

STATES OF JERSEY



DRAFT PRICE INDICATORS (JERSEY) REGULATIONS 200- (P.14/2008): SECOND AMENDMENTS

**Lodged au Greffe on 26th February 2008
by the Minister for Economic Development**

STATES GREFFE

1 PAGE 9, RECITAL –

For the words “Price and Charge Indicators (Jersey) Law 200-” substitute the words “Price and Charge Indicators (Jersey) Law 2008”.

2 PAGE 11, REGULATION 4 –

After paragraph (1) insert the following paragraphs and renumber paragraph (2) and the cross reference to it in paragraph (1) accordingly–

- “(2) Except as permitted by paragraph (3) or Regulation 5, the requirement in paragraph (1) (a) to display a price in a manner that is unambiguous shall not be satisfied where –
 - (a) a price is marked on goods which is not the selling price; and
 - (b) the selling price is indicated in proximity to the goods (whether or not there is also an indication that the price marked on the goods is not the selling price).
- (3) The requirement in paragraph (1)(a) to display a price in a manner that is unambiguous may be satisfied, in a case described in Regulation 3(4)(a) and (b) or (5)(a) and (b) where there is indicated in proximity to the goods –
 - (a) the selling price; and
 - (b) that the price marked on the goods or, as the case requires, printed on the newspaper, periodical or book, is not the selling price.”.

3 PAGE 12, REGULATION 7 –

In paragraph (2) for the words “Price and Charge Indicators (Jersey) Law 200-” substitute the words “Price and Charge Indicators (Jersey) Law 2008”.

REPORT

There are three proposed amendments to the draft Regulations, two of which are minor and consequential due to the fact that the Price and Charge Indicators (Jersey) Law 2008 has now been registered in the Royal Court. The significant changes are detailed in amendment 2.

When the Draft Price Indicators (Jersey) Regulations 200- were first lodged, there had been an intention to use the lodging period as a window of opportunity for anyone with an interest to comment on the proposals. It is as a result of comments that I now seek to clarify some aspects of the Regulations as they relate to –

1. Excepted goods (goods not subject to the GST inclusive rule) which, as currently drafted, are pre-priced imported food, books, newspapers and periodicals.
2. Other pre-priced imported goods.

When the States passed the Price and Charge Indicators Law last November, by a large majority, it was a firm endorsement of GST inclusive price marking. It had been my intention that the Regulations required inclusive price marking across the complete range of goods sold to consumers. However, after a period of uncertainty, the States confirmed the situation with regard to the zero rating of food, books, newspapers and magazines, which are UK VAT zero-rated. Consideration had to be given to the issues that local suppliers of UK zero-rated products, many of which, of course, are imported ready priced for the UK market. This has led to specific rules applying to excepted goods.

However, to ensure consumers are not misled by the prices marked on these goods, if retailers intend to charge a higher price, they are required to display appropriate signage alerting customers to the fact that the marked price is not the selling price. There are currently two options for retailers to ensure that the selling price displayed for excepted goods are unambiguous. They are to display –

- a combination of the marked price plus the amount to be added, or
- a combination of the marked price plus the percentage of that price to be added to determine the selling price.

My amendment will give an additional option to traders to indicate the new selling price, but, as with the other options, subject to appropriate customer signage. For example, on a newspaper rack, a trader may indicate the new selling price clearly for a particular national newspaper but he must also inform customers that the price marked on the newspaper is not the selling price.

My other point of clarification relates to pre-priced imported goods which are not excepted goods and therefore subject to the general rule of GST inclusive price marking. It is well known that some retailers charge prices in Jersey which are identical to UK high street VAT inclusive prices. Whilst it is not the role of government to try to control prices, it cannot support such practices by extending the specific rules for excepted goods to all those which are imported with a UK retail price.

Therefore, my amendment makes it very clear that on non-excepted goods, if the retailer wishes to sell at a price higher than the UK marked price, the goods must be re-priced with the correct selling price. This may be done either individually, on a shelf edge label, or indeed by use of a price list as long as the marked price is removed or covered.

There are no financial or manpower implications for the States arising from the adoption of these draft amendments.