

6.2 Senator P.F.C. Ozouf (The Minister for Economic Development):

Subject to States' approval, the introduction of a Goods and Services Tax (G.S.T.) will for the first time in Jersey result in a tax element in retail prices charged to consumers on the supply of a broad range of goods and services. The Minister for Treasury and Resources and I have carefully considered the question of how G.S.T. should be charged by traders on the goods that they sell to consumers. The vast majority of jurisdictions with G.S.T. or V.A.T. (Value Added Tax), including the whole of the E.U., the Antipodes and almost all developed countries, have enacted consumer protection legislation ensuring that prices displayed is the price paid at the till. We wish to ensure that local consumers and visitors to the Island are also protected in the same way. We are particularly keen to ensure that the Island is not identified as condoning price marking policies which would effectively be illegal in almost all countries where V.A.T. or G.S.T. exists. The Minister for Treasury and Resources and I are concerned that if legislation requiring price displays to include the 3 per cent G.S.T. is not enacted, it could confuse consumers where some traders display inclusive and some do not and could even lead to potential abuse. A paper on the issue of price marking will be available to Members tomorrow and published on Thursday. We then intend to consult on draft Regulations and place the matter for final determination before the Assembly before the summer break. It is equally important to ensure that traders and consumers have certainty on this issue ahead of the implementation of the proposed Goods and Services Tax.

The Bailiff:

Are there any questions for the Minister arising out of that statement?