



**CUSTOMS AND IMMIGRATION SERVICE
ANNUAL REPORT
2011**

MISSION STATEMENT

“THE CUSTOMS AND IMMIGRATION SERVICE IS COMMITTED TO PROVIDING A STRONG AND EFFECTIVE BORDER CONTROL IN ORDER TO PROTECT JERSEY FROM THE THREATS OF:

- ILLEGAL IMMIGRATION AND THE MOVEMENT OF PROHIBITED OR RESTRICTED GOODS; AND**
- LOSS OF GOVERNMENT REVENUE FROM THE EVASION OF IMPORT TAX OR DUTY;**

WHILST HONOURING THE ISLAND’S EXTERNAL CUSTOMS, IMMIGRATION, PASSPORT AND NATIONALITY OBLIGATIONS AND, WHEREVER PRACTICAL, MEETING THE PRINCIPLES OF FREE MOVEMENT FOR PEOPLE AND GOODS.”

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FOREWORD

FOREWORD BY THE HEAD OF SERVICE

I am pleased to present our Annual Report for 2011. Once again I have to commend all my colleagues in the Jersey Customs and Immigration Service (JCIS) for their continued support, professionalism and dedication. Their work, which includes collecting revenue, controlling illegal immigration and detecting prohibited importations, such as controlled drugs, makes a significant and important contribution to keeping Jersey the prosperous and safe place it is.

One of the challenges we faced in 2011 was coping with the first round of savings we had to make as part of the Home Affairs Department's Comprehensive Spending Review (CSR) commitments. Whenever we look to identify savings we are faced with the same issue, the predominance of non-discretionary areas of expenditure in our budget. By non-discretionary I mean those costs where the levels are almost totally outside the control of the Service. The principal type of this expenditure in JCIS (and throughout Home Affairs) is staff wages which represents over 80% of our budget. In the day to day running of the Service this is not a critical factor but when required to make savings it inevitably means a reduction in staff – there is simply not enough left in the remainder of our budget to make savings of the quantum required by CSR.

Thus it came about that we lost two posts in the 2011 CSR round - Intelligence Analyst and Passport Officer. Although they were prioritised against other posts their loss has caused us operational difficulties. The loss of the Passport Officer increased the pressure on the small team in the passport office and despite their best efforts the summer waiting time rose significantly (we used a temporary member of staff to help us reduce the effect). The loss of the Intelligence Analyst is not as easy to measure, but our ability to undertake in depth analysis of intelligence to identify major smuggling attempts has clearly been diminished.

Looking back at 2011 the majority of our work was very much 'business as usual', but there are four areas that I will expand upon:

i) Drug Seizures

Our records show that the value of drugs seized is lower than the previous year and below the average of the last five years (see page 6). I have examined the causes for this decrease and have identified what I believe are the two most significant factors.

The first concerns major drugs operations. For obvious reasons I am unable to give much detail but I can reveal that one undercover operation into commercial drug smuggling failed to lead to any results during the calendar year, but is still being pursued; whilst a separate target operation did not come to fruition due to causes beyond our control.

The other significant factor relates to staffing levels in our frontier teams. Our concern is that because of understaffing, especially at peak times, we have to abandon some customs controls on an almost daily basis and on those occasions we are simply not there to detect smugglers. We will continue to closely monitor results in this critical area of our work.

FOREWORD

ii) Cigarette and tobacco seizures

There was a more than 50% rise in cigarettes and tobacco seized compared to 2010 (see page 9). The vast majority of the 578 separate seizures were from passengers bringing in more than their duty free allowance, although we did detect 4 commercial smuggling attempts which ended in court prosecutions. Clearly the sharp increase in the price of tobacco over the years has made the temptation to 'stock up' at duty free ever more attractive. We also know that friends and family of smokers regularly bring back duty free cigarettes for their nearest and dearest. This trend is not helped by the packaging of cigarette cartons in quantities that exceed the allowances – most typically in packs of 400 or even 1,000.

In 2012 we plan to put in place a number of initiatives to help remind the general public and duty free outlets abroad of the statutory 200 cigarette duty free allowance. We will also set up exercises at our controls for specific periods to test and target this 'casual smuggling' of cigarettes.

iii) Immigration Border Controls

The efficacy of the UK's immigration Border controls was brought into sharp focus toward the end of 2011 drawing criticism from the Home Secretary and ultimately the resignation of the head of the UK Border Force. We played no part in the initiatives that were introduced in the UK and which resulted in the difficulties experienced there. The Jersey Customs and Immigration Service are completely independent of the UK Border Agency and I have reported to the Home Affairs Minister and the Lieutenant Governor that I am satisfied with the robustness of our border immigration controls.

iv) GST

The rate of GST rose to 5% in June 2011 whilst the de minimis collection level of £12 remained the same. This has resulted in a sharp increase in the amount of goods that are subject to payment of the tax. The extra work required to manage these additional declarations is being monitored but will inevitably place another strain on resources. The concern is that this necessary, but routine work, could lead to tax evasion going undetected.

As 2012 progresses the challenges ahead will be to manage our responsibilities in the light of the next rounds of the Comprehensive Spending Review. The commitment of the staff in Customs and Immigration is essential to helping meet those challenges and I know that I can rely on their pride in the work we do for our Island.

Michael Robinson
Head of Service

LAW ENFORCEMENT

INTRODUCTION TO LAW ENFORCEMENT

The Law Enforcement section of the Service consists of the Frontiers, the Investigation Unit, the Joint Financial Crimes Unit and the Service Intelligence Bureau. These sections are responsible for investigating drug importations, financial crime aspects of drug trafficking, immigration offences and excise/GST fraud. The strategy that will be adopted when investigating these types of offences is as follows:-

Drugs

The Service will investigate the importation of all types of controlled drugs, but with a particular emphasis on the importation of Class A drugs as these are judged to pose the biggest risk to the people of the Island.

For this purpose the intelligence and investigation sections of the Service will work together closely and support each other in the development of drug operations which lead to the arrest and prosecution of the principals behind these drug syndicates.

The Service will look to work jointly with other law enforcement agencies, both on and off Island, wherever possible to achieve its aims in this area.

In such operations, officers in the Service will always look to effect arrests and make seizures where this will cause the greatest impact on the drug syndicate itself. If this means arranging for action to be taken by a law enforcement agency outside the Island then that is the strategy that will be adopted. In this way the Service will meet its responsibilities under the Island's Criminal Justice Policy.

A significant part of the work of officers in the Frontiers section of the Service is the identification of drug couriers. The role of the courier is usually at the lower level of the drug syndicate chain and such investigations are concluded over a short period of time. Nevertheless the quantity/value of the drugs seized can often be large.

The identification, interception and prosecution of drug couriers, therefore, will continue to be an important part of the Service's daily drug investigation duties.

The Service's investigation remit does not extend to drug street dealing/possession of drugs in the Island.

LAW ENFORCEMENT

Financial Crime

The officers in the Service, who are based in the Joint Financial Crimes Unit (JFCU), will continue to investigate the financial status of those individuals who are convicted of drug trafficking offences in Jersey, with a view to making a confiscation order to the Royal Court to seize any assets which are identified as the proceeds of drug trafficking.

The officers will also undertake financial investigations on behalf of Customs authorities from outside the Island particularly in relation to drugs/VAT/Excise fraud.

Immigration

The Service will investigate all aspects of 'illegal immigration' both at the frontier and inland. The term 'illegal entrant' includes persons attempting to enter the Island either with false documents, by employing deception or entering clandestinely, and persons discovered after entry who gained entry or leave to remain illegally, e.g. asylum seekers.

Again the Service will look to work jointly with other law enforcement agencies, both on and off Island, wherever possible in such investigations.

Excise/GST Fraud

The investigation of offences into excise fraud and GST importation fraud will also be undertaken by officers from the Service. Depending on the scale of the fraud the resources of the Intelligence section of the Service would be utilised in such investigations. At the present time however, excise/GST fraud is considered low risk though the increased rates of both excise and GST could lead to a change in the risk level.

