

Minister for
Treasury and Resources



19-21 Broad Street | St Helier
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Deputy Steve Ahier
Vice Chair
Corporate Services Scrutiny Panel

17 January 2021

Dear Deputy Ahier

Enveloped Property Transactions Tax (EPTT)

Further to your letter of 13 January regarding the economic analysis of the impact of the proposed EPTT, I am pleased to attach the near-final draft of the analysis. Please treat this confidentially in advance of publication.

I hope this information will assist you in your review of the proposed EPTT. You will see that the analysis continues to support the Government's view that the impact on Jersey's economy will be negligible, while closing a gap in the taxation of transactions involving enveloped dwellings and commercial properties. For the avoidance of doubt, however, this is a new form of taxation (not an avoidance measure of itself) and it does affect the current shareholders of such enveloped properties.

While I appreciate that the timetable for your work has been shorter than I would have wished – partly down to delays in securing engagement from some of the affected sectors which has then delayed the finalisation of the draft law and the consequent analysis of economic impact - I hope you can achieve your review in time to present comments to the Assembly for our debate on 8 February. I am most reluctant to agree to defer the debate given the weight of business before the Assembly in the remaining sessions before the General Election.

I understand that Standing Order 72(10) limits your ability to call in this Proposition for further review. I have asked officers to develop a tax-specific protocol to govern future public engagement on tax measures and seek to aim to ensure that interested parties do engage sufficiently early in the consideration of both principles and, subsequently, draft legislation. I hope this will help ensure that we can lodge such measures earlier in future and allow more time for CSSP to undertake its important work.

Yours sincerely

A handwritten signature in black ink that reads "Susie Pinel".

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