



States of Guernsey  
Income Tax

## Document Retention, Destruction and Archive Policy

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## **Introduction**

This Policy is designed to cover the retention and destruction policy relating to information in all formats including paper, electronic, computer, microfilm, etc. and to ensure the Income Tax Office (“ITO”) is compliant with the Data Protection Legislation (“DP Law”) in force in Guernsey.

The Policy will apply to all sections and staff within the ITO.

The Policy aims to ensure that:

1. Relevant information is available when required for all members of staff.
2. Guidance on retention of information is available to all members of staff.
3. Relevant guidance is retained for legal purposes.
4. Information is not kept for an unnecessary amount of time.

Issues concerning confidentiality and security are covered in the Data Protection Policy Document.

## **Overall Policy Statement**

The Income Tax Office Policy is that information (in any format) should be kept securely while it is of use and then securely disposed of when it is no longer required in accordance with the requirements of the DP Law.

## **General Guidance**

The DP Law obliges the ITO to ensure that personal information must be relevant, adequate and not excessive, used for the purposes for which it was collected and not kept for longer than necessary.

As a result, it is the ITO policy to destroy information when its useful life is at an end.

## **Useful life span of information**

The useful life span of information can vary considerably. Very little needs to be kept permanently, yet other information may need to be kept for a period of years. Information must be:

1. Stored appropriately, having regard to the sensitivity and confidentiality of the material recorded.
2. Retrievable and easily traced, taking into account the purpose for which it is retained.
3. Retained for only as long as necessary.

4. Disposed of appropriately to ensure the DP Law is not breached and to prevent it falling into the hands of unauthorised persons.
5. Required under legislation or was otherwise legitimately obtained for the purposes for which it is held.

## **Litigation or historical interest**

Care must be taken to ensure that the potential use of information in litigation or for historical purposes, being materials retained for statistical, training or reference purposes (for establishing precedents, ensuring consistency of approach or containing legal opinion) is not ignored when it is no longer required for its original purpose.

If in doubt, staff should refer cases to their line managers who, if unsure, may refer the matter to a member of the Management Team.

## **Copies of Original and Copy Documents**

### **Incoming Correspondence**

Any case specific documents that the ITO receives in paper format are usually the originals or copies which are then normally scanned into the Electronic Document Management (EDM) System and held for a maximum period of thirty years. The current year plus the previous six years are kept in the live EDM system and the twenty three years prior to that, totalling thirty years, are kept in an archive system.

### **Outgoing Correspondence**

When a document is produced from within the ITO, the original is sent to the addressee(s) and the EDM copy then becomes the prime record held within the Department, therefore, it would be treated as the original.

Staff should observe the procedures in the Policy for guidance on retention periods. If in doubt, staff should refer queries to their line managers who, if unsure, may refer the matter to a member of the Management Team.

### **Internal Documents**

In addition to incoming and outgoing correspondence, file notes are created within the ITO (for example, notes of meetings, telephone conversations with taxpayers, review notes, etc). In the majority of cases such documents are created within the EDM system and will be subject to the retention period for all EDM documents.

When carrying out an investigation into tax evasion or avoidance, it may be necessary for the Director to request sight of a taxpayer's records. The original records will be returned as soon as possible, however, it may be necessary for the Director to make photocopies of the documents. These documents may not be scanned into the EDM system, but may instead be securely retained in a physical compliance folder. At the conclusion of the investigation the copies of records (not scanned into the EDM system) will be placed in secure archive boxes and stored for a period of 6 years following the end of that year. At the conclusion of this retention period the documents will be securely destroyed.

In the circumstances where the Bailiff issues a warrant authorising the Director to enter any specified premises and to seize and remove anything which he has reasonable cause to believe is relevant to the inquiry of the performance of the Director's functions (in accordance with section 75I of the Income Tax (Guernsey) Law, 1975, as amended ("the Law")), the retention of such items will be governed in accordance with section 75J of the Law.

Part of the records which the Director may request during the course of an investigation into tax evasion or avoidance may be bank statements. When receiving bank statements the Director may use specific software called Altia, whereby the bank statements are scanned as JPEG or PDF files, the software then pre-populates the content of each statement into MS Excel, which enables the Director to analyse the information efficiently. The JPEG/PDF scanned images and the subsequent MS Excel files (collectively "electronic files") are retained for a period of 6 years following the end of the year in which the investigation was concluded, after which the electronic files are deleted.

