

**Minister for
Treasury and Resources**

19-21 Broad Street | St Helier
Jersey | JE2 4WE



Senator Kristina Moore
Chair
Corporate Services Scrutiny Panel
Via e-mail

22 January 2021

Dear Senator Moore,

Review of the Administration of the Collection of Import GST in respect of Unaccompanied Goods for Personal Use

As I mentioned in responding to Deputy Higgins' oral question on 19 January, there is a long-standing Government commitment (stretching back to your own time in Government) for Jersey to be a "fast follower" of the EU (and now the UK in its own right post-Brexit) in modernising the way we collect GST on unaccompanied goods (essentially "postal parcels") for personal use. The Terms of Reference are attached.

The review will examine the case for removing the "De Minimis level" (now £135); explore ways for Offshore Retailers to account for Jersey GST at the point of sale/dispatch; and for improving ways for islanders to account for GST on personal importations where GST is not charged direct by the consignor (cross-border "Business to Customer" transactions).

The review will not cover excise or customs matters nor cross-border Business-to-Business transactions.

The review is being led by Revenue Jersey with input and support from the Agent of the Impots (Mark Cockerham) and his team. External stakeholders will be engaged fully, especially those businesses involved in the carriage of postal parcels into Jersey; the Chamber of Commerce; Jersey Business (which I gather has absorbed Jersey Retailers' Association); Citizens Advice; and the Jersey Consumers' Association.

We will issue a Media Release so that all islanders are aware of the work but I do not propose to conduct a formal (island-wide) consultation. This is essentially a long-standing commitment to the States Assembly to deliver greater equity in the tax system and, as a Government, we have a duty to create as even a playing field as possible for all retailers of goods be they offshore or local. I do, of course, recognise that further change here will not be popular with all consumers.

It is worth stressing that the De Minimis Level is not a tax-relief per se: it exists solely to ensure GST is only collected where that represents good value for money for the taxpayer; and so make best use of limited Customs' resources. The chief purpose of the review, therefore, is to see if we can find ways for Offshore Retailers to account for GST.

Both officers and I will be happy to brief you on the progress of the review. I hope to be able to make firm proposals in the next draft Government Plan and so expect to be seeing emerging findings by early May.

Yours sincerely

A handwritten signature in blue ink that reads "Susie Pinel". The signature is written in a cursive style with a small horizontal line under the letter 'l'.

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