

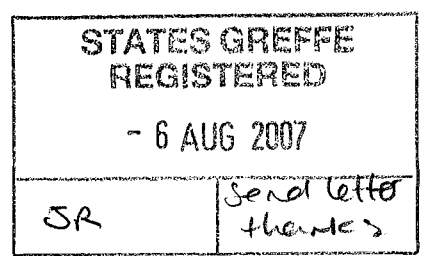
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Deputy Patrick Ryan
Chairman, Corporate Services GST Sub-Panel
Scrutiny Office
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Morier House
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03/08/2007



Ref: Jersey's Goods and Services Tax: de minimus level on imports

Dear Patrick

In response to your letter dated 2nd August 2007, I would like to reiterate the views I have previously expressed to you and my concerns about the effect that GST will have on my business.

We are a computer dealer and as such supply high volumes of low value items to companies and individuals around the island.

We, for instance, supply thousands of ink cartridges and toners for printers at prices ranging from £6 - £110, the majority are around the £18 mark. Adding 3% onto our prices will significantly reduce our competitiveness and result in us loosing business to people buying directly over the internet.

This will not generate any revenue for the States on Jersey as money is just going out of the island.

I therefore believe that the de minimis should be set at the same level as the UK government applies to its imports i.e. £18.00. This would therefore give an equal playing field for both jurisdictions.

Problems

- 1) Collecting the tax – This would be up to the freight companies.
- 2) Cost of collection – Currently companies are collecting tax on behalf of the States of Jersey for Itis, collecting additional tax for GST will incur additional costs (which will not be recoverable) but should be relatively small.
- 3) If GST is set too high at say £100, it will drive people into buying on the internet and will destroy a lot of local business's that employ local staff and keep the Island economy vibrant.



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Conclusion

The de minimis level should be £18.00.

£100.00 is too high.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Peter R.G. Searle'. The signature is fluid and cursive, with a prominent initial 'P'.

Peter R.G. Searle
M.D.

C.C – Chamber of Commerce