



Council of the
European Union

Brussels, 22 May 2018
(OR. en)

6972/18
ADD 40

FISC 113

OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
To: Delegations
Subject: The EU list of non-cooperative jurisdictions for tax purposes

- Compilation of commitment letters received from jurisdictions

= Jamaica



ANY REPLY OR SUBSEQUENT REFERENCE
SHOULD BE ADDRESSED TO THE FINANCIAL SECRETARY
AND THE FOLLOWING REFERENCE NUMBER QUOTED:-
Telephone No. [REDACTED]
Website: <http://www.mof.gov.jm>
Email: [REDACTED]

MINISTRY OF FINANCE AND THE PUBLIC SERVICE
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

November 17, 2017

General Secretariat of the Council
Code of Conduct Group (Business Taxation)
Rue de la Loi
Wetstraat 175-B-1048 Bruxelles
Brussels, Belgium

Attention: Ms. Fabrizia Lapecorella

Dear Madam,

Re: Request for Commitment by the Chairman of the Code of Conduct Group

Reference is made to your letter dated October 26, 2017, where the Chair of the Code of Conduct Group requested a firm commitment from a high political level to address two outstanding issues:

1. The ratification of the OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters;
2. The status of grandfathered entities under the repealed Export Industry Encouragement Act.

OECD Multilateral Convention

On July 7, 2017, Jamaica indicated that it would ratify the OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters by the 31st of October 2017. However, this was contingent on the receipt of responses from the OECD Secretariat based on queries raised by our Attorney General's Chamber in respect of a number of articles in the Convention. We have since received the necessary responses from the OECD Secretariat, which was sent to the Attorney General's Chamber along with the instrument for ratification. After it has been reviewed by the Attorney General, the instrument will be submitted to Cabinet for ratification. It is expected that the process will be completed by the 31st of December 2017.

The Export Industry Encouragement Act (EIEA)

In our correspondence dated July 7, 2017, Jamaica had indicated that three (3) entities would have enjoyed incentives beyond 2021 under the grandfathered regime.

...2

Ms. Fabrizia Lapecorella
General Secretariat of the Council
Code of Conduct Group (Business Taxation)

November 17, 2017

This was based on information, provided at the time by the Ministry responsible for industrial development, which was premised on a ten year tax holiday. Subsequent investigations revealed that four (4) entities were granted approval between 2012 and 2013, prior to the regime being completely repealed on January 1, 2014. None of the four entities were granted the full 10 year incentive, primarily because of WTO commitments given by Jamaica under the Agreement on Subsidies and Countervailing Measures, to eliminate its export subsidies by end 2015. The Export Industry Encouragement Act (EIEA) was one of the four programmes notified to the WTO by Jamaica as containing export subsidies.

The table below shows the list of entities that were approved under the EIEA.

No.	Name	Date and PRR #	Commencement Date	Period Granted
1.	ADA Manufacturing Limited	December 13, 2012 / No. 139I	December 13, 2012	4 yrs.
2.	Isratech Waterworks	December 20, 2012 / No. 141H	December 20, 2012	4 yrs.
3.	Juici Beef Limited	January 31, 2013 / No. 7C ¹	January 31, 2013	4 yrs.
4.	Spur Tree Spices Limited	March 20, 2013 / No. 17G	March 20, 2013	4 yrs.

Based on the above table, it is clear that the grandfathering mechanism under the EIEA does not extend beyond 2021 and is therefore not in breach of the standard adopted by the OECD Forum on Harmful Tax Practices. Please find attached, copies of approved export manufacturer orders for the four (4) named entities outlining the date of commencement and the period granted.

For further information and or clarification, please do not hesitate to contact the undersigned.

Yours truly,



Audley Shaw , CD MP
Minister of Finance and the Public Service