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Guernsey will not need a 'bail out' from the UK taxpayer

Guernsey's Chief Minister, Lyndon Trott, has firmly rejected suggestions that the Island might require a 'bail out' from the UK taxpayer.

The financial stability of the British Crown Dependencies and Overseas Territories has come under scrutiny in the media during recent weeks. This follows reports that the Cayman Islands has a \$82mn revenue shortfall in its budget due to the impact of the economic crisis on its financial services industry and the British Government has refused to sanction \$462bn of bank loans until the jurisdiction widens its tax base and brings expenditure under control.

Guernsey's Chief Minister, Lyndon Trott, said: "I cannot foresee any circumstances where the need would arise for the UK taxpayer to 'bail out' Guernsey. Guernsey has no national debt, zero borrowing, fully funded public liabilities and unencumbered property assets of over £1.5bn.

"[Guernsey](#) is not a tax haven - best illustrated by the '[whitelisting](#)' of Guernsey by the [OECD](#) in April, where it was designated as one of the jurisdictions leading the way on tax transparency, along with other jurisdictions such as the UK, the US and France. Indeed Guernsey led the way on bilateral tax information exchange agreements when the process began in 2002.

"The government of Guernsey welcomed the appointment of Michael Foot to lead this timely review, and we hope that one of its positive outcomes will be to increase understanding and reduce the misperception of Guernsey in particular, and crown dependencies in general."

Guernsey was placed on the Organisation for Economic Co-operation and Development (OECD) 'white list' that was published at the conclusion of the G20 Summit in London, April 2009. The 'white list', including the UK and the US, represented those jurisdictions that had substantially implemented the internationally agreed tax standard.

Guernsey has continued to sign bilateral tax information exchange agreements (TIEAs). The latest, with New Zealand at the end of July, took the total signed to 14 and was the twelfth with a Member State of the OECD.

Guernsey had previously signed TIEAs with Denmark, Faroe Islands, Finland, France, Germany, Greenland, Iceland, Ireland, Netherlands, Norway, Sweden, United Kingdom and United States of America.

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