LAW ENFORCEMENT

ENFORCEMENT ACTION

Drug Seizures

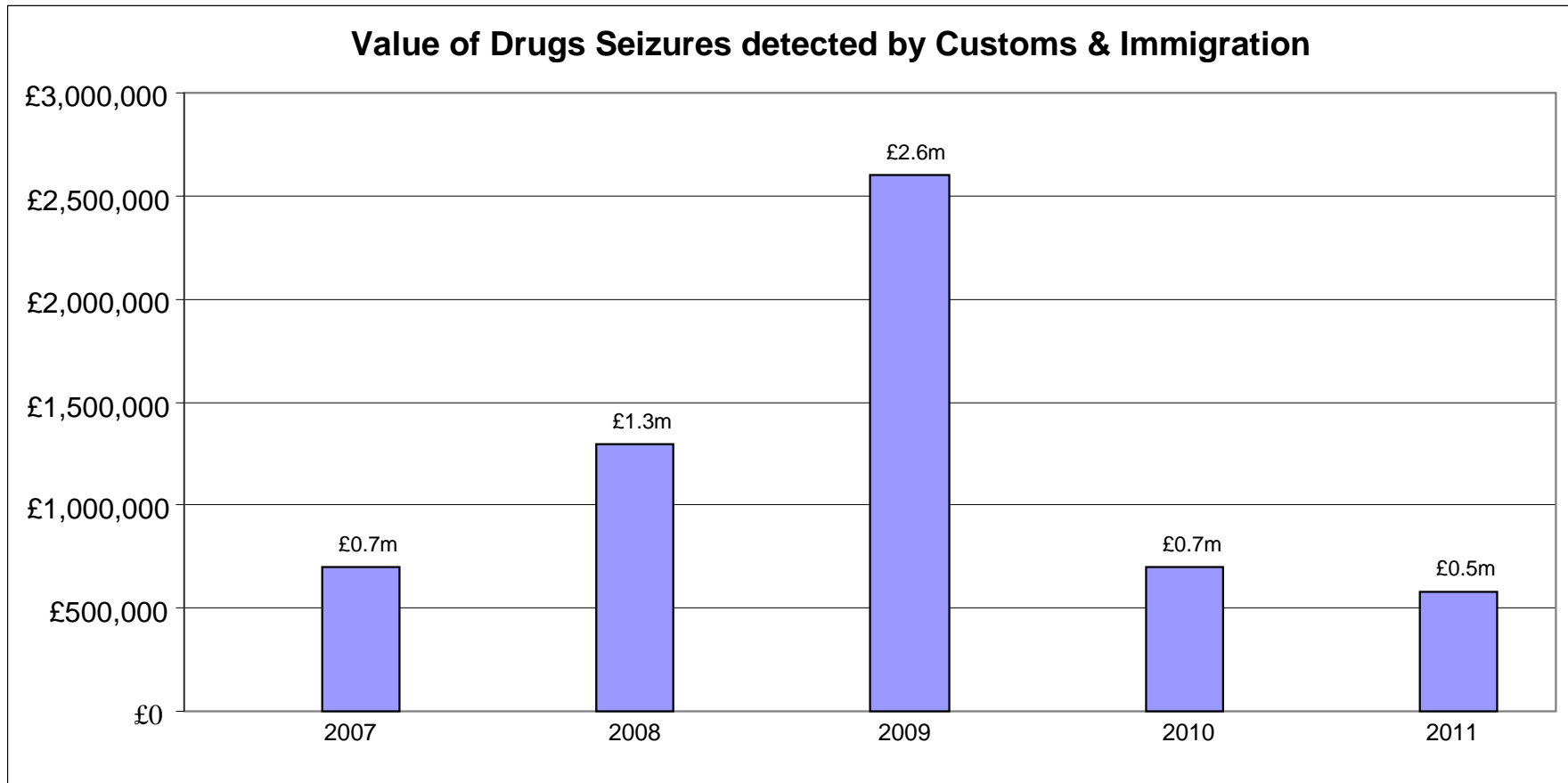
During 2011, 113 separate drug seizures were made with a value of £580,232. Heroin and Cannabis Resin accounted for the majority of that total at 75% and 12% respectively. Over half of the seizures were at the Post Office.

49 persons were brought before the courts and all but one convicted. Sentences totalling 86 years imprisonment, £3,136 in fines and 360 hours Community Service were handed out. Three persons were Bound Over to Leave the Island and three given Probation. Nine written cautions were issued.

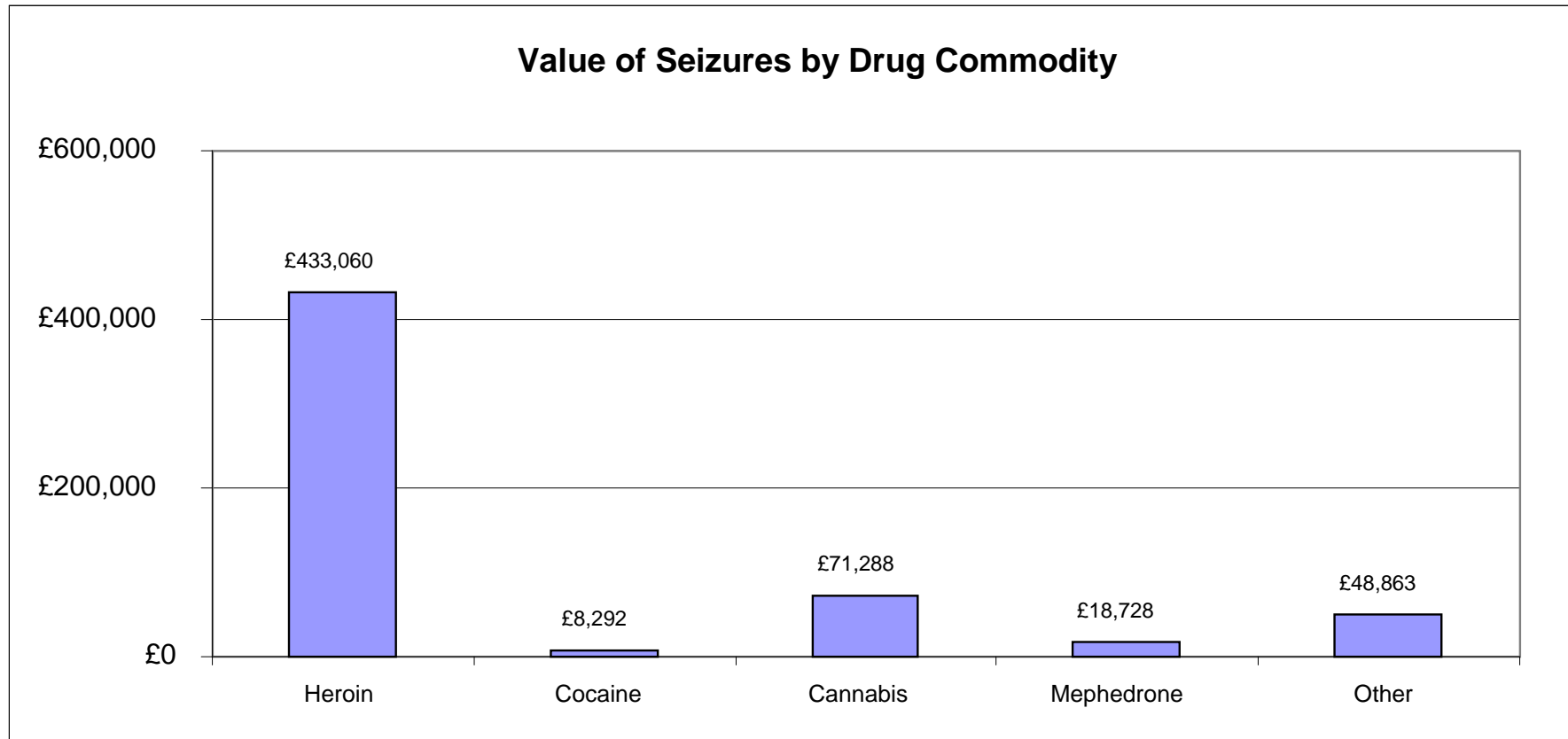
Overall drug seizures in 2011 decreased by 7% compared to 2010. The underlying reasons for the decrease are not clear but a causal factor is believed to be due to officers being diverted to deal with a substantial increase in the number of immigration movements that occurred during the summer of 2011.

In 2011 a trend developed of the Class C drug Mephedrone being ordered over the internet. The Service believe that the majority of such importations were made in ignorance of the prohibition of the drug. Media releases were issued during the year in order to advise of its illegality.

LAW ENFORCEMENT



LAW ENFORCEMENT



LAW ENFORCEMENT

Cash Seizures

The Customs and Immigration Officers in the Joint Financial Investigation Unit were responsible for the investigation of 86 Drug Trafficking cases in 2011. These investigations resulted in the confiscation of £115,180. In addition, the officers in the unit managed 5 cash seizure cases which were suspected to be the proceeds of drug trafficking. These resulted in the forfeiture of £40,010.

Cigarette/Tobacco Seizures

A total of 213,745 cigarettes, (both loose and pre-packaged), and almost 70 kilos of tobacco were seized in 2011 with a revenue potential of £51,405. There were 578 individual seizures made, 4 of which were of a commercial nature and resulted in the people concerned being prosecuted.

