

**IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 14th DAY OF DECEMBER, 2018**

(adjourned from 12th December, 2018)

**The States resolved as follows concerning Billet d'État No XXVII
dated 29th November, 2018**

STATES' TRADING SUPERVISORY BOARD

**AURIGNY AIR SERVICES – AIRCRAFT ACQUISITIONS
P.2018/130**

XVII: After consideration of the policy letter entitled 'Aurigny Air Services – Aircraft Acquisitions':-

- (i) To note the decision of the States' Trading Supervisory Board to approve Aurigny Air Services' business case for the replacement of its existing three ATR72-500 aircraft with ATR72-600 aircraft, subject to the considerations set out in section 5.7.2 of the policy letter;
- (ii) To direct the Policy & Resources Committee to enable the replacement of Aurigny Air Services Limited's existing three ATR72-500 aircraft with ATR72-600 aircraft by providing:
 - (a) The necessary guarantees for borrowing from third parties, without the application of any guarantee fee, or a loan from the proceeds of the States of Guernsey bond issue; and,
 - (b) Guarantees that may be necessary to enable Aurigny Air Services to enter into such interest rate and/or currency exchange rate swap agreements that may be required,

in accordance with the considerations set out in section 5.4 of the policy letter, except insofar as they relate to the charging of a guarantee fee.

**COMMITTEE *for the* ENVIRONMENT & INFRASTRUCTURE
AND
POLICY & RESOURCES COMMITTEE**

ROAD TRANSPORT AND DRIVING LICENCE IMPLICATIONS FOR DRIVING IN EUROPE POST-
BREXIT AND OTHER RELATED MATTERS
P.2018/135

XVIII: After consideration of the Policy Letter entitled “Road Transport and Driving Licence Implications for Driving in Europe Post-Brexit and other related matters” dated 12th November, 2018:-

1. To agree that the UN Convention on Road Traffic, 1968 (“the Vienna Convention”) should be extended to Guernsey with effect from 29th March, 2019 or as soon as possible thereafter;
2. To agree to the adoption of the legislative and regulatory measures necessary to demonstrate compliance with the requirements of the Vienna Convention, as detailed in sections 7 to 12 of this Policy Letter under the heading in each section “Compliance requirements for the Vienna Convention”;
3. Following relevant approvals, to direct the Policy & Resources Committee to initiate the request to the UK authorities to extend the Vienna Convention;
4. To agree to the adoption of the other legislative and regulatory measures that are not specifically required for compliance purposes, as detailed in sections 8, 9 and 11 of this Policy Letter under the heading in each section “Other proposed changes”;
5. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

COMMITTEE *FOR* HOME AFFAIRS

AMENDMENTS TO THE POPULATION MANAGEMENT LAW – RESIDENT PERMITS AND
CERTIFICATES
P.2018/134

XX: After consideration of ‘Amendments to the Population Management Law – Resident Permits and Certificates’ dated 12 November 2018:-

1. That the Population Management (Guernsey) Law, 2016, be further amended:
 - a. to remove the concept of an Established Resident Permit;

- b. to provide that a person who completes eight years' continuous residence in the Local Market is entitled to an Established Resident Certificate;
 - c. subject to (b), to remove the restrictions on who may hold an Established Resident Certificate;
 - d. to remove the restrictions on the period for which a Family Member Resident Permit may be granted;
 - e. to provide that, in respect of the issue of an Open Market Resident Certificate to the occupier of a property inscribed on Part D of the Open Market Housing Register, the Administrator must be satisfied that the applicant is the owner of the whole dwelling he is occupying or proposing to occupy;
 - f. to provide that holders of Short Term Employment Permits and Open Market HMO Resident Permit (Part D) can occupy as a tenant a property inscribed in Part D of the Open Market Housing Register without the need to be accommodated by a householder; and
 - g. to make any necessary consequential amendments flowing from the above.
2. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

POLICY & RESOURCES COMMITTEE

IMPLEMENTATION OF INTERNATIONAL SANCTIONS MEASURES P.2018/117

XXIV: After consideration of the Policy Letter entitled "Implementation of International Sanctions Measures" dated 30 October 2018 of the Policy & Resources Committee, they are of the opinion:

1. To approve, in addition to those measures approved by the States at their meeting held on 7 June 2017 (see Article IV on Billet d'État No. XI of 2017 – P. 2017/38), legislation enabling the temporary implementation of United Nations financial sanctions measures and the future implementation in the Bailiwick of sanctions measures that the United Kingdom may enact under new dedicated sanctions legislation that it has recently introduced, as described in the Policy Letter, and
2. To approve the Projet de Loi entitled "The Sanctions (Bailiwick of Guernsey) Law, 2018" and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

POLICY & RESOURCES COMMITTEE

REFORM OF THE MARRIAGE LAW P.2018/136

XXI: To withdraw the proposition and Policy Letter of the Policy & Resources Committee entitled 'Reform of the Marriage Law', dated 12th November 2018.

