



## Guernsey De-Registration or 20% Tax on Pensions?

A couple of days ago the GAPP Chairman confirmed in a communication release the following:

***"GAPP has since confirmed that Guernsey is NOT considering a deregistration of its existing QROPS Schemes"***

It appears that Guernsey have been 'considering' a deregistration of its existing QROPS Schemes, as we have now received the following indication of de-registration, which originated from a communication release from a GAPP member and states the following:

***"What will happen with existing Guernsey based QROPS post 6 April 2012 is that they will no-longer be able to meet the New Rules for a QROPS"***

It goes onto say that the Guernsey Tax office did pass details of their correspondence with HMRC on this point to GAPP, and that the following is the extracts from their exchange on this point with HMRC:-

**"From RJG:-**

The paper which includes the detailed proposals suggests that it will apply to QROPS and transfers to QROPS requested on and after 6th April 2012; can I take it therefore that existing schemes which have obtained QROPS approval by 5th April 2012, or any transfers made to such schemes before that date will not be affected?

**Response from HMRC:-**

You asked for confirmation that existing schemes would not be affected.

The short answer is 'No'. Pension schemes that have notified HMRC that they meet the conditions to be a QROPS and undertaken to provide information will need to check if they will they continue to meet the conditions to be a QROPS on and after 6 April 2012. If they are no longer a QROPS they will need to inform HMRC of the sums left in the scheme that were transferred from a UK registered pension scheme and to

which member they relate.

Provided it meets all of the current conditions, a transfer made to a QROPS on or before 5 April 2012 will be a "recognised transfer" and members of a pension scheme that is no longer a QROPS will be able to remain as members and receive a pension paid from the sums transferred without incurring member payment charges."

Before we get into a debate on the merits of either of the only two possible ways forward, we would ask that the GAPP Chairman simply confirm the answer to the following question:

Is Guernsey going to choose de-registration of their existing QROPS on 6<sup>th</sup> April 2012 or will all the pensions be taxed at a rate of 20%?

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