



Jersey

# **TAXATION (ACCOUNTING RECORDS) (JERSEY) REGULATIONS 2013**

## **Official Consolidated Version**

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# TAXATION (ACCOUNTING RECORDS) (JERSEY) REGULATIONS 2013

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## TAXATION (ACCOUNTING RECORDS) (JERSEY) REGULATIONS 2013

THE STATES, in pursuance of Article 2(1) of the [Taxation \(Implementation\) \(Jersey\) Law 2004](#), have made the following Regulations –

Commencement [[see endnotes](#)]

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### 1 Interpretation

- (1) In these Regulations, the “1961 Law” means the [Income Tax \(Jersey\) Law 1961](#).
- (2) An expression used in these Regulations which is also used in the 1961 Law has the same meaning as in that Law, unless otherwise indicated.
- (3) In these Regulations, reference to a record includes information recorded in any form and, in relation to information recorded otherwise than in legible form, reference to furnishing a record includes reference to furnishing a copy of the record in legible form.
- (4) In these Regulations, “person” includes a partnership and an obligation for a person to take an action is, in the case of a partnership, an obligation for both the partnership and the general partners in the partnership to take that action.<sup>1</sup>

### 2 Application

- (1) These Regulations apply to every person in receipt or possession of any income or of any profits arising from the carrying on of a business or from the letting of property.
- (2) It does not matter, for the purpose of the application of these Regulations, whether or not a person is required to make a statement or other return to the Comptroller in respect of liability to tax under the 1961 Law.
- (3) A requirement imposed by these Regulations shall apply in addition to, and not in derogation from, any duty or requirement to keep or deal with accounts or records imposed by or under the 1961 Law or any other enactment.

### 3 Adequacy of accounting records

- (1) A person to whom these Regulations apply shall make and keep adequate accounting records in accordance with the provisions of this Regulation and Regulations 4 to 6.
- (2) Accounting records are adequate if –
  - (a) they are such as to enable the preparation of accounts and –
    - (i) to show and explain the person's transactions,
    - (ii) to disclose with reasonable accuracy, at any time, the financial position of the person at that time,
  - and
  - (b) they fulfil the requirements of either paragraph (3) or paragraph (4), as the case may be.
- (3) In the case of a person carrying on a business, accounting records are not adequate unless they contain –
  - (a) records of all amounts received and expended by the business and the reasons for the receipt or expenditure;
  - (b) in the case of a business dealing in goods, records of all sales and purchases of goods made in the course of the business;
  - (c) records of all assets and liabilities of the business, including in particular –
    - (i) all shares, interests or units held by the business in any other person or arrangement, and
    - (ii) records of all stock in hand at the end of the year of assessment and a statement of the basis on which the stock is valued;
  - (d) all invoices, receipts, certificates, contracts, vouchers or other supporting documents relating to records described in paragraphs (a) to (c); and
  - (e) in a case where there are no supporting documents in relation to any goods purchased by the business, the name and address of the supplier of the goods.
- (4) In the case of any other person, accounting records are not adequate unless they contain, in relation to the person's income –
  - (a) records of all amounts received, arising or accruing;
  - (b) the names and descriptions of the persons or sources from which the amounts so recorded were received, arose or accrued;
  - (c) records of all assets and liabilities of the person, including in particular –
    - (i) all shares, interests or units held by the person in any other legal person or arrangement, and
    - (ii) records of all stock in hand at the end of the relevant year of assessment and a statement of the basis on which the stock is valued;

- (d) any other records which contain or may contain information relevant to any liability to tax to which the person is or may be subject or the amount of any such liability;
  - (e) all invoices, receipts, certificates, contracts, vouchers or other supporting documents relating to records described in paragraphs (a), (c) and (d).
- (5) A person who, without reasonable excuse, fails to comply with this Regulation shall be guilty of an offence and liable to a fine of level 3 on the standard scale.<sup>2</sup>

#### **4 Preservation of accounting records**

- (1) Accounting records made by a person under Regulation 3 shall be kept by the person for a period of at least 6 years beginning immediately after the end of –
- (a) the year of assessment in relation to which a statement as to income is required to be delivered under Part 4 of the 1961 Law; or
  - (b) where no such return is required to be delivered, the calendar year in which the accounting record or document in question was created.
- (2) A person who, without reasonable excuse, fails to comply with paragraph (1) shall be guilty of an offence and liable to a fine of level 3 on the standard scale.<sup>3</sup>