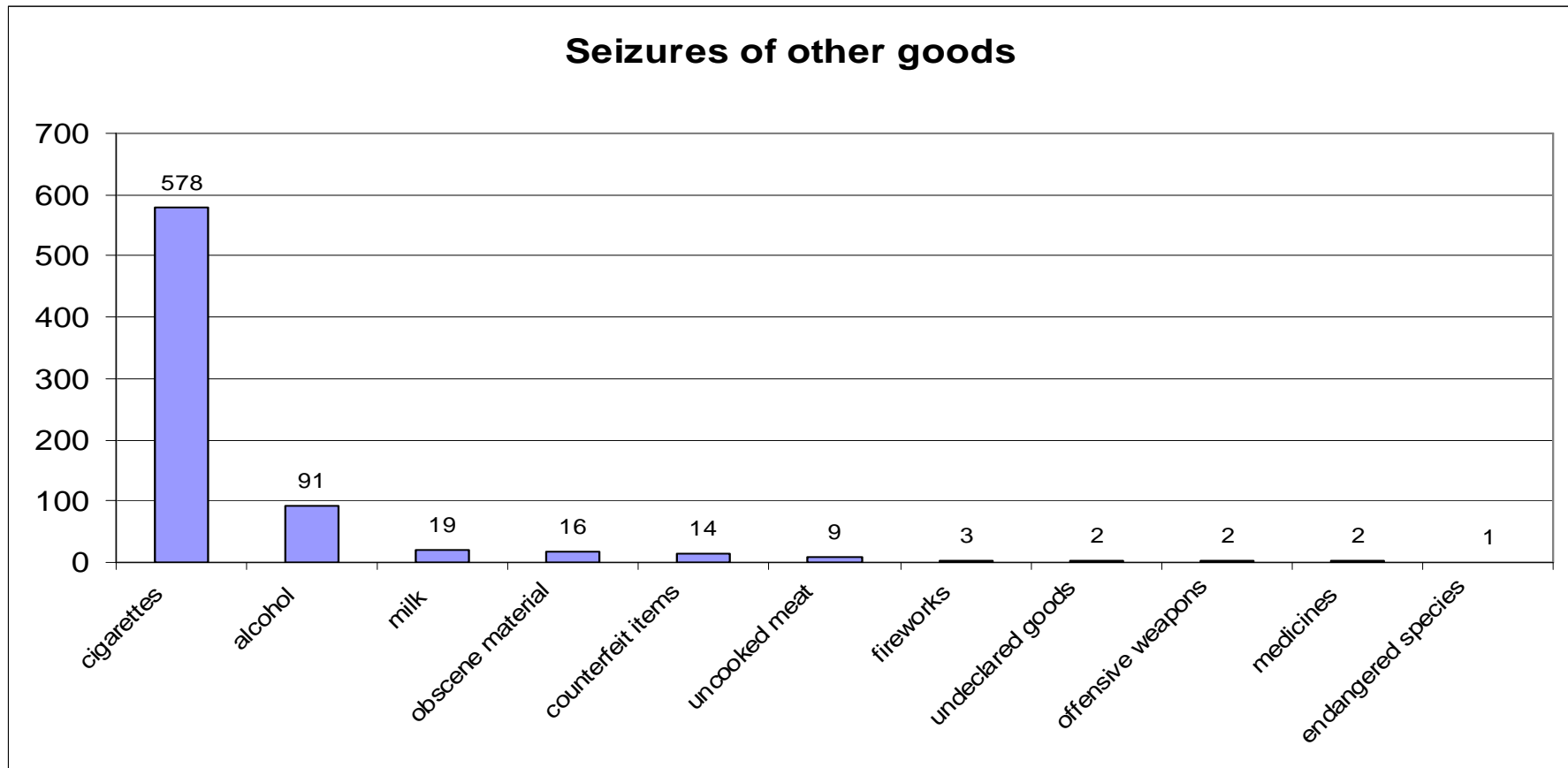
In addition, Officers at the Frontiers were responsible for the collection of an additional £23,766 duty on alcohol/tobacco goods which had not been declared, but where a passenger was given the option of paying the duty. Cigarette seizure figures for 2011 show a more than 50% increase on 2010 and whilst there is no evidence to suggest that commercial quantities of cigarettes are regularly being smuggled into the Island the Service is encountering more passengers exceeding their statutory allowance. The Service is satisfied that the majority of such cases are based upon ignorance of the duty free allowances as there was often no attempt to conceal the cigarettes from Officers.

Other Seizures

There were 159 other seizures, 16 of which related to obscene/indecent material and 91 to alcohol. Other seizures of note were 14 of counterfeit goods, 2 of offensive weapons and 1 of endangered species. The counterfeit goods consisted of multiple items of jewellery, cosmetics, perfume, sunglasses, mobile phone accessories and electronic goods, the offensive weapons consisted of a Taser and a Flick knife.

The 159 seizures compare to a total of 78 seizures in 2010.

LAW ENFORCEMENT

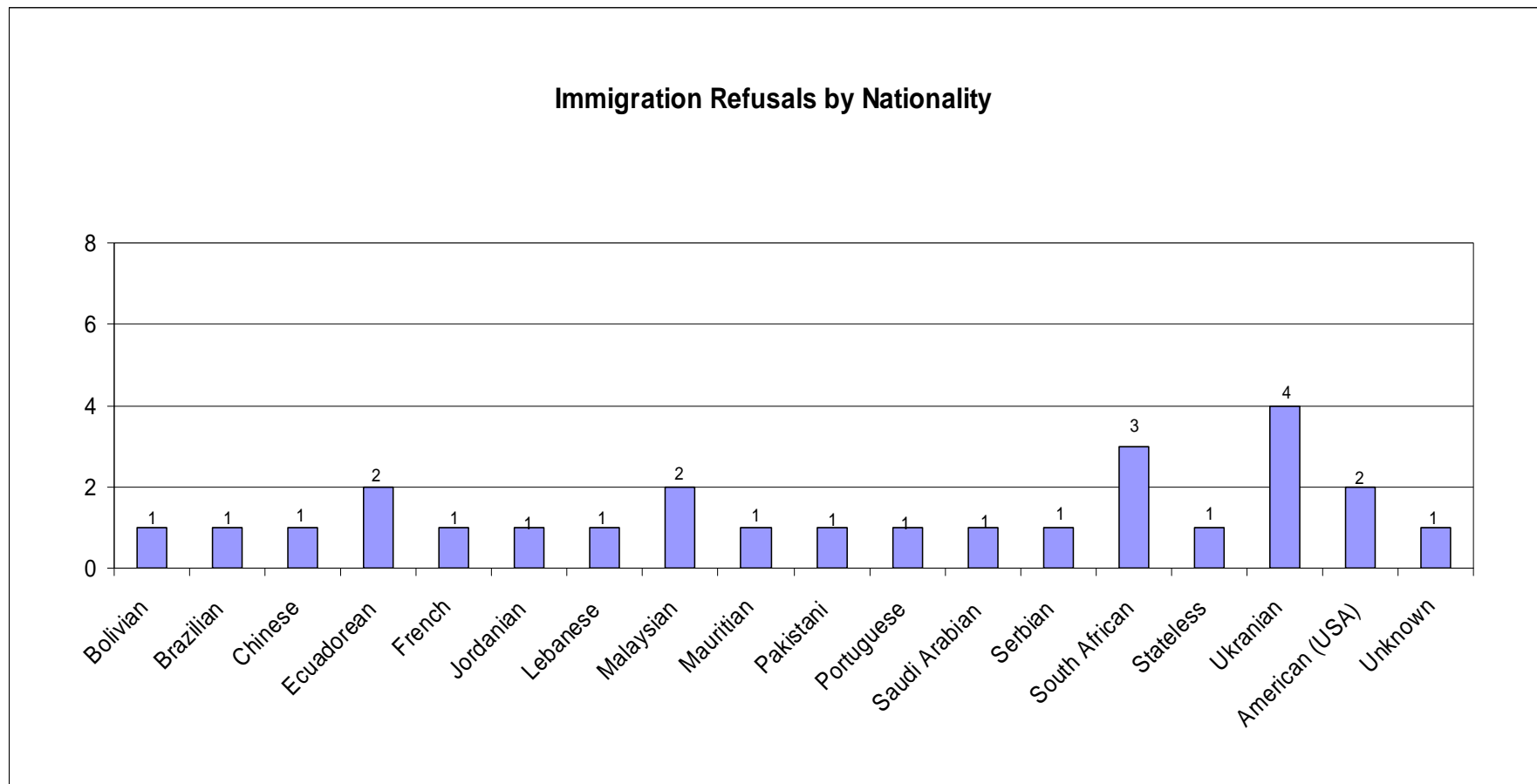


Note: This table shows the number of individual seizures. Each seizure was of multiple items.

LAW ENFORCEMENT

Immigration Refusals

The number of third country nationals who were refused leave to enter the Island in 2011 totalled 26. All were refused as a result of not having the relevant visas. Two forged travel documents were detected.



LAW ENFORCEMENT

TRAINING

Accreditation

In January 2011, a further 6 officers achieved the Edexcel BTEC National Diploma Award in Detection (Anti-Smuggling). In addition, 2 officers achieved the equivalent qualification in relation to Criminal Investigation Standards.

To achieve these awards, Officers are required to provide evidence of competence in the required Detection/Investigation Standards which is assessed by a UK Border Agency/HM Revenue and Customs Assessor and followed up by a professional discussion with the Assessor to establish further the officer's level of knowledge. This evidence is then verified by an External Verifier from Edexcel, the awarding body.

International Diploma in Anti-Money Laundering

Also in January 2011, 2 Officers completed the third and final part of the Financial Investigators (Confiscation) Course. This course is run by the UK National Policing Improvement Agency at Sedgley Park, Manchester and is the recognized qualification that all financial investigators have to achieve to become accredited.

LAW ENFORCEMENT

LOOKING FORWARD

e-Borders

The e-Borders programme relates to the collection and analysis of information by the UK Border Agency on passengers/crew intending to travel to or from the UK from outside the CTA. The information is used to assess the risks presented by people entering the UK and identify those of interest to the authorities before they arrive or leave the UK.

Whilst it remains the UK Border Agency's intention to extend the e-Border regime to the Crown Dependencies the programme is unlikely to be extended to the Island until 2013/14.

Further discussions will take place during 2012 and the legislation changes that need to be implemented to allow the collection of passenger/crew data for journeys into and out of the Island from outside the Common Travel Area are being finalised.

REVENUE AND GOODS CONTROL

INTRODUCTION TO REVENUE AND GOODS CONTROL

The Revenue and Goods Control section of the Service is responsible for the collection of customs duty on goods imported into the Island from outside the customs area of the European Community, collection of impôts duty on excise goods imported into or produced in the Island and collection of Goods and Services Tax (GST) on goods imported by individuals and businesses not registered for GST with the Taxes Office, overall the revenue collected by the Service each year is equal to approximately 8% of the total revenue of the States of Jersey. A further responsibility of the section is to ensure that all licensing requirements are met concerning goods imported into or exported from the Island.

REVENUE

Impôts

2011 followed the trend of the previous year in that the quantities of alcohol, tobacco and fuel put to duty was lower than in 2010. The effects of an increase in excise duty and the collection of vehicle emissions duty over a full 12 month period, however, resulted in an increased revenue yield of just over 3%. When GST and customs duty is taken into account the total revenue collected in 2011 was just over £53.5 million.

