

**GOVERNMENT OF JERSEY : TREASURY & EXCHEQUER (T&E)**  
**REVENUE-POLICY ENGAGEMENT FRAMEWORK**

1. This Engagement Framework will have effect from January 2023 for revenue-policy reviews proposed in draft Government Plans published in 2023 and thereafter.

***Background***

2. Revenue policy work in Jersey is undertaken at the direction of the Minister for Treasury & Financial Services and the Treasurer of the States by the Revenue Policy Unit of Revenue Jersey.
3. Revenue policy projects – wherever necessary or appropriate – involve internal stakeholders from other Government Departments and public bodies; and from external stakeholders including members of the Public; representative bodies and so on.
4. Jersey's size presents challenges to effective engagement about policy proposals, particularly technical ones. Few representative bodies have full-time officers to collate responses from their membership or to establish consensus. Consensus opinions can be difficult to establish.

***Government of Jersey's Engagement Framework***

5. T&E is committed to working to the principles of the Government's consultation and engagement framework which can be found here.

[Public consultations and stakeholder engagement \(gov.je\)](#)

***Revenue-Policy Engagement Framework***

6. Most changes to tax law take place annually as part of the Government Planning process, in the Minister's annual Budget and accompanying draft Finance Law. More significant changes to revenue policy may be lodged in stand-alone instruments such as Amendment Laws.
7. This Framework sets out the general approach of the Minister (and the Treasury & Exchequer Department) to engaging with stakeholders about proposed changes to revenue policies and legislation.

### ***Key Stakeholders & the Revenue-Policy Life Cycle***

8. While some issues will elicit interest from most islanders (for example engagement and consultation about the move to Independent Taxation received over 5,000 responses) a great deal of more technical revenue issues are likely largely to interest the tax-accountancy and legal professions and any sectors of the economy particularly affected by any proposals for change.
  
9. These groups are likely especially to be interested in how the agreed principles of a policy are reflected in the draft legislation and the practical impacts of legislative changes.
  
10. T&E aims, wherever possible, for **continuous active engagement** with stakeholders on all significant revenue-policy projects throughout the lifecycle of a project:-
  - Setting out policy objectives and identifying options
  - Identifying the best option and how best to implement it.
  - Drafting legislation to give effect to the agreed changes.
  - Implementing and monitoring the change.
  - Reviewing and evaluating the change (to determine whether the policy delivered its projected outcomes)

### ***Revenue-Policy Roadmap***

11. Each year, the Minister for Treasury & Financial Services, in his Ministerial Plan and in any Government Plan, will publish the chief revenue-policy projects which will be resourced during the next calendar year. The proposed tax-technical contents of the annual draft Finance Law will routinely be advertised through these means. Updates will be provided on ongoing projects.

### ***When and How to Engage?***

12. Revenue-Policy Project Managers and sponsors will agree at the outset with Ministers and other stakeholders what forms of engagement will be appropriate (if any) at key stages in a project's life. The engagement plan will be reviewed as appropriate as findings emerge.
  
13. T&E will generally engage stakeholders on the principles of – and options for – revenue-policy changes.

14. T&E will also, generally, provide draft legislation to stakeholders for consideration and for comment as soon as it practically can.
15. Different forms of engagement will be used appropriately, according to the nature and circumstances of the proposals under consideration. The rationale for the choice of the form consultation will be set out as part of the proposals.
16. Experience shows that full public consultation exercises are seldom appropriate for technical tax issues but will, usually, be undertaken where a significant change to an existing form of taxation is proposed; or where options for new forms of taxation or levies are being considered.
17. Consultations can essentially be “self-selecting” (ie the only people who engage are people who feel very strongly about the issue) which can in some cases distort outcomes. Increasingly, the Government seeks (where appropriate) to use direct engagement approaches to achieve a randomly - but representatively - selected group of islanders to understand where overall consensus might lie.

#### ***How long to engage for?***

18. T&E will normally allow at least 8 weeks for any form of engagement and, where that is not possible, it will say why.

