

4.8 Deputy S. Pitman of St. Helier of the Minister for Treasury and Resources regarding ‘super yachts’:

Will the Minister provide figures to justify recent changes to regulations relating to ‘super yachts’, regarding the length of time that they can stay in the Island and G.S.T. (Goods and Services Tax) exemptions and explain what consultation, if any, was undertaken before the changes were made?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

All countries, I am advised, around the world offer a grace period in which a range of goods, transport and other goods, can be imported without the payment of V.A.T. (Value Added Tax) or G.S.T. Previously a temporary importation relief in Jersey was set at 12 months however, following representations and arguments put to the Comptroller of Income Tax, the Comptroller agreed to amend the period of relief to 18 months, as he is empowered to do by direction under the G.S.T. Law. The principle reason for this decision was that 12 months was less favourable than the 18 months that existed in some euro countries and in competition with Jersey for this type of business. This decision by the Comptroller brings Jersey in line with the terms offered by other countries.

4.8.1 Deputy S. Pitman:

With the increase from 12 months to 18 months and the ability to now restart the stay after only 14 days’ absence. Could the Minister advise on how this potential for effective permanent residence will be treated in terms of wider taxation?

Senator P.F.C. Ozouf:

I do not think that this has any corresponding or consequential change to residency. I am advised simply that this was a technical decision. It is not a decision which I made. It is not a decision which I would be expected to make and I offer no view as to whether or not Harbours is right or other people are right, that there is a ‘super yacht’ business in Jersey which is going to be beneficial. This is a technical tax matter which 18 months’ residency, in terms of the vessel, is the standard E.U. (European Union) norm. I certainly do not regard this as having any consequential effect on any other tax matters.

4.8.2 Deputy T.M. Pitman:

With this potential for effective permanent residence, as has been highlighted, does the Minister concede that, as a consequence, there is a need to update regulations on individuals living at the marina?

Senator P.F.C. Ozouf:

I will discuss with the Comptroller any matters which the Deputy has raised. But in short answer: no, I do not believe that is the case.