.3m) is to be retained by the Jersey government. Due to the fuller effect of low interest rates, the amount of tax retained in 2010 is significantly less than in 2009 when GBP8.85m was remitted to the Member States and GBP2.99m was retained by the Treasury.

The collection of retention tax relies upon the co-operation of local paying agents. The Comptroller of Taxes and the President of the Bankers' Federation are both happy that the process of exchanging information and the payment of retention tax is continuing to work extremely well.

Comptroller of Taxes, Malcolm Campbell, said: "I am extremely grateful once again for all the help received from paying agents, in particular banks, which bear the greatest burden as a result of these agreements."

The Treasury and Resources Minister, Philip Ozouf, said: "As in previous years this shows that Jersey continues to honour the commitments that it entered into voluntarily with member states."

Oh dear, who are you kidding Mr Ozouf?

Jersey Finance say that in December 2010 there was over £366 billion held in Jersey of which more than £160 billion was in cash and at least £30 billion of that was for EU depositors.

Let's apply a rate of 2.5% to this cash (which is low for the balances in question) and generate a return of £750 million. Tax was withheld at 27.5% on average during the year. So tax withholding applied to £14.5 million of the interest paid and the rest avoided the tax charge.

So, applying tax to less than 2% of deposits counts as full cooperation does it Mr Ozouf? And opposing all measures that might extend the scope - or even opting for full information exchange like the Isle of Man and Guernsey also counts as full cooperation does it?

Please pull the other one. No one believes you, and the evidence as to why is clear for all to see. We can all see why you think this process is working well - because it's very obvious it's hardly really working at all whilst giving you an essential fig leaf of respectability.

And then you wonder why people are sickened at the continuing abuse you promote. Well, you shouldn't be: the world can spot a sham when it sees one and your press release and all that lies behind it is just that.