#### **5 Duty to produce accounting records**

- (1) The Comptroller may by notice served on any person to whom these Regulations apply require the person to furnish, by such a date or within such a period as may be specified in the notice, such accounting records or part of those records as the Comptroller may require for the purpose of ascertaining whether or not the requirements imposed by Regulations 3, 4 and 6 are being fulfilled.
- (2) A person who, without reasonable excuse, fails to furnish accounting records in compliance with a notice served by the Comptroller under paragraph (1) shall be guilty of an offence and liable to a fine of level 3 on the standard scale.<sup>4</sup>

#### **6 Accounting records kept outside Jersey**

- (1) Where accounting records are kept outside Jersey, the person on whom the requirement to keep those records is imposed shall ensure –
- (a) that the records remain within that person's power and control; and
  - (b) that effective arrangements are in place for delivery of the records to Jersey and –
    - (i) for the records to be furnished to the Comptroller in accordance with any notice served in relation to them under Regulation 5, and

- (ii) for the records to be furnished, disclosed, delivered or in any way provided to the Comptroller or any other person in accordance with any requirement to do so imposed by or under the 1961 Law or any other enactment.
- (2) In this Regulation and in Regulation 7, “records” includes all such supporting documents and information as described in Regulation 3(3) and (4).
- (3) A person who, without reasonable excuse, fails to comply with this Regulation shall be guilty of an offence and liable to a fine of level 3 on the standard scale.<sup>5</sup>

## **7 Penalties for fraudulently or negligently furnishing false or incorrect accounts, etc.**

- (1) If any person fraudulently or negligently furnishes to the Comptroller any incorrect accounts or records in purported compliance with these Regulations, the person shall be guilty of an offence.
- (2) Where an offence under paragraph (1) –
  - (a) is committed negligently, the person shall be liable to a fine of level 3 on the standard scale;
  - (b) is committed fraudulently, the person shall be liable to imprisonment for a term of 5 years and to a fine.<sup>6</sup>
- (3) Where any accounts or records are made or furnished by a person neither fraudulently nor negligently but it comes to the person’s notice that they are incorrect, the accounts or records shall be treated for the purposes of this Regulation as having been negligently made or furnished, unless the error is remedied without unreasonable delay.

## **8 Penalty to be imposed by Comptroller**

- (1) If, in the opinion of the Comptroller –
  - (a) a person has failed to make and keep adequate accounting records in accordance with these Regulations; and
  - (b) that failure may adversely affect the Comptroller’s performance of a function under the 1961 Law or any other enactment,the Comptroller may impose on the person a penalty not exceeding £2,500.
- (2) An appeal shall lie to the Commissioners against a penalty imposed by the Comptroller under paragraph (1) and the provisions of Articles 27 to 36 of the 1961 Law shall apply accordingly in respect of any such appeal as if it were an appeal under that Law.

## **9 Penalties to belong to States’ revenues**

All penalties recovered under these Regulations shall be paid into the consolidated fund.



**10 Citation**

These Regulations may be cited as the Taxation (Accounting Records) (Jersey) Regulations 2013.

## ENDNOTES

### Table of Legislation History

Legislation	Year and No	Commencement
Taxation (Accounting Records) (Jersey) Regulations 2013	<a href="#">R&amp;O.73/2013</a>	11 June 2013
Criminal Justice (Miscellaneous Provisions) (Jersey) Law 2016	<a href="#">L.1/2016</a>	20 September 2016 ( <a href="#">R&amp;O.98/2016</a> )
Taxation (Partnerships – Economic Substance) (Jersey) Law 2021	<a href="#">L.12/2021</a>	8 October 2021

### Table of Endnote References

<sup>1</sup> Regulation 1(4)	<i>inserted by L.12/2021</i>
<sup>2</sup> Regulation 3(5)	<i>amended by L.1/2016</i>
<sup>3</sup> Regulation 4(2)	<i>amended by L.1/2016</i>
<sup>4</sup> Regulation 5(2)	<i>amended by L.1/2016</i>
<sup>5</sup> Regulation 6(3)	<i>amended by L.1/2016</i>
<sup>6</sup> Regulation 7(2)	<i>amended by L.1/2016</i>