POLICY & RESOURCES COMMITTEE

REVISION OF DOUBLE TAXATION AGREEMENTS (ARISING FROM THE EFFECTS OF THE OECD/G20 BASE EROSION AND PROFIT SHIFTING MULTILATERAL INSTRUMENT) P.2018/110

XXII: After consideration of the Policy Letter entitled "Revision of Double Taxation Agreements (arising from the effects of the OECD/G20 Base Erosion and Profit Shifting Multilateral Instrument)" dated 2nd October, 2018:-

1. To declare that the amendments to the Double Taxation Agreements ("DTAs"), made with Cyprus; Hong Kong; Liechtenstein, Luxembourg; Malta; Mauritius; Monaco; Seychelles and Singapore, by the Multilateral Instrument:-
 - (a) have been made with the governments of other territories with a view to affording relief from double taxation in relation to income tax and any tax of a similar character imposed by the laws of those territories, and
 - (b) it is expedient that the DTAs, as so amended, should have effect in relation to income tax in accordance with section 172(1) of the Income Tax Law, notwithstanding anything in that Law or any other enactment.
2. That sections 172(1) and (1A) of the Income Tax Law be revised:
 - (a) to put it beyond doubt that the amendments to Guernsey's DTAs by the Multilateral Instrument, and future DTAs, or subsequent revisions to existing DTAs, which contain provisions that may be considered as relating to, or which could be considered to be consequential or supplementary to, non-double taxation issues, may be declared by the States as having effect in relation to income tax if the States considers it expedient and appropriate to do so; and,
 - (b) that a consequential amendment be made to section 75C of the Income Tax Law, which would permit the Director to use the powers to obtain information, contained in Part VIA, of the Income Tax Law, to the extent that it is necessary to do so, for the purpose of the implementation of such provisions.

POLICY & RESOURCES COMMITTEE

DOUBLE TAXATION AGREEMENT WITH THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND FOR THE ELIMINATION OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL GAINS AND THE PREVENTION OF TAX EVASION AND AVOIDANCE P.2018/111

XXIII: After consideration of the Policy Letter entitled “Double Taxation Agreement with the Government of the United Kingdom of Great Britain and Northern Ireland for the elimination of double taxation with respect to taxes on income and on capital gains and the prevention of tax evasion and avoidance” dated 2nd October, 2018:-

1. To declare that, in accordance with section 172(1) of the Income Tax Law, it is expedient that the Double Taxation Agreement that Guernsey has entered into with the Government of the United Kingdom of Great Britain and Northern Ireland for the elimination of double taxation with respect to taxes on income and on capital gains and the prevention of tax evasion and avoidance should have effect, with the consequence that that Agreement shall have effect in relation to income tax, notwithstanding anything contained in the Income Tax Law, or any other enactment; and,
2. in respect of the 1951 “Agreement between His Majesty’s Government and the States of Guernsey for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income”, revoke its Resolution that that Agreement should have effect made on 13th February 1952, under section 23(1) of the Income Tax (Guernsey) Law, 1950 as amended, in accordance with section 172(2) of the Income Tax Law.

STATES’ TRADING SUPERVISORY BOARD

GUERNSEY POST LIMITED – ANNUAL REPORT AND ACCOUNTS P.2018/131

XXV: After consideration of the policy letter entitled ‘Guernsey Post Limited – Annual Report and Accounts’ dated 4 October 2018:-

1. To note the annual report and accounts of Guernsey Post Limited for the year ended 31st March 2018.

STATES' TRADING SUPERVISORY BOARD

**GUERNSEY ELECTRICITY LIMITED – ANNUAL REPORT AND ACCOUNTS
P.2018/132**

XXVI: After consideration of the policy letter entitled 'Guernsey Electricity Limited – Annual Report and Accounts' dated 1 November 2018:-

1. To note the annual report and accounts of Guernsey Electricity Limited for the year ended 31st March 2018.

POLICY & RESOURCES COMMITTEE

**SCHEDULE FOR FUTURE STATES' BUSINESS
P.2018/141**

XXVII: After consideration of the Schedule for future States' business, which sets out items for consideration at the Meeting of the 30th January 2019 and subsequent States' Meetings, they are of opinion to approve the Schedule.

C. FOSTER

HER MAJESTY'S DEPUTY GREFFIER