



Deputy Ian Gorst  
Minister for Treasury and Resources

**BY EMAIL**

7th November 2023

Dear Minister,

**Proposed Government Plan 2024 to 2027 Review**

I am writing as part of the evidence gathering phase of the Economic and International Affairs Scrutiny Panel's review of the Proposed Government Plan 2024-2027. As Part of this review, the Panel has been questioning the potential impact upon the Island's economy and financial services industry of the proposed 150% RegTech Super-Deduction (the deduction).

During a public hearing, of 26th October 2023, the Panel asked relevant questions to the Assistant Chief Minister with Responsibility for Financial Services. However, we were advised that you led the development of the deduction and, for that reason, we would be grateful if you could provide further information to the queries below:

1. What analysis has been undertaken to quantify the productivity increases to be gained through the deduction for both financial services organisations and in regulation of the industry?
  - a. What research has been undertaken regarding the impact of similar actions in other jurisdictions on the economic productivity of businesses receiving the benefit of similar deductions?
2. What representations from the financial services industry, or wider stakeholders, have been made to you regarding the estimated economic impact of the deduction?
  - a. What estimates of the likely cost savings arising from the deduction have been volunteered by members of industry?
3. What impact would its removal from the Government Plan have upon the financial services industry and wider economy?
4. How will you be tracking the benefit of the deduction to the financial services industry and wider economy?
5. What consideration has been given to the possibility that the deductions may delay consolidation within the industry by enabling less successful businesses to trade longer than they might without the deduction, while retaining staff that more successful businesses in the same industry could employ more productively?

We would be grateful if you could respond to this no later than Tuesday 14th November 2023 in line with the 5 working days approved for responses between Scrutiny Panels and Ministers.

If you have any questions regarding this or our work in general, please do not hesitate to contact me. Please note that, unless otherwise stated, all letters will be uploaded to the Scrutiny website as a matter of course.

Yours sincerely,

A handwritten signature in black ink that reads "Moz Scott". The signature is written in a cursive, slightly slanted style.

Deputy Moz Scott  
**Chair**  
**Economic and International Affairs Scrutiny Panel**