

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY SENATOR S.C. FERGUSON  
ANSWER TO BE TABLED ON MONDAY 30th NOVEMBER 2020**

**Question**

Will the Minister provide an update of the progress of any talks with major online retailers in order to ensure the deduction of V.A.T. (value added tax), and the addition of G.S.T. (goods and services tax), to the cost of goods ordered online for delivery to Jersey?

**Answer**

No work on this issue has been undertaken during 2020 due to the limited prospects of success and the volumes of important tax-policy reviews under way, in particular relating to the proposed abolition of the Prior Year Basis of paying taxes; the introduction of Independent Taxation; and significant work on OECD initiatives.

The Government continues to expect Jersey to be a “fast follower” of the EU and the UK in obliging online retailers to charge customers the rate of VAT prevailing in the country of destination of the goods (usually the place of residence of the customer); and also in obliging retailers to remit those taxes to the Treasuries of the relevant jurisdictions.

Once such systems are in place across Europe, it is expected that large online retailers would be prepared to do likewise for Jersey.

The EU is expected to make such changes in summer 2021: the speed with which Jersey can follow will depend upon the volume of policy work under way and its relative priority.

The Minister is conscious that some major UK online retailers do already deduct VAT from goods consigned to Jersey. Ultimately, the real power to persuade offshore retailers not to charge VAT lies with islanders by exercising consumer choice. At the present time, we continue to encourage all islanders to buy locally to support local retailers.