#### ***Continuous Active Engagement***

19. Revenue Jersey has established standing consultation bodies, one of which looks at tax-policy proposals and draft legislation.
20. Additionally, tax legislation affecting the business sector will routinely be shared in advance with JSCCA; CIOT; the Jersey Chamber of Commerce; and the Fiscal Strategy Group of Jersey Finance Ltd. Tax legislation affecting individual taxpayers will routinely be shared with the Citizens’ Advice Bureau and similar representative bodies such as Jersey Consumers’ Council and leading Charities. Specific trade or sector-specific representative bodies would be engaged appropriately according to the issues under consideration.

#### ***Engagement Is Not Always Appropriate***

21. As set out in the Government’s general policy, T&E will not consult on issues where it is not possible for consultation to affect what is proposed. Some issues – for example relating to certain aspects of law enforcement or compliance with international tax-treaty obligations – may need to be made without consultation.

In such cases, the premium on informing affected stakeholders about changes and ensuring that they are properly socialised in good time will be doubly important, as will discussion of how best to implement such changes.

22. Revenue protection measures designed to counter evasion or avoidance are unlikely to be consulted on publicly although engagement with stakeholders may be appropriate in some circumstances.
23. The Government will not generally consult on straightforward rates, allowances and threshold changes or minor measures. The Minister nonetheless annually invites key stakeholder groups to make Budget representations in respect of the potential impact of such changes on their trade sectors.

### ***Secondary Legislation and Guidance***

24. Where possible and practical, for any secondary legislation giving effect to a Finance Law article, the Minister will aim to publish that draft subordinate legislation simultaneously or at least outline its planned content in the Report accompanying the primary law.
25. Ideally, guidance on tax policy changes will normally be written in consultation with interested parties and published in draft alongside the draft legislation.

### ***Different Approaches***

26. There will be times when it is necessary to take a different approach from that set out in this Framework. In such circumstances, T&E will aim to be as open as possible about the reasons for such approaches.

### ***Key Commitments by T&E and Expectations of Stakeholders (Especially Representative Bodies)***

27. T&E will seek always to adhere to the Government's Code of Practice for a full public consultation when full public consultation is undertaken.
28. T&E will always aim to observe the following principles and standards.

## ***Engagement – General Approach***

29. Early engagement by key stakeholders is strongly encouraged – especially where substantive disagreements on fundamental matters of principle are identified. This allows as much time as possible for officers to research issues; consult legal advisers; advise Ministers and secure policy steers; and to (re) draft legislation, where needed.

- The forms of engagement for any revenue-policy project will be agreed with Ministers and key stakeholders early on in the life of a policy-development project, once announced.
- A full public consultation will last for at least 8 weeks and at least 10 weeks if conducted over a holiday period (including the month of August).
- T&E will proactively encourage stakeholders to engage with revenue-policy projects and alert relevant representative bodies if it identifies that their memberships are not engaging.

## ***Individual Responses to Consultation etc - Confidentiality***

- The Treasury recognises that many businesses and individuals would not wish their responses to consultation to be made public and will only engage on condition of confidentiality. In order to encourage the fullest range of responses, T&E will only publish the aggregated and anonymised results of full public consultations, setting out key and generic issues. T&E will not routinely publish individual stakeholders' responses without their permission.
- As a default position, the Treasury would normally wish to share individual responses to a full public consultation with Scrutiny Panels if requested to do so and on a confidential basis.
- T&E will routinely reflect the contribution of working groups etc in policy-development and in formal responses and reports.
- Recognising that some people will not engage with consultation except on the basis of confidentiality, individual responses to consultation will not be shared with Ministers nor with Scrutiny Panels of the States Assembly without the consent of respondents.

## ***Government Responses to Engagement (Principally Full Public Consultation)***

- The Minister or T&E officials, as appropriate, will respond to the aggregated results of a full public consultation and indicate how it is intended to proceed in light of it.

## ***Engagement on Draft Statute – Time Allowed***

- T&E will provide draft legislation which reflects the wishes of Ministers (or the States Assembly) as informed by any engagement which has been undertaken.

- Wherever practical, T&E will provide near-final draft legislation to appropriate stakeholders for consideration and comment at least 11 weeks before the planned lodging date of the draft legislation in the States Assembly with the expectation that:-
  - stakeholders will comment as early as possible and within 8 weeks at most;
  - in particular, stakeholders will flag up any significant matters of concern as soon as they become aware of them and engage fully with T&E officers to clarify understanding of any issues of concern.

**TREASURY & EXCHEQUER**

**25 NOVEMBER 2022**