

21.01.19

**2 Deputy M.R. Higgins of the Minister for Treasury and Resources regarding charging Islanders V.A.T. (OQ.14/2021):**

Will the Minister explain the current position in relation to ensuring that bodies such as eBay, Amazon, or other British national and international trading bodies and foreign States, are not charging Islanders V.A.T. (value-added tax) on goods purchased or, alternatively, that mechanisms are in place to refund any V.A.T. charged; and what action, if any, her department is taking to ensure that Jersey consumers are not being disadvantaged in this regard?

**Deputy S.J. Pinel of St. Clement (The Minister for Treasury and Resources):**

Some major offshore retailers do not charge U.K. or E.U. V.A.T. on goods supplied to Jersey consumers and some do charge Jersey G.S.T. depending on how they are structured. U.K. V.A.T. is a matter for Her Majesty's Treasury. Goods sent from the U.K. to Jersey can and should be zero-rated. But U.K. retailers are not obliged to zero-rate and there is no mechanism for reclaiming V.A.T. erroneously charged. I suspect when we can oblige offshore retailers to charge Jersey G.S.T., then they will be more likely to stop charging V.A.T. where they currently do so. The review into that is now underway. As I said in the Assembly on 30th June last year, the power really is in the hands of consumers, preferably to buy locally, otherwise from offshore retailers who price goods fairly.

**10.2.1 Deputy M.R. Higgins:**

Does the Minister think it is acceptable that Islanders are experiencing a triple whammy with regard to these taxes? First of all, not getting V.A.T. refunds on these bodies; (2) paying local G.S.T. on these goods, the shipping costs and what they are being charged for the V.A.T., and (3) Jersey Post collecting V.A.T. for the U.K. tax authorities from Islanders sending parcels to the U.K.?

**Deputy S.J. Pinel:**

I thank the Deputy for the question. Unfortunately, this is not in our control. To give a bit of an example, if the V.A.T. has been removed at source, the consumer has not paid for it, then the V.A.T. amount is not included when calculating the G.S.T. liability on arrival here. So that is why there is no tax on tax for an Amazon consignment where the V.A.T. has been deducted at the checkout.