



The Government of Sark

PRESS STATEMENT

POLICY AND PERFORMANCE COMMITTEE WITH FINANCE AND RESOURCES COMMITTEE

ALCOHOL PRODUCTION REGULATION

Chief Pleas is sad to hear of any potential job losses the decision of SVL may mean. However as stated at Chief Pleas in October last year - *'It is intended that the cost of the licence to produce alcoholic products should cover the costs of the administration of the law, including the inspection of the premises, and confirming the strength of the product. **This is not a tax on the product**; that is covered by the laws relating to Impôt which is calculated as the product leaves its place of production. As with other jurisdictions the Production of Alcohol is regulated to ensure that those preparing and making alcoholic products for sale conform to appropriate methods of production, abide by the appropriate levels of hygiene required and that the alcoholic strength of the product is confirmed. Consumers need to know that the product has been properly produced and the level of the alcoholic content'*.

As for the introduction of an equivalence tax, the consultation with Sark inhabitants on this proposal closed twelve days ago, the government is considering the responses received and will take legal advice before a proposition is put to Chief Pleas for approval. As we understand it, the Guernsey Share Transfer Duty regime quoted in the SVL press release isn't Law yet and the Guernsey Bar is being consulted. The equivalence tax on Sark, as proposed, would be on property quarters and **is not a tax on land**, it is intended to close a loophole and not raise extra taxes. Therefore it is not clear how SVL conclude this *'severely undermines the future financial viability of the business'*.

END
NO FURTHER COMMENT

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