

STATES OF JERSEY



DRAFT GOODS AND SERVICES TAX (MISCELLANEOUS AMENDMENTS) (JERSEY) REGULATIONS 201-

**Lodged au Greffe on 26th October 2010
by the Minister for Treasury and Resources**

STATES GREFFE



Jersey

DRAFT GOODS AND SERVICES TAX (MISCELLANEOUS AMENDMENTS) (JERSEY) REGULATIONS 201-

REPORT

These Draft Regulations give effect to proposals described in the Expenditure Proposals for 2012 and 2013 and Draft Budget Statement 2011.

Financial and manpower implications

The financial and manpower implications are clearly identified at Part C of the Expenditure Proposals for 2012 and 2013 and Draft Budget Statement 2011 (P.157/2010).

Explanatory Note

These draft Regulations clarify some provisions of the Goods and Services Tax (Jersey) Regulations 2007 and increase certain fees set out in the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008.

Regulation 1 modifies Regulation 15 of the Goods and Services Tax (Jersey) Regulations 2007 in relation to input tax on supplies of services that take place before a person is registered for goods and services tax (“GST”) purposes.

At present, GST on supplies of services that took place more than 6 months before a person’s actual GST registration is excluded from being treated as input tax, but this time limit is extended to 3 years in some cases. In future, only services falling within the 6 months before the technical registration date (i.e. the date when a person is registered or should normally have been registered) will count for input tax purposes.

Regulation 2 introduces an exception to the rule in Regulation 19 of the Goods and Services Tax (Jersey) Regulations 2007. Regulation 19 requires GST accounts to be adjusted when the consideration for a supply is varied. The exception to this rule will be where the supplier and the recipient –

- (a) are both GST-registered persons;
- (b) agree not to adjust their GST accounts in relation to the supply; and
- (c) are not connected persons.

Regulation 3 substitutes the heading to Part 6, and Regulations 22 and 23, of the Goods and Services Tax (Jersey) Regulations 2007. The effect will be that Regulation 24(1) to (3), which presently only applies to supplies of second-hand motor vehicles, will in future apply to all supplies of second-hand goods. Regulation 24(1) makes (subject to paragraph (2)) the disposal of goods that a financier repossesses or an insurer takes possession of neither a supply of goods nor a supply of services. Regulation 24(3) makes the exchange of reconditioned goods for unserviceable goods a supply of a service in certain cases.

Regulation 4 changes Regulation 4 of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008 to increase from £100 to £200 a component of the fees involved in the registration of international services entities. The component is multiplied (in a number of cases) by the number of investment vehicles administered by an international services entity, then added to a base fee for the entity. In other cases, the component constitutes the base fee itself.

Regulation 5 specifies the name of the draft Regulations and that they are to come into force on 1 January 2011.



Jersey

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REGULATIONS 201-**

Arrangement

Regulation

1	Regulation 15 of Goods and Services Tax (Jersey) Regulations 2007 amended	7
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Jersey

DRAFT GOODS AND SERVICES TAX (MISCELLANEOUS AMENDMENTS) (JERSEY) REGULATIONS 201-

Made [date to be inserted]

Coming into force [date to be inserted]

THE STATES, in pursuance of Articles 21, 37, 43, 52, 59 and 100 of the Goods and Services Tax (Jersey) Law 2007¹, have made the following Regulations –

1 Regulation 15 of Goods and Services Tax (Jersey) Regulations 2007 amended

For Regulation 15(4)(a) to (c) of the Goods and Services Tax (Jersey) Regulations 2007² the following sub-paragraphs shall be substituted –

- “(a) GST on the supply of goods that took place more than 3 years before the taxable person’s registration date;
- (b) GST on the importation of goods that took place more than 3 years before the taxable person’s registration date;
- (c) GST on the supply of services that took place more than 6 months before the taxable person’s registration date;”.

2 Regulation 19 of Goods and Services Tax (Jersey) Regulations 2007 amended

At the end of Regulation 19 of the Goods and Services Tax (Jersey) Regulations 2007 the following paragraph shall be added –

- “(3) Paragraphs (1) and (2) shall not apply in respect of a variation in consideration if –
 - (a) the recipient of the supply is registered;
 - (b) the taxable person and the recipient of the supply agree not to adjust their respective GST accounts in respect of the supply; and
 - (c) the taxable person and the recipient of the supply are not connected.”.

3 Part 6 of Goods and Services Tax (Jersey) Regulations 2007 amended

In Part 6 of the Goods and Services Tax (Jersey) Regulations 2007 –

- (a) the following heading shall be substituted for the heading to the Part –

“PART 6

SPECIAL TREATMENT OF SECOND-HAND GOODS”;

- (b) for Regulations 22 and 23 the following Regulations shall be substituted –

“22 Interpretation

In this Part –

‘auction’ means a public sale where persons become purchasers by competition, being the highest bidders;

‘auctioneer’ means a person who sells or offers for sale goods at an auction;

‘motor vehicle’ has the same meaning as in the Customs and Excise (Jersey) Law 1999;

‘second-hand goods’ means goods that are suitable for further use as they are or after repair.

23 Application of Part

- (1) A reference in Regulation 24(1) to (3) to goods is to any goods.
- (2) A reference in Regulation 24(4)(a) or (b), 25, 26 or 27 to goods is only to goods that are motor vehicles.”;
- (c) in Regulation 24(4)(b) for the words “(or as the case may be)” there shall be substituted the words “or (as the case may be)”.

4 Regulation 4 of Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008 amended

In Regulation 4(1)(a)(i)(B), (ii)(A) and (B) and (iii)(B), (g), (i) and (j) of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008³ the amount “£200” shall be substituted for the amount “£100” wherever occurring.

5 Citation and commencement

- (1) These Regulations may be cited as the Goods and Services Tax (Miscellaneous Amendments) (Jersey) Regulations 201-.
- (2) These Regulations shall come into force on 1st January 2011.

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- ¹ *chapter 24.700*
² *chapter 24.700.30*
³ *chapter 24.700.25*