In November the 2012 Budget was debated by the States Assembly and proposals for impôts duty increases on alcohol, tobacco and vehicle emissions duty were agreed. Alcohol and tobacco duties were increased by 5% and 10% respectively whilst fuel duties were maintained at 2011 levels. In relation to vehicle emissions duty a zero rate was maintained for the most efficient vehicles and an increase of 5% for all other categories. Following the Budget the Impôts duty on some common excise goods are:

- A litre of whisky - £10.45
- A bottle of table wine - £1.25
- A pint of normal beer - £0.32
- 20 cigarettes - £3.79
- A litre of unleaded petrol or diesel - £0.43

REVENUE AND GOODS CONTROL

Goods and Services Tax (GST)

All goods arriving in Jersey must be properly declared to the Customs and Immigration Service and, under normal circumstances, any revenue charges must be paid before the goods are released to importers. In addition to impôts duties and other tariffs, imported goods are subject to GST.

GST on imports is collected by the Service on behalf of the Comptroller of Taxes. However, in the interest of providing a fast and efficient service to importers and in keeping with the desire to keep the administration and collection of GST as simple as possible, special 'fast-track' clearance procedures are available for traders that are approved by the Service to use this simplified procedure.

Customs-approved traders may take immediate possession of imported goods before making a declaration and without paying revenue charges at the time of importation. They have a 30 days period of grace in which to make declarations and pay any customs and excise duties and GST.

An additional advantage for Customs-approved traders who are also registered entities for GST is that they are not required to pay GST at import to the Service; traders simply record the total GST-exclusive value of their imports on their quarterly GST returns to the Taxes Office.

Currently 333 businesses and individuals have been granted Customs-approved trader status and benefit from 'fast-track' clearance procedures with a further 1180 approved traders that are also GST registered. This represents a small increase for both category of trader on 2010 figures.

Over 80,000 separate declarations were made electronically by importers during 2011, approximately 29,000 more than 2010. This represents an increase of nearly 57%. Between 1 January and 31 May there were 26,511 such declarations. Between 1 June and 31 December, however, these increased to 53,512. This has caused a significant increase in the workload of the staff in the RGC and is directly as a result of the GST rate being raised to 5% and the Minister for Treasury and Resources deciding to retain the de-minimis waiver limit for duty and tax at £12. This caused the value of a consignment that could benefit from the de-minimus waiver to fall from £400 to £240, resulting in more consignments requiring a declaration.

Nearly 900,000 separate consignments were processed in 2011, which represents a 5.5% increase on the 2010 figures. The procedures for accounting for Import GST, however, ensured that 95% of all freight consignments were not held up at the ports awaiting payment of the tax.

GST collected by the Service during 2011 on importations of goods by non-registered entities (import GST) increased by just over 46% on 2010. The total GST collected by the Service in 2011 totalled £2,393,705.

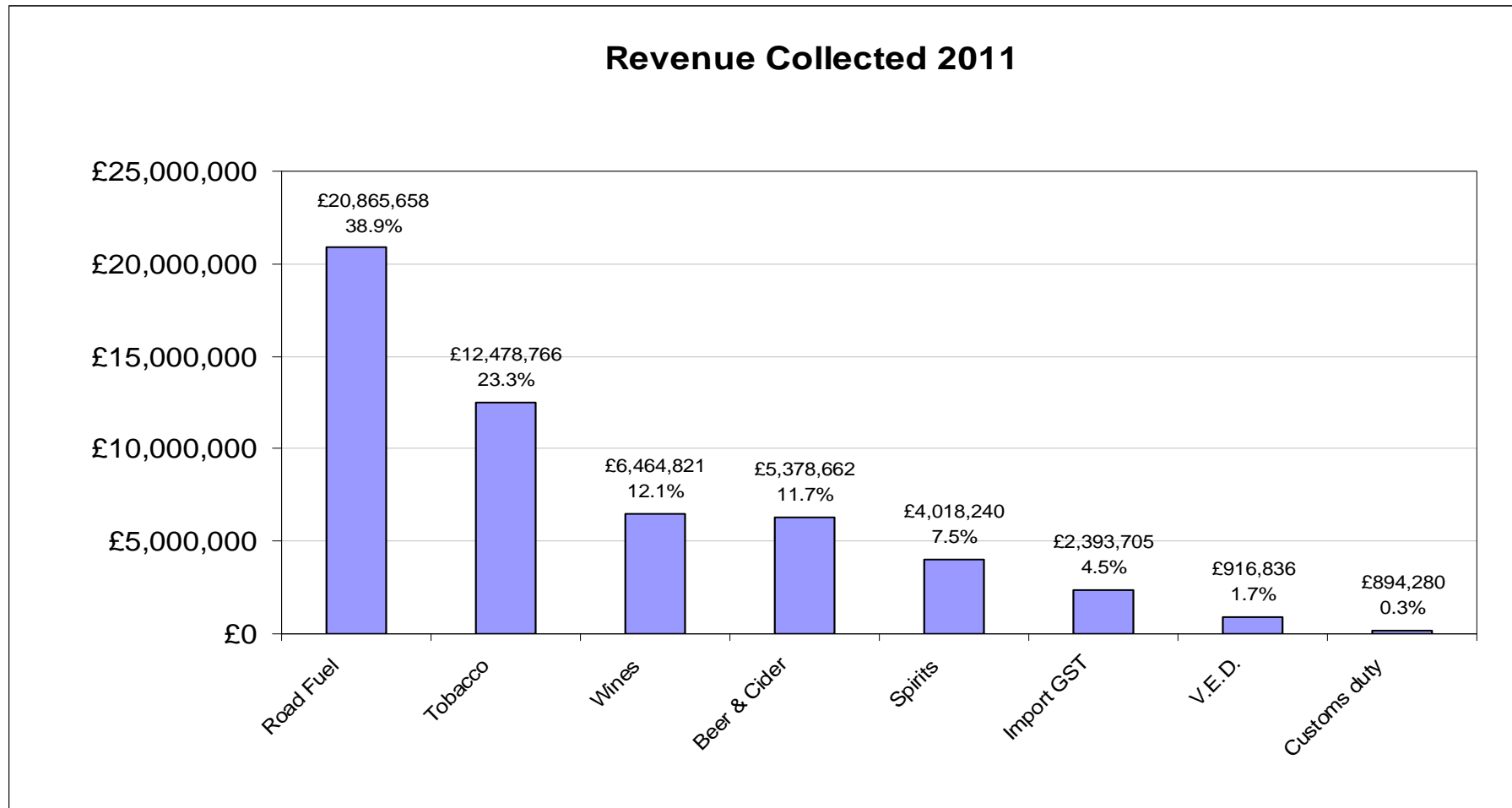
REVENUE AND GOODS CONTROL

REVENUE RECEIPTS £ MILLIONS

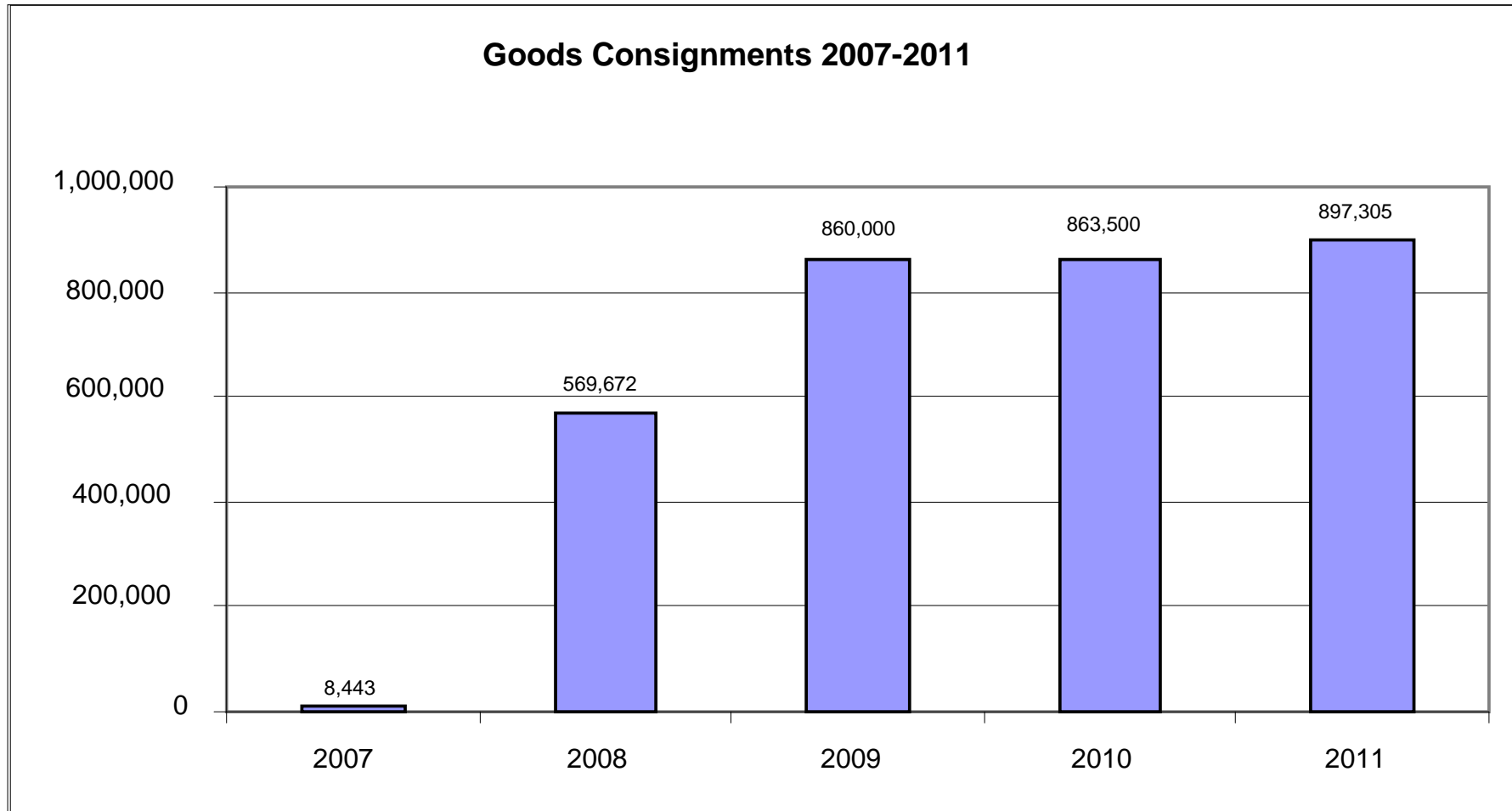
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007* | 2008* | 2009* | 2010* | 2011* |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Spirits | 3.804 | 4.466 | 3.781 | 4.058 | 4.194 | 3.928 | 4.008 | 4.172 | 4.038 | 4.018 |
| Wine | 4.426 | 4.980 | 4.873 | 5.272 | 5.351 | 5.661 | 5.863 | 6.340 | 6.158 | 6.465 |
| Cider | 0.372 | 0.473 | 0.532 | 0.575 | 0.633 | 0.710 | 0.742 | 0.870 | 0.814 | 0.917 |
| Beer | 4.104 | 4.858 | 4.708 | 4.767 | 5.042 | 4.961 | 5.094 | 5.324 | 5.184 | 5.379 |
| Tobacco | 12.367 | 13.354 | 13.913 | 12.508 | 12.953 | 12.672 | 12.715 | 13.856 | 12.638 | 12.479 |
| Fuel | 13.985 | 16.355 | 18.660 | 18.452 | 19.051 | 19.876 | 20.469 | 20.685 | 20.250 | 20.866 |
| VRD/VED | - | 2.912 | 3.687 | 4.033 | 4.047 | 5.836 | 0.674 | - | 0.192 | 0.894 |
| Customs | 0.106 | 0.110 | 0.136 | 0.174 | 0.113 | 0.193 | 0.235 | 0.125 | 0.139 | 0.148 |
| Import GST | - | - | - | - | - | - | 0.861 | 1.628 | 1.636 | 2.394 |
| TOTAL | 39.164 | 47.508 | 50.290 | 49.839 | 51.384 | 53.837 | 50.661 | 53.000 | 51.049 | 53,560 |

