

IN THE STATES OF THE ISLAND OF GUERNSEY ON THE 25th JULY, 2007

**The States resolved as follows concerning Billet d'État No XIX
dated 6th July 2007**

PROJET DE LOI

entitled

THE TRUSTS (GUERNSEY) LAW, 2007

I.- To approve the Projet de Loi entitled "The Trusts (Guernsey) Law, 2007" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

PROJET DE LOI

entitled

THE CRIMINAL JUSTICE (AIDING AND ABETTING ETC.) (BAILIWICK OF GUERNSEY) LAW, 2007

II.- To approve the Projet de Loi entitled "The Criminal Justice (Aiding and Abetting etc.) (Bailiwick of Guernsey) Law, 2007" and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

THE TRANSFER OF FUNDS (GUERNSEY) ORDINANCE, 2007

III.-To approve the draft Ordinance entitled "The Transfer of Funds (Guernsey) Ordinance, 2007" and to direct that the same shall have effect as an Ordinance of the States.

POLICY COUNCIL

IMPROVED ENFORCEMENT POWERS FOR, AND RIGHTS OF APPEAL FROM DECISIONS OF, THE GUERNSEY FINANCIAL SERVICES COMMISSION

IV.- After consideration of the Report dated 18th June, 2007, of the Policy Council: -

1. To approve the changes to legislation included in that Report and summarised below:

- (a) The extension of the enforcement powers available to the Commission to include:
 - (i) the issuing of a public statement about a regulated person or individual employed by a regulated person where there have been contraventions of rules or legislation, or where there is a need to do so to protect the public;
 - (ii) the introduction of enabling legislation for the imposition of administrative penalties which would not be activated unless regulations are made by a States of Guernsey body; and
 - (iii) the application of discretionary financial penalties against regulated persons and individuals employed by a regulated person.
- (b) For appeals against decisions of the Commission to be made to the Royal Court and for the Royal Court to be able to conduct a full review of the Commission's decisions.
- (c) The improvement of the rights of appeal to include the appealable decisions set out in paragraph 50 of that Report.
- (d) That the Royal Court shall be empowered:
 - (i) to review the Commission's decisions in disputed cases affecting financial services businesses; and
 - (ii) where it disagrees with the Commission's decision in such cases, to quash the decision and remit the matter to the Commission for reconsideration.
- (e) That the Royal Court shall decide the allocation of costs for each case between the parties involved with an appeal.
- (f) The updating of the Banking Supervision, Protection of Investors and Regulation of Fiduciaries Laws as outlined in paragraph 52 of that Report.
- (g) The amendment of company legislation to introduce rights of appeal and criteria as described in paragraph 53 of that Report.
- (h) The repeal of unnecessary elements of the Control of Borrowing legislation as identified in paragraph 55 of that Report.
- (i) The amendment of the Financial Services Commission Law to enable the

Commission's Decisions Committee to take adverse decisions, subject to the right of appeal to the Royal Court.

2. To direct the preparation of such legislation as may be necessary to give effect to their above decisions

POLICY COUNCIL

PROPOSED CHANGES TO THE PROTECTION OF INVESTORS LAW, THE CONTROL OF BORROWING ORDINANCE AND THE COMPANY SECURITIES (INSIDER DEALING) LAW

V.- After consideration of the Report dated 18th June, 2007, of the Policy Council: -

1. To approve the changes to legislation included in that Report.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

COMMERCE AND EMPLOYMENT DEPARTMENT

PROPOSED CHANGES TO THE INSURANCE MANAGERS AND INSURANCE INTERMEDIARIES LAW AND THE INSURANCE BUSINESS LAW

VI.- After consideration of the Report date 18th June, 2007, of the Commerce and Employment Department:-

1. To approve the proposed amendments to the Insurance Managers and Insurance Intermediaries Law set out in paragraph 2 of the letter from the Guernsey Financial Services Commission quoted in that Report concerning:
 - 1.1 Minimum capital requirements and licensing criteria; and
 - 1.2 On-going business requirements; and
 - 1.3 Commission powers; and
 - 1.4 Miscellaneous powers.
2. To approve the proposed amendments to the Insurance Business Law contained in paragraph 3 of the letter from the Guernsey Financial Services Commission quoted in that Report.
3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

