

The Guernsey Finance LBG (Levy) (Guernsey) Law, 2010

PROPOSED REVISIONS 2013

Background

In November 2010, the Guernsey Finance LBG (Levy) (Guernsey) Law, 2010 came into force which introduced a charge payable each calendar year for any company or person who is licensed by the Guernsey Financial Services Commission. The levy was set at £75 per full time equivalent employee (FTE) with a cap of 100 FTE i.e. the maximum any licensed entity had to pay in any one year was £7,500.

The purpose of this levy is to finance (either in whole or in part) the work carried out by Guernsey Finance LBG. Licensed entities were required to pay the levy in November 2010, January 2011 and each January thereafter. Since it has been in force the levy has raised the following amount:

- 2011 - £370,843.50
- 2012 - £351,000.75

During that period the Commerce & Employment Department has contributed £800,000 per annum to the funding of Guernsey Finance. As set out in the funding proposals which were approved by the States in 2010, the levy and the cap were set at levels intended to raise approximately 1/3rd of the funding requirements of Guernsey Finance. The levy has not achieved that level of funding in its first two years of operation, hence the need for this review.

Proposals

In order to meet the objectives of Guernsey Finance, and following consultation with the Guernsey Finance Board, it is proposed that the rate of the levy is revised as follows with effect from 1 January 2013:

- The rate of the levy is set at £ 80 per full time equivalent employee (an increase of £5)
- The cap is set at 150 full time equivalent employees (an increase of 50 FTE)

Based on the current data it is expected that these changes will result in the levy raising approximately £409,000.

Feedback

The Commerce and Employment Department invites comment from interested parties in relation to the proposed changes to the rate of the levy.

Please provide responses, preferably by email, by 7 September 2012 to:

gff@guernseyregistry.com

or by hard copy to:

Guernsey Finance LBG (Levy) (Guernsey) Law, 2010, Guernsey Registry, PO Box 451, Fountain Street, St Peter Port, Guernsey, GY1 3GX

Next steps

Once the responses to this document have been collated and analysed, the appropriate regulations will be drafted.