*Please note that from 2007, figures include all accrual adjustments to comply with Generally Accepted Accounting Policies (GAAP)

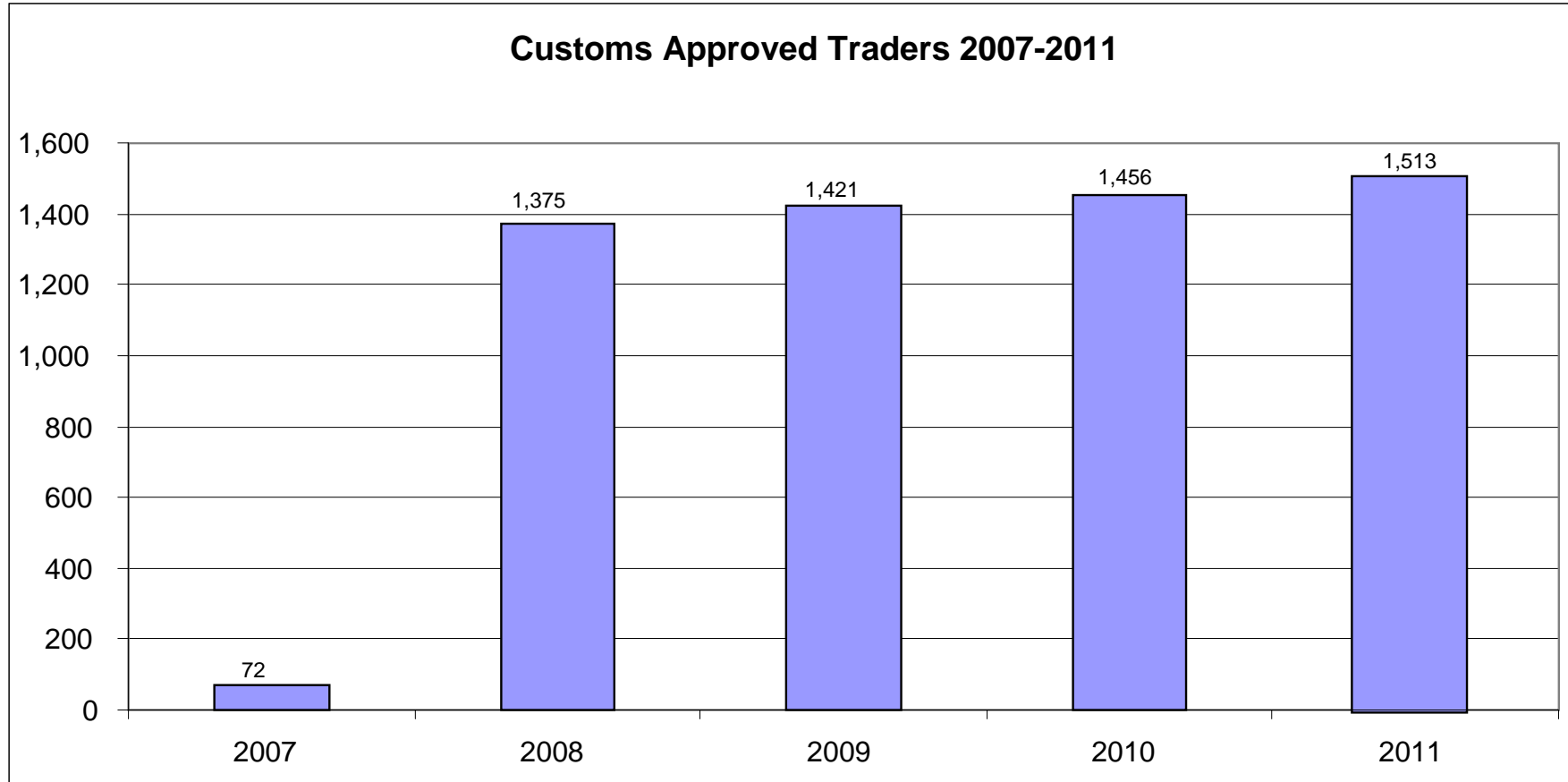
REVENUE AND GOODS CONTROL



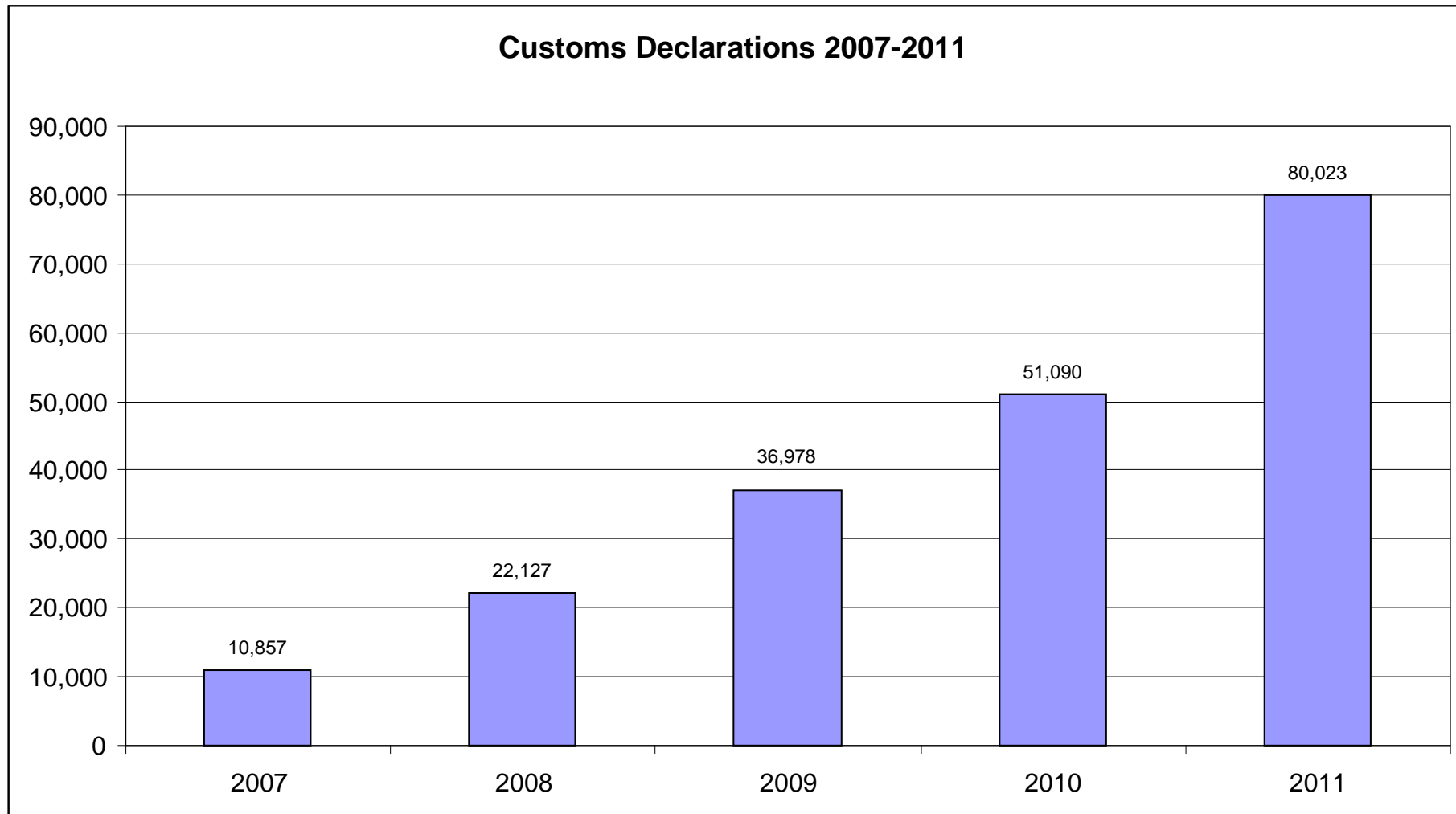
REVENUE AND GOODS CONTROL



REVENUE AND GOODS CONTROL



REVENUE AND GOODS CONTROL



Note: The marked increase in declarations is due to the increase in the GST rate of duty from 3% to 5% on 1 June 2011. This resulted in a decrease in the value of goods that could be imported without payment of GST from £400 to £240.

