

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY M.R. HIGGINS OF ST. HELIER
QUESTION SUBMITTED ON MONDAY 5th JULY 2021
ANSWER TO BE TABLED ON MONDAY 12th JULY 2021**

Question

Will the Minister explain what steps her department is taking to prevent Jersey residents from being overcharged by companies which include Value Added Tax (V.A.T.) on goods that are being sold to Jersey (when the tax is not applicable) or which, when challenged, charge and retain an equivalent sum to the V.A.T. figure as ‘import duty’; and, as part of her response, will the Minister list any bodies her department has contacted about this matter, providing the dates of any meetings or correspondence with such bodies?

Answer

The Deputy is referred to the Minister’s recent responses to Oral Questions 14/2021 and 124/2021. Report R.52/2018 is also helpful in setting out some of the issues arising.

An analysis of the top ten retailers by volume into Jersey has indicated that nine of them zero-rate goods dispatched to Jersey direct by them; and that the tenth will refund VAT on request.

Some smaller retailers, including some of those trading through the large online marketplaces, still appear to include a sum purporting to be VAT in their prices – for whatever reason but probably in some cases because they lack the systems or intention to do otherwise; or to recoup any additional costs of sending goods offshore.

Revenue Jersey is raising this issue with large online marketplaces and other retailers on a confidential basis as part of my review of the scope for offshore retailers to charge GST at the point of sale. If we can legislate to require offshore retailers to charge GST then it is more likely this will deter retailers from attempting (wrongly) to charge UK VAT.

As the Minister has previously stated, the “consumer is king” in this regard. VAT should not be charged on goods dispatched to Jersey and consumers could choose not to buy from retailers who seek to charge VAT.

The Minister will announce, in the forthcoming draft Government Plan, her proposals to see that GST can be charged by offshore online retailers at the point of sale and expects that this will be helpful in stopping this practice.