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The Jersey Chamber of Commerce and Industry Incorporated

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Deputy PDJ Ryan
Chairman, GST Sub Panel
Scrutiny Office
States Greffe
Morier House
St Helier
JE1 1DD

26th July 2007

Dear Patrick,

Thank you for your letter of 16th July. Chamber's view as set out in our response to the Treasury Minister of 21/06/06 is as follows:

De Minimus Level for Imports

Local businesses are already facing a serious challenge from the rise in off-island shopping, including an increasing trend towards internet shopping. The introduction of a goods and services tax will only serve to exacerbate this problem.

It is important that a reasonable de minimus level is set for imported goods and the challenge will be to agree an appropriate figure. An obvious level would be £100 however we can see reasons why this is both too low and too high. Administratively it does not seem worth the effort to collect £3 of tax. On the other hand a large number of imports would still fall below this figure thereby disadvantaging on-island business.

No matter what level it is set at we are unsure how such a tax could be effectively collected, particularly with goods arriving by post/courier. It is our understanding that the UK experience similar difficulties with the collection of VAT on personal imports. We would ask for further details as a priority as this is a significant cause for concern amongst our retail members.

I will be happy to attend a Scrutiny hearing on behalf of Chamber.

Yours sincerely

Ray Shead
Ray Shead
Vice President

P.P.