REVENUE AND GOODS CONTROL

GOODS CONTROL

Freight Profiling

The Freight Investigation Team continues to be responsible for the seizure of goods that are restricted / prohibited on import. The main functions of the team are:

- Identifying and examining all consignments suspected of containing prohibited and restricted items
- Developing and enhancing relationships with local and UK freight carriers
- Acting on all information/intelligence related to freight movement
- Supporting the examination of consignments for tax/duty purposes
- Maintaining risk assessments of all carriers and ensuring that dutiable goods are not released when detained for payment

During the year there were a number of consignments that were detected where goods were either misdeclared or not declared. In addition there were 10 infractions discovered involving the importation of counterfeit goods and CITES items (endangered species).

Diesel Checks

Officers in the Service continued the enforcement of conditions attached to the use of fuels benefiting from relief of excise duty. Legislation allows the relief of excise duty in certain circumstances for example, on tractors, lifting vehicles and aircraft refuelling vehicles. Relief is not allowed for the sole use of propulsion of a vehicle on a public road. To ensure duty free fuel was not being used in road vehicles Officers took part in 7 roadside checks together with the Honorary Police and Officers from DVSD. 181 vehicles were checked and one vehicle was found to be using duty free fuel illegally. The matter was investigated and the offender was subsequently fined. A further 5 infractions were discovered that related to a liability for Vehicle Emissions Duty and/or GST.

REVENUE AND GOODS CONTROL

VAT Accounting Scheme

The UK Import VAT Accounting Scheme allowed for the pre-payment of UK Import VAT on postal items that are over £18 in value sent by locally based traders to customers in the UK. On 1 November, however, the low value consignment threshold was reduced to £15. Traders who join the scheme are required to keep records and submit to a regime of audit and assurance. Import VAT is remitted by the traders to Jersey Post who in turn pay the monies onto HM Revenue and Customs.

The Annual Report submitted to HM Revenue and Customs on the operation of the scheme during 2011 was accepted in full.

The number of scheme members at the end of 2011 stood at 110.

Towards the end of 2011 the UK Treasury announced that from 1 April 2012 low value consignment relief will no longer apply to goods imported from the Channel Islands. (The Island is in the process of appealing against this decision and a court date has been set for 13th March 2012 to consider the legality of the decision).

LOOKING FORWARD

GST

The change in the rate of GST from 3% to 5% in June 2011, as expected, significantly increased the number of imported items detained for declaration and payment of GST. Based on the workload between June and December; it is anticipated that the number of declarations will rise to approximately 92,000 in 2012, which is of 80% more than in 2010. The number of items detained has a significant impact on the day to day workload of the Revenue and Goods Control section, as it inevitably leads to an increase in the number of individuals requiring assistance in the clearance of these goods, both on the telephone and in person. It is likely that this will have an impact on the officers' ability to carry out their compliance work. The situation will be monitored throughout 2012 to ensure that all aspects of the section's work remain at an acceptable level.

IMMIGRATION AND NATIONALITY

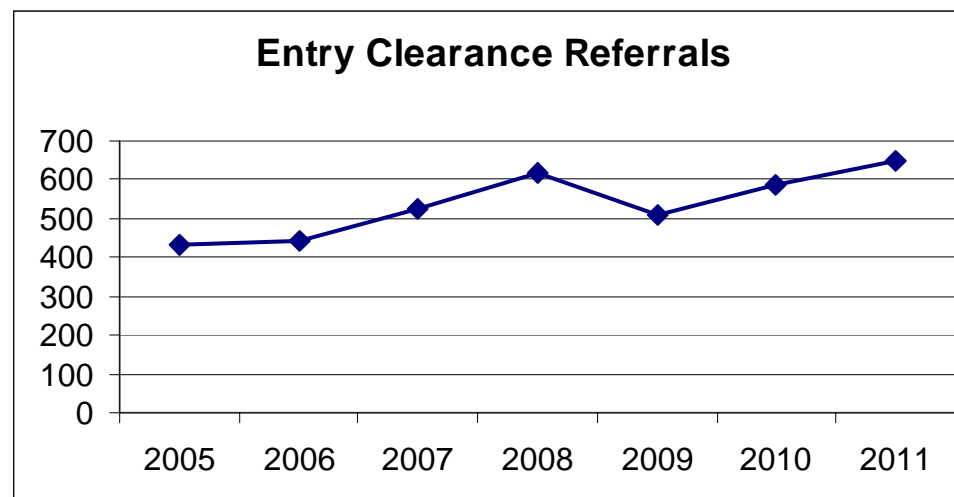
INTRODUCTION TO IMMIGRATION AND NATIONALITY

The Immigration and Nationality section is responsible for all technical immigration casework such as the approval of entry clearance for persons seeking visas to come to the Island, the issue of work permits, the enforcement of deportation orders and the maintenance of legislation. The section also handles the nationality work of processing applications for British citizenship and the issue of passports.

IMMIGRATION CASEWORK

Entry Clearance

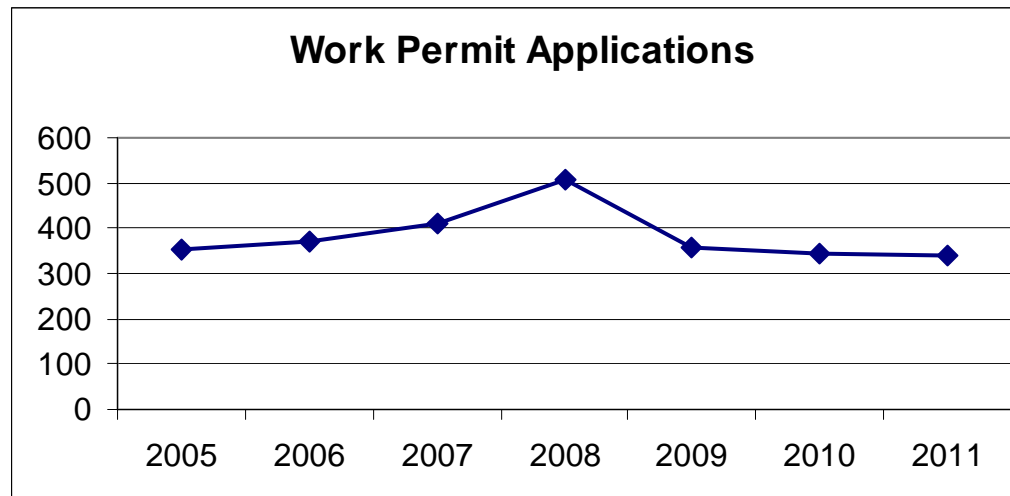
The casework section regulates the entry and settlement in Jersey of persons subject to immigration control. Applications for entry clearance (visas) are received by British diplomatic posts abroad and referred to the Customs and Immigration Service for authority to issue or refuse. 647 entry clearance referrals were made to the Customs and Immigration Service during 2011, a 10% increase on the previous year.



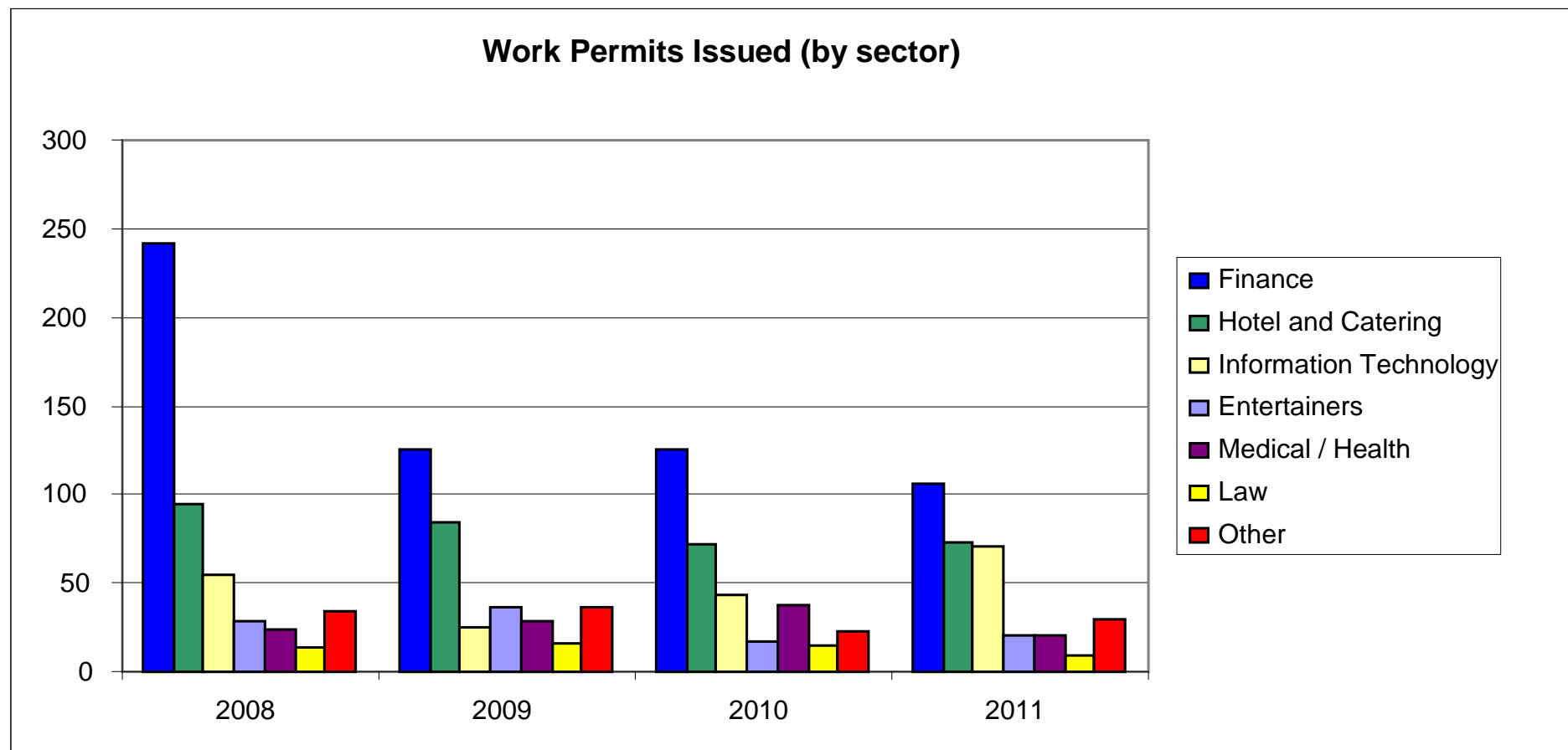
IMMIGRATION AND NATIONALITY

Work Permits

The Immigration (Work Permits) (Jersey) Rules 1995 are administered by the Customs and Immigration Service under delegated authority of the Minister for Home Affairs. A work permit is issued to a specific employer and allows them to employ a person from outside the European Economic Area for a limited period where it can be demonstrated that particular qualifications or skills are in short supply in the resident and permit free European labour market. The number of work permit applications received by the Service remained consistent with previous years – 338 applications were considered during 2011 compared with 343 in 2010.



IMMIGRATION AND NATIONALITY



IMMIGRATION AND NATIONALITY

Work Permit Review

The Home Affairs Minister endorsed a review of the Island's Work Permit Rules and Policy to ensure that *inter alia* the rules/policy reflected the current employment and economic situation in the Island and that locally unemployed persons are not disadvantaged. The principal outcomes of the review which will come into effect in 2012, were:

- local advertising for locals to fill potential work permit posts will be increased;
- unskilled workers will not be able to transfer employment at the end of their contract;
- categories of skilled workers will not be expanded;
- no change in the maximum period of 3 years for nurses;
- an English language requirement for applicants.

In addition a review of the Work Permit Fee Structure was undertaken and from 2012 Work Permit Fees will be as follows:

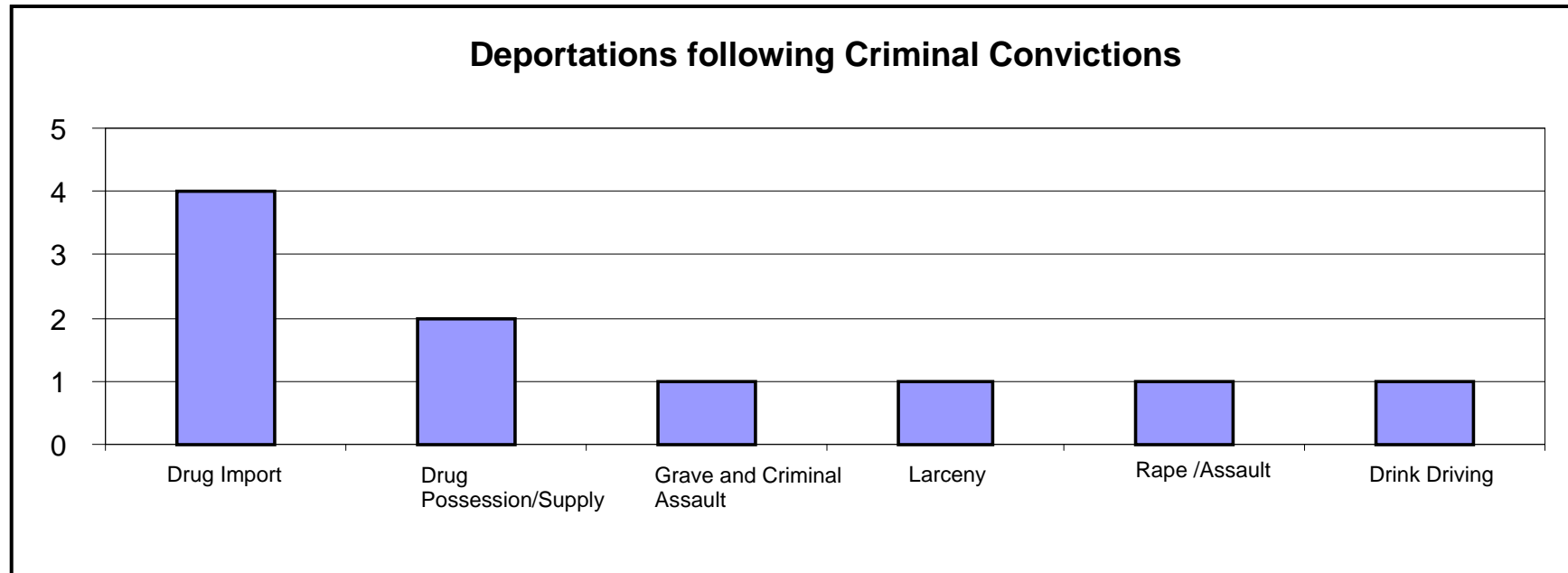
| | |
|------------------------|------|
| Less than 1 month..... | £50 |
| 1-6 months | £75 |
| 6-9 months | £100 |
| 9-12 months | £150 |
| 1-2 years | £250 |
| 2-3 years | £300 |
| 3-5 years | £500 |

IMMIGRATION AND NATIONALITY

Deportations

A deportation order requires the subject to leave the Bailiwick of Jersey and authorises the person's detention until removal. It also prohibits the person from re-entering for as long as it is in force and invalidates any leave to enter or remain in the Bailiwick of Jersey before the order was made, or while it is in force.

13 people were deported from the Island during 2011, all of whom had been convicted of crimes in Jersey and had received prison sentences varying between 9 months and 8 years. The majority of deportees (8 out of 13) had been convicted of drug offences in the Island. 8 persons were deported to Portugal, 4 to Poland and 1 to Romania.

