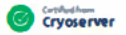


Elaine Millar [REDACTED] >



From: [REDACTED]
To: [REDACTED] <[REDACTED]>
Addressed To: [REDACTED]
Subject: RE: URGENT: Small Distillers Relief Changes
Date: Tuesday, June 18, 2024 18:14 BST
Attachments: image004.png (45 KB), image003.png (10.1 KB)

[like] Elaine Millar reacted to your message:

From: [REDACTED] <[REDACTED]>
Sent: Tuesday, June 18, 2024 5:03:52 PM
To: Elaine Millar [REDACTED] >; Kirsten Morel [REDACTED]
Cc: [REDACTED]@gov.je>; [REDACTED]@gov.je>
Subject: RE: URGENT: Small Distillers Relief Changes

You don't often get email from [REDACTED]. Learn why this is important <<https://aka.ms/LearnAboutSenderIdentification>>

CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Thank you very much Elaine,

I will wait or [REDACTED] to send over a time for Thursday and will make sure that I can make it.

Best Regards,

Alex

From: Elaine Millar [REDACTED] <[REDACTED]>
Sent: Tuesday, June 18, 2024 5:43 PM
To: [REDACTED]; Kirsten Morel [REDACTED]@gov.je>
Cc: [REDACTED]rquand@gov.je>; [REDACTED]@gov.je>
Subject: RE: URGENT: Small Distillers Relief Changes

Hello Alex,

Happy to meet but we are struggling to find a time, as diaries are busy and I am on leave Thursday through Monday. Our PSs are trying to find a slot on Thursday morning, as that is the only time I can do this week. [REDACTED] will be in touch with you shortly.

Best wishes

Elaine

From: [REDACTED] <mailto:[REDACTED]> <[REDACTED]>>
Sent: Monday, June 17, 2024 12:17 PM
To: Elaine Millar [REDACTED] <mailto:[REDACTED]>; Kirsten Morel [REDACTED]
Subject: URGENT: Small Distillers Relief Changes
Importance: High

Some people who received this message don't often get email from [REDACTED]. Learn why this is important <<https://aka.ms/LearnAboutSenderIdentification>>

CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Dear Elaine and Kirsten,

I am emailing to ask for an urgent meeting to discuss the proposed changes to the small distiller's relief in the next Government Plan. I had a meeting with Treasury officers [REDACTED] today who explained the current proposals/ideas.

I am extremely concerned that to my understanding, the full small distiller's relief would be provided not just to rectifiers (re-distillers) but

compounders as well. La Côte Distillery currently qualifies as a small distiller as we make all our own alcohol. In labour and investment, this is significantly harder than importing a base alcohol and helps to ensure businesses like us are viable.

I currently foresee that if the scope widened to all categories, it will like prove devastating to our 'Genuine Jersey' accredited business as it will be impossible to compete.

I have prepared a set of options that I think would benefit the whole distilling industry including rectifiers, whilst ensuring a proportionate level of relief based on production type. I will share this with you and officers shortly. One of these is to include a new category 'Small Rectifier of Spirits', to enable a duty relief for the on-island rectifiers who make spirits from an imported base alcohol.

I would be grateful if either or both of you could find a small amount of time for a meeting to discuss these changes.

Kind Regards

Alex

Alex Curtis



info@lacotedistillery.com<mailto:info@lacotedistillery.com>

La Motte Street, St. Helier

*

From: [REDACTED]
To: 'Elaine Millar' [REDACTED] >,'Kirsten Morel' [REDACTED] @gov.je>
Cc: [REDACTED] @gov.je> [REDACTED] @gov.je>
Subject: RE: URGENT: Small Distillers Relief Changes
Date: Friday, June 21, 2024 15:54 BST
Attachments: image001.png (35.7 KB), image004.png (45 KB), image002.png (5.4 KB), image006.png (5.5 KB), Small Distillers Relief Consultation_LA COTE.pdf (361.6 KB)

CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Dear Ministers and Officers,

I didn't hear from [REDACTED] about a meeting and appreciate Elaine is now on leave.

In the meantime, please see attached our representation on the topic of Small Distillers Relief and the proposed changes. We would appreciate any feedback and would still request a meeting with ministers at the earliest possible opportunity.

I want to reiterate our view that is detailed in this submission that we are supportive of island rