

JERSEY'S GOODS AND SERVICES TAX (GST)

Visitors Refund Scheme

This leaflet is one of a series produced by the States of Jersey Taxes Office that deals with various aspects of Jersey's Goods and Services Tax (GST). It is intended principally for the guidance of those retailers who wish to join the scheme which will allow them to zero rate sales made to visitors to Jersey. Whilst care has been taken in its preparation, readers are advised to consult the Goods and Services Tax (Jersey) Law 2007 (as amended) and GST Regulations for authoritative text. In cases of conflicting interpretation, the legislation takes precedence.

Comptroller's Direction 2012/2 forms part of the legislation that applies to this scheme.

Introduction

The Visitor Refund Scheme was introduced in September 2012 to remove GST from sales made to visitors in certain circumstances. Under the scheme, visitors to Jersey may obtain a refund of GST paid on goods purchased from GST registered retailers who participate in the scheme. Currently it only applies to goods taken out of Jersey via scheduled flights from the Airport within 1 month from the date of purchase subject to the conditions of the scheme.

The scheme is not mandatory.

Who should read this guide?

You should read this guide if you are participating or intend to participate in the Visitor Refund Scheme.

Who can obtain a refund of GST under the scheme?

A visitor to Jersey may obtain a refund of GST paid on goods purchased provided that the following conditions are met:

- They have not spent more than 365 days in Jersey in the 24 months immediately preceding the date of purchase;
- They are not a resident of Jersey or permanent resident;
- They have not been employed in Jersey at any time in the past six months immediately preceding the date of purchase;
- They are over the age of 16 at the time of purchase;
- They are not a member of the flight or cabin crew of the aircraft on which they are departing Jersey.
- The purchase must be in excess of £300 (inclusive of GST) from an individual retailer in the same day.

As a Retailer, what must you do?

Firstly, you must apply to the GST Department at the Taxes Office to request authority to become a member of the scheme.

This approval will be subject to certain criteria such as:

Compliance levels in respect of returns submissions;
All GST payments must be up to date;
Type of business;
Ability to comply with the requirements of the scheme.

Once approval has been granted, you will then have to enter into an agreement with the verification service provider.

What goods can be included in the scheme?

- Retail sales of goods by approved retailers to non-business customers

What can not be included in the scheme?

- Consumable goods – goods that have been or are to be consumed or part consumed in Jersey, such as alcohol, confectionery, perfume, etc.
- Services such as accommodation, vehicle rental, catering and tour services.
- Means of transport, fuel, goods prohibited from carriage on aircraft.

What must you do at the time of sale?

- You must verify that your customer is eligible for the scheme by checking their passport or other identification.
- You must check their departure date and confirm that the departure point is the Airport on a scheduled flight.
- You must complete the application form in the presence of the customer.
- You must explain to the customer that they will have to produce the goods, invoice or receipt and application form to the verification providers at the airport for review. Small items should be carried in hand luggage.
- If you are applying any charges for this service you must inform the customers of the fee.

How is the transaction recorded for GST purposes?

The sale will be transacted in the normal way, inclusive of GST. It is only when you receive the completed, verified form from your customer that you must make adjustments to your sales records.

If the completed documentation is received from the customer during the same GST quarter in which you record the sale, and you have repaid the GST amount to them, the value of the sale will then be included within box 1 and 2 of the GST return thus reducing the amount on which you must account for GST.

If the sale and return are in different quarters, similar accounting treatment will be required. You will have recorded the sale during the relevant quarter and accounted for the GST. If the completed return is received in the following quarter, and you have repaid the customer the amount of GST, you will include the value of the sale in box 2 only.

When calculating the amount of GST to be refunded, the tax fraction of rate of tax divided by rate of tax plus 100 should be applied to the tax inclusive price.

Example as follows:

Sale of goods to the value of £530 inclusive of GST.

GST value is $530 \times 5/105 = 25.24$ – this is the amount you of GST which has been relieved.

Net value of sale is therefore $530 - 25.24 = 504.76$ – this is the figure you would include in box 1 and box 2 of your GST return. Depending on when the completed form is received, this may be in differing return periods (as per above).

If you intend to deduct an amount from the refund to cover administrative costs, this must be explained to the visitor at the point of sale to avoid subsequent confusion or complaints. The GST charge on this administration cost would be zero rated.

Making refunds to visitors

The retailer remains responsible for making refunds to visitors.

The visitor should be provided with the address details or an addressed envelope to enable them to return the refund form after it has been stamped and certified upon departure at the airport.

You may wish to make the visitor aware in advance of the means e.g Cheque, bank credit etc and currency in which you will make the refund to them.

Other things to consider

The blank visitor refund forms provided to you should be kept secure.

In the event of misuse or invalid claims being made, the retailer will be liable for any GST due and may also be removed from the scheme.

How can I get further help?

The Comptroller of Taxes welcomes direct approaches from the business community and the general public. A dedicated GST Help Desk has therefore been established to deal with GST enquiries. Help Desk officers can provide general advice and guidance, or arrange for your enquiry to be answered by a GST specialist.

They can be contacted by telephone on 440555 during office hours, by fax on 789142 or by e-mail gst@gov.je.

Alternatively you can write to:

The GST Help Desk,
GST Department,
States of Jersey Income Tax Office,
Cyril Le Marquand House,
P.O. Box 56,
The Parade,
St Helier,
Jersey.

In addition, specialist officers from the Taxes Office are available to make visits to business premises to advise on general and business-specific GST matters. These visits can be arranged by the GST Help Desk.