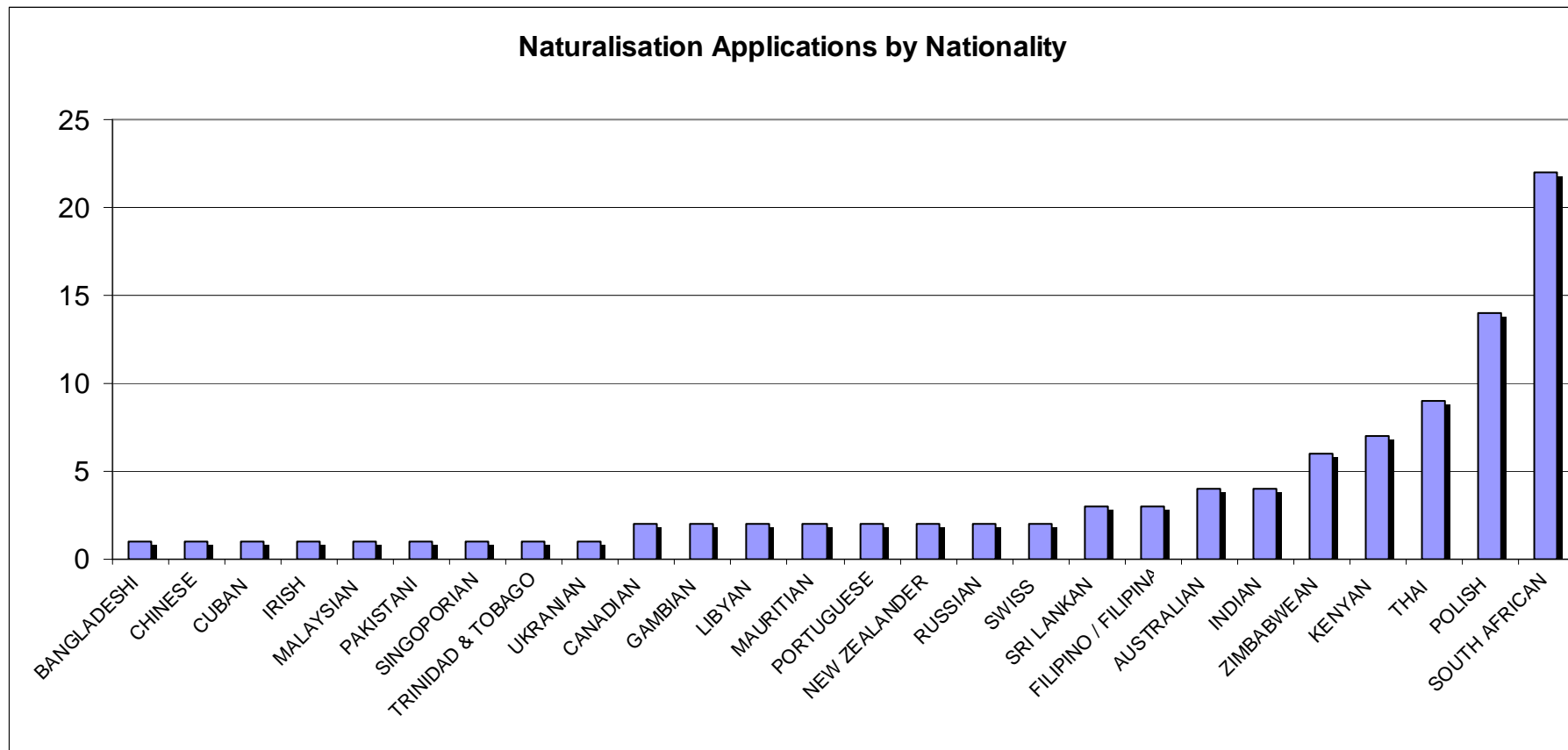


IMMIGRATION AND NATIONALITY

NATIONALITY

Naturalisation

Applications for British citizenship are considered by the Customs and Immigration Service on behalf of the Lieutenant-Governor. 97 applications for naturalisation were received during 2011. This represents a 34% increase on the 2010 figure.



IMMIGRATION AND NATIONALITY

Passports

10,319 British passports were issued by the Customs and Immigration Service during 2011. This shows a very slight decrease from 10,802 passport issues in 2010, a fall of 4%.

Passport application fees were not increased by the United Kingdom Identity and Passport Service during 2011 and remain at £77.50 for adult passports, and £49.00 for child passports. The last fee increase was made in September 2009.

1,804 applicants took advantage of our 'Express Service' of £117 for the processing of passport applications which is provided for people who wish to renew their passport in a shorter time than our standard processing time allows. 646 passports were reported lost or stolen during 2011.

The Passport Office was able to meet its target of processing all passport applications within 4 weeks, with the exception of a period between mid March and end of August when the processing time increased to 4-6 weeks. In considering these process times it must be remembered that in 2011 the Passport Office lost the services of a Passport Officer as a result of the Comprehensive Spending Review process. As a result there are now only 5 Passport Officers in this section.

Legalisation of Documents

The Passport Office undertakes the role of legalising locally originating documents for use abroad; legalisation is the official confirmation that a signature, seal or stamp on a document is genuine. This role is fulfilled by the Foreign and Commonwealth Office in the UK and was taken on locally in 1990.

8,441 documents were legalised in 2011 compared to 8,695 in 2010, a decrease of 3%.

Directions of the Lieutenant Governor

During the course of the year the Directions of the Lieutenant Governor were amended as required. The Directions reflect the government policy in relation to immigration matters. In this way the Island's obligation to protect the external border of the Common Travel Area was maintained.

IMMIGRATION AND NATIONALITY

LOOKING FORWARD

New Generation British Passport

The phased introduction of a newly designed British passport started in October 2010 in the UK. The new style passport features various design improvements, including additional security measures. At the present time, however, it is planned that all the Crown Dependencies will continue to issue the current style of British passport until late 2013.

The options for the production and issuing of passports were forwarded to the Minister for his consideration. All aspects are under review and a decision on the way forward is expected early in 2012.

Officers in the Service are in close liaison with the UK Identity and Passport Service and their counterparts in Guernsey and the Isle of Man who will have to consider the same options.

Whatever the outcome the New Generation Passport issued on behalf of Jersey residents will continue to be a variant of the standard British passport and will be marked "British Islands, Bailiwick of Jersey".

RESOURCES

STAFF COMPLEMENT AT END OF 2011

| Posts | No |
|---------------------------------|--------------|
| Head of Service | 1 |
| Directors * | 2 |
| Assistant Directors * | 5 |
| Senior C&I Officers * | 9 |
| C&I Officers * † | 44 |
| Assistant C&I Officers * # | 4 |
| Immigration Casework Officer | 1 |
| Training and Compliance Officer | 1 |
| RGC Office Manager | 1 |
| RGC Office Assistants | 3 |
| Passport Officers | 4.17 |
| Finance Manager | 1 |
| Finance Officer | 1 |
| PA to Head of Service | 1 |
| Admin. & Secretarial Assistants | 2 |
| Vacancy | 1.33 |
| Total posts (FTE): | 81.50 |

Notes:

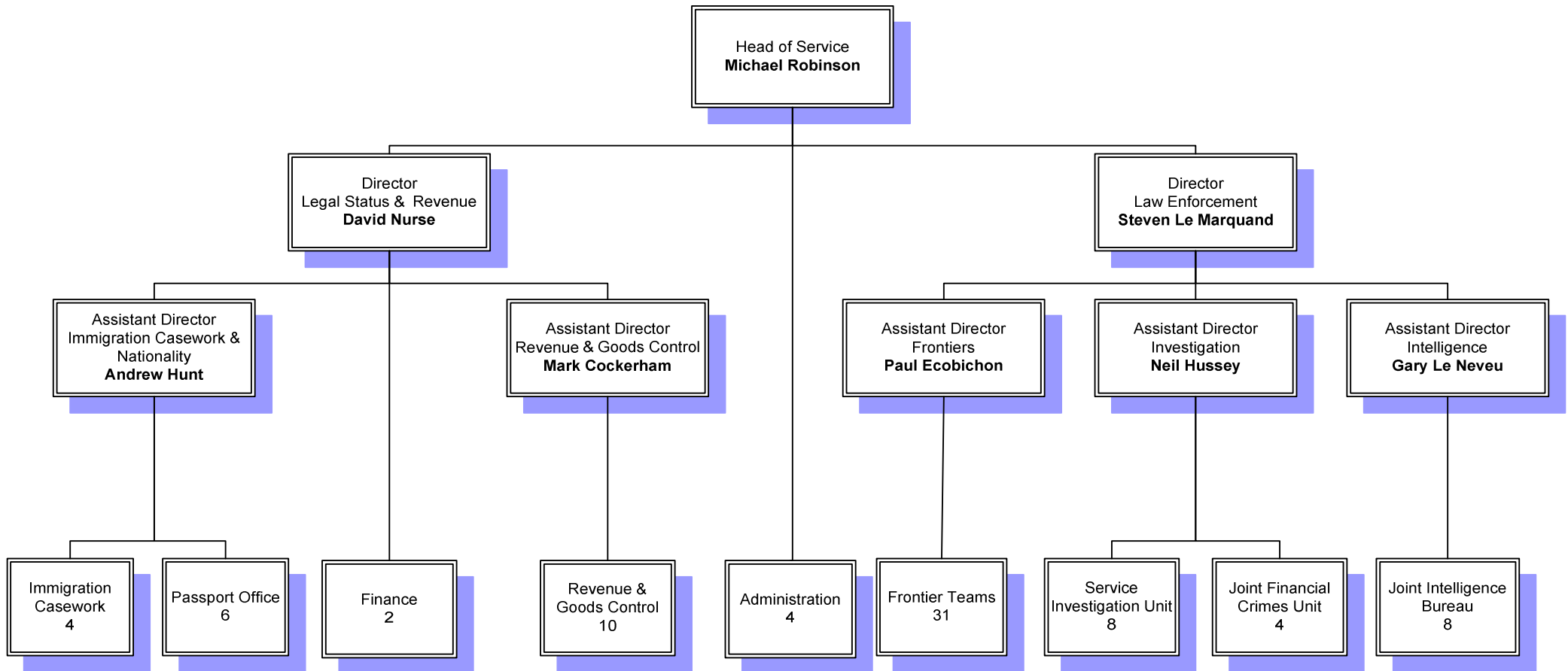
* Denotes multi-functional posts

† Each of the 3 Frontier teams is still operating below full strength due to staff losses incurred during previous spending reviews and efficiency savings.

The two drugs dogs were handled by Assistant C&I Officers

RESOURCES

JERSEY CUSTOMS & IMMIGRATION SERVICE



Note: The two Directors will be exchanging roles from 1st January 2012

RESOURCES

EXPENDITURE BY SERVICE AREA FOR 2011

| Revenue Collection | | Total |
|----------------------------------|---------------------|-------------------|
| Staff | £787,256 | |
| Premises | £72,815 | |
| Supplies & Services | £107,762 | |
| Administrative | £21,777 | £989,610 |
| Enforcement | | |
| Staff | £3,443,179 | |
| Premises | £462,218 | |
| Supplies & Services | £201,212 | |
| Administrative | £151,558 | |
| Court & Case | £139,160 | |
| <i>Home Affairs executive</i> | £64,759 | |
| <u>less: Income ¹</u> | <u>(£10,091)</u> | £4,451,995 |
| External Obligations | | |
| Staff | £842,324 | |
| Premises | £98,142 | |
| Supplies & Services | £111,972 | |
| Administrative | £120,952 | |
| <u>less: Income ²</u> | <u>(£1,169,710)</u> | £3,680 |
| | | £5,445,285 |

Notes:

¹ Enforcement income is derived from miscellaneous administrative fines.

² External Obligations income is derived from passports, work permits, legalisation of documents, immigration fees and naturalisation fees.