

STATES OF JERSEY



Jersey

DRAFT FINANCE (2025 BUDGET) (JERSEY) LAW 202- (P.72/2024): SECOND AMENDMENT

**Lodged au Greffe on 12th November 2024
by the Council of Ministers
Earliest date for debate: 26th November 2024**

STATES GREFFE

DRAFT FINANCE (2025 BUDGET) (JERSEY) LAW 202- (P.72/2024): SECOND
AMENDMENT

1 PAGE 22, ARTICLE 22 –

- (1) After paragraph (1) insert –
- “(2) After the definition “customs duty” insert –
 - “ “distilled spirits” means spirits that are produced or manufactured by a person by –
 - (a) distilling, with a still, fermented agricultural products; or
 - (b) distilling, with a still, other spirits that are obtained but not produced by that person;.”.
- and renumber the subsequent paragraphs accordingly.
- (2) Delete paragraphs (4) and (5) (renumbered as paragraphs (5) and (6)), and renumber the subsequent paragraphs accordingly.

2 PAGE 23, ARTICLE 23 –

- (1) In paragraph (2) –
- (a) in substituted clause (a), delete “primary”; and
 - (b) delete substituted clause (aa).
- (2) After paragraph (2), insert –
- “(3) In paragraph 1(b), after “other spirits” insert “(including other distilled spirits)”.”,
- and renumber the subsequent paragraphs and cross-references accordingly.
- (3) In paragraph (3) (renumbered as paragraph (4)), in inserted sub-paragraph (2) –
- (a) in the opening words, for “in relation to spirits” substitute “in relation to distilled spirits”; and
 - (b) in clause (b) –
 - (i) for “spirits” substitute “distilled and other spirits”, and
 - (ii) for “40,000 litres” substitute “20,000 litres”.

COUNCIL OF MINISTERS

REPORT

This amendment to the Draft Finance (2025 Budget) (Jersey) Law 202- ([P.72/2024](#)) underscores the Government of Jersey's commitment to supporting a competitive environment for the Island's emerging craft distillery industry.

Considering recent policy developments in the Crown Dependencies and additional consultations with industry stakeholders, this amendment extends relief for small distillers beyond the original proposal. Proposed Budget (Government Plan) 2025-2028 ([P.51/2024](#)) offered a tiered relief system consisting of a 50% rate of duty for distillers producing grain-to-glass spirits from raw agricultural products and a 75% rate of duty (that is, a 25% rate of relief) for distillers redistilling purchased base spirits. After additional consideration of industry dynamics and Jersey's competitive positioning in the Channel Islands, this amendment proposes a unified 50% relief rate for all eligible small distillers, both those distilling from raw agricultural products and those distilling purchased spirits. At the same time, the production ceiling for distillers eligible for the relief will be reduced from 40,000 litres a year to 20,000 litres, aligning with the Government's objective to focus on genuinely small producers and an equal playing field across the Channel Islands.

This change is expected to further enhance Jersey's appeal as a hub for craft distillation, bolster the Island's hospitality sector, and promote alignment in excise policy across the Channel Islands.

Financial and staffing implications

This amendment is not anticipated to have significant financial or staffing impacts. The reduced ceiling to be considered a small producer is expected to restrict eligibility for foreign distillers exporting to Jersey, offsetting the fiscal effect of expanding the 50% relief rate. Additionally, the initial financial planning for the small distillers' relief included a margin to account for evolving policy discussions, ensuring prudent planning assumptions.

Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.