POLICY COUNCIL

REFORM OF THE GUERNSEY BAR and REGISTRATION OF OVERSEAS LAWYERS

VII.- After consideration of the Report dated 18th June, 2007, of the Policy Council: -

1. That legislation be enacted on the lines set out in that Report
2. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

TREASURY AND RESOURCES DEPARTMENT

TAXATION OF LAND AND PROPERTY IN GUERNSEY INCLUDING INTEREST RELIEF

VIII.- After consideration of the Report dated 26th June, 2007, of the Treasury and Resources Department:-

1. That, with effect from 1 January 2008, profits arising to a company from the development, or exploitation of land, in Guernsey shall continue to be taxed, at 20%, on an annual basis, (irrespective of the residence status of the shareholders in the company) rather than being subject to the “distribution basis” of taxation.
2. That income derived from the business activity of land and property development where the company receiving the income had a beneficial interest in the land, which would include a “flying freehold” (subject to anti-avoidance provisions that would deal with the situations where the owner and developer/contractor were not the same but were connected/related) shall constitute development of land.
3. That there shall be reductions in the levels of SRA currently granted and, in place of the entitlement of the landlord to receive a deduction of, or on account of, annual allowances, there be introduced different rates of SRA as between furnished and unfurnished lettings as set out in section 3 of that Report.
4. That, the regime governing interest relief in respect of property, businesses, trades and employment shall be as described in section 4 of that Report.
5. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

TREASURY AND RESOURCES DEPARTMENT

STATES OF ALDERNEY – COURT BUILDING RENOVATION

IX.- After consideration of the Report dated 13th June, 2007, of the Treasury and Resources Department:-

1. To approve the renovation of the Alderney Court Building as set out in that Report at a total cost not to exceed £539,678.
2. To authorise the States of Alderney to accept the tender from Charles Le Quesne (1956) Ltd in the sum of £499,677.26.
3. To vote the States of Alderney a credit of £539,678 to cover the cost of the above works, such sum to be charged to its capital allocation.

TREASURY AND RESOURCES DEPARTMENT

INTERIM FINANCIAL REPORT

X.- TO POSTPONE consideration of this Article until the September meeting of the States.

ORDINANCES LAID BEFORE THE STATES

THE TERRORISM AND CRIME (ENFORCEMENT OF EXTERNAL ORDERS) (BAILIWICK OF GUERNSEY) ORDINANCE, 2007

In pursuance of the provisions of the proviso to Article 66 (3) of the Reform (Guernsey) Law, 1948, as amended, the Terrorism and Crime (Enforcement of External Orders) (Bailiwick of Guernsey) Ordinance, 2007, made by the Legislation Select Committee on the 24th May, 2007, was laid before the States.

THE CRIMINAL JUSTICE (INTERNATIONAL CO-OPERATION) (ENFORCEMENT OF OVERSEAS FORFEITURE ORDERS) (BAILIWICK OF GUERNSEY) ORDINANCE, 2007

In pursuance of the provisions of the proviso to Article 66 (3) of the Reform (Guernsey) Law, 1948, as amended, the Criminal Justice (International Co-operation) (Enforcement of Overseas Forfeiture Orders) (Bailiwick of Guernsey) Ordinance, 2007, made by the Legislation Select Committee on the 24th May, 2007, was laid before the States.

**THE NORTH KOREA (RESTRICTIVE MEASURES)
(GUERNSEY) ORDINANCE, 2007**

In pursuance of the provisions of the proviso to Article 66 (3) of the Reform (Guernsey) Law, 1948, as amended, the North Korea (Restrictive Measures) (Guernsey) Ordinance, 2007, made by the Legislation Select Committee on the 12th June, 2007, was laid before the States.

STATUTORY INSTRUMENTS LAID BEFORE THE STATES

**THE HEALTH SERVICE (BENEFIT)
(LIMITED LIST) (PHARMACEUTICAL BENEFIT)
(AMENDMENT NO. 4) REGULATIONS, 2007**

In pursuance of Section 35 of The Health Service (Benefit) (Guernsey) Law, 1990, The Health Service (Benefit) (Limited List) (Pharmaceutical Benefit) (Amendment No. 4) Regulations, 2007, made by the Social Security Department on 6th June, 2007, were laid before the States.

**K H TOUGH
HER MAJESTY'S GREFFIER**