

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2024- 2027 (P.72/2023): FOURTH AMENDMENT CAPPING REGTECH SUPER- DEDUCTION

**Lodged au Greffe on 14th November 2023
by Deputy C.D. Curtis of St. Helier Central**

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2024-2027 (P.72/2023): FOURTH
AMENDMENT

1 PAGE 2, PARAGRAPH (I) –

After the words “Appendix 3 to the Report” insert the words –

“, except that within the paragraph entitled ‘Regulatory Technology (RegTech) Super-Deduction’ –

- (a) on page 40 after the words “Services Commission.” there should be inserted the words, “This incentive will only be available to businesses who use local technology providers.”;
- (b) on page 41 there should be substituted the words “two years” with “one year”; and
- (c) on page 41 after the words “future potential.” there should be inserted the words “Total deductions available under the scheme will be capped at £200,000 during the first year of the incentive.”

DEPUTY C.D. CURTIS OF ST. HELIER CENTRAL

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

to receive the Government Plan 2024 – 2027 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2024 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to refer to their Act dated 30th September 2016 and to approve the application of existing resources for work on the development of ‘user pays’ charges in relation to all aspects of waste, including commercial and domestic liquid and solid waste;
- (c) to approve the proposed Changes to Approval for financing/borrowing for 2024, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (d) to approve the extension of the use of the existing Revolving Credit Facility to include the provision of funds that would otherwise be implemented through bank overdraft or bank overdraft facilities under Article 26 (1)(a) of the Law, should they be needed, subject to the limits outlined in that article;

- (e) to approve the transfers from one States fund to another for 2024 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (f) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2024 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31 December 2023 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31 December 2024;
- (g) to approve each major project that is to be started or continued in 2024 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (h) to approve the proposed amount to be appropriated from the Consolidated Fund for 2024, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report;
- (i) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2024 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (j) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2024 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (k) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2024 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (l) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2024-2027, as set out at Appendix 3 to the Report, except that within the paragraph entitled ‘Regulatory Technology (RegTech) Super-Deduction’ –
 - (a) on page 40 after the words “Services Commission.” there should be inserted the words, “This incentive will only be available to businesses who use local technology providers.”;
 - (b) on page 41 there should be substituted the words “two years” with “one year”; and
 - (c) on page 41 after the words “future potential.” there should be inserted the words “Total deductions available under the scheme will be capped at £200,000 during the first year of the incentive.

REPORT

While recognizing that the aims of the RegTech super deduction incentive are laudable, assisting businesses to invest in technologies to help manage compliance and combat financial crime, we must consider this in context – a time of a cost of living crisis.

Therefore if the RegTech super deduction is to be implemented, it should be done with conditions attached. This will ensure that the incentive only continues if it can be demonstrated as a positive benefit for the island overall.

Financial and staffing implications

Staffing implications will be limited to additional time, if any, required by staff to review the applications to ensure only local providers are utilised.