When meeting with taxpayers and/or their representatives, the Director may consider it appropriate to record the meeting, using audio visual recording equipment, in accordance with the separate policy document titled "Policy on the use of Audio/Visual Recording Equipment when Interviewing Taxpayers and/or their Representatives" (which is in the process of being published). A copy of the recording will be provided to the taxpayer (or representative when the taxpayer is not present) and a copy will be retained by the Director. The DVD recording will be retained by the Director for a period of 6 years following the end of the year in which the enquiry or investigation was concluded. At the conclusion of this retention period the DVD will be securely destroyed. For how long the taxpayer, or his representative, retain their copy of the recording is a matter for them to decide.

## **Minimum Retention Periods**

**The minimum retention period stated begins at the end of the calendar year following the last entry on the document.**

- All pre-2000 paper case specific correspondence still held will be shredded as soon as practicable after the publication of this Policy.

- All paper case specific correspondence dating from, and including, 2001 up until scanning was generally introduced should be retained as if it is an EDM record (a maximum period of thirty years).
- All paper case specific correspondence on file since scanning was generally introduced will be shredded as soon as practicable after the publication of this Policy.
- Paper case specific compliance folders should be retained as if they are an EDM record.
- Paper management files will be kept indefinitely or until the Director considers that they no longer serve a useful purpose.

## **EDM**

Data is retained for seven years on the live system (current year and the previous six years) and twenty three years is archived. The archived data will be accessible by request. To ensure compliance with this policy once 30 years has passed the out of date year will be removed and destroyed.

## **ITAX**

Data is deleted from ITAX and written to files which are copied to tape and retained. Reports are created at the same time as archiving which provide details of the number of each record type that has been removed from the database. Records on ITAX should be retained for a period of 25 years. To ensure compliance with this policy once 25 years has passed the out of date year will be removed and destroyed.

## **Perception cash receipting**

Data is stored on a SQL database. The data should be retained for a period of 25 years. To ensure compliance with this policy once 25 years has passed the out of date year will be removed and destroyed.

## **Returns Creator**

The data should be retained for a period of 25 years. To ensure compliance with this policy once 25 years has passed the out of date year should be destroyed.

## **Eforms**

The public facing eforms system should retain completed/submitted forms for a period of 6 years after the end of the year in which they were submitted. To comply with this policy, once 6 years has passed the out of date year will be removed and destroyed.

## **Information exchanged**

under an international agreement Documents and information which has been exchanged, as a result of a request, under an international agreement (as defined in section 75C of the Law) shall be held, securely, for a maximum of six years following the end of the year in which the request was considered to have been completed.

Documents and information which has been exchanged spontaneously or automatically, in accordance with an international agreement (as defined in section 75C of the Law) shall be held, securely, for a maximum period of six years following the end of the year in which the documents and information were transmitted.

## **Destroying Information**

Information must be disposed of when it is no longer in use or of useful purpose, and in accordance with this Policy. In particular, confidential information in paper format must be destroyed securely (shredded in-house) so that privacy is maintained. Electronically stored information will be securely destroyed by permanently and irrevocably removing the data from the relevant harddrive.

## **Storing and Archiving Information**

Information which is archived must be:

1. Stored in a suitable environment so that it remains in good condition.
2. Kept in suitable storage e.g. in folders, in archive boxes, in cabinets, in cupboards etc.
3. Sorted, labelled and indexed so that information can be quickly retrieved, taking into account the purpose for which it is being retained.
4. Checked at regular intervals to ensure that it is in good condition.
5. Kept securely so that unauthorised access or use does not take place and confidentiality is maintained.

## **Electronic Documents**

EDM systems can have significant advantages over paper documents. Electronic storage can free up large amounts of physical storage space, it can improve information security and can enable quick, but secure, access to information from multiple sites. In addition, a good quality EDM package can help in the retrieval of current and archived information.

## **Accountability**

The Director of Income Tax (“the Director”) is accountable for ensuring that this policy is implemented throughout the ITO.

The Management Team is accountable to the Director, through the Deputy Director (Compliance & International), for ensuring that this Policy is implemented in their respective areas of responsibility. They are also responsible for ensuring that subordinate section policies are implemented where necessary.

All staff must familiarise themselves with this Policy and take all reasonable steps to act in accordance with its requirements. Deliberate contravention of this Policy by any member of staff may be regarded as a matter for which disciplinary action may be taken.

## **Compliance Monitoring**

The Deputy Director (Compliance & International) will report to the Director and the rest of the Management Team annually on compliance within the ITO with this policy.

## **Distribution**

This Policy will be distributed by the Director to the Management Team who must ensure subsequent distribution to their relevant areas of responsibility.

## **Review Period**

This Policy will be reviewed by the Director as required but at a frequency of not less than five years.

## **Effective Date**

This policy was approved by the Director and the rest of the Management Team on **20 June 2014** and is effective immediately thereafter.

Sarah Davies

Online Services, Projects & Communications Manager