19 May 2023

Joint Three Crown Dependencies Statement

"The governments of Guernsey, Jersey and the Isle of Man ('the Islands') announce that they have reached a decision on a joint approach to the OECD's Pillar Two framework[1], based on current international implementation of Pillar Two and discussions at the OECD. This decision ensures certainty for businesses in each of the three jurisdictions.

Our intention is that this approach will comprise the implementation of an "Income Inclusion Rule" and a domestic minimum tax to provide for a 15% effective tax rate for large in-scope multinational enterprises, from 2025. The Islands will continue to work together, monitoring implementation internationally and adapt accordingly to developments which may require adjustments to our own implementation plans, and remain committed to continuing to offer attractive and globally competitive investment environments.

The Islands will continue to engage with diverse and widespread stakeholders – across a very broad range of sectors and geographies – to gather further information and to provide appropriate notice to allow businesses to prepare for these changes.

Our Islands have well-established and stable corporate income tax systems, and longstanding and independently assessed track records of meeting international standards. We are proud of our global leadership in tax cooperation, combatting money laundering and countering the financing of terrorism, and in providing appropriate and effective transparency."

[1] Pillar 2 establishes the framework for a global 15% minimum effective tax rate for large multinational groups, calculated at a jurisdictional level, with a top-up charge imposed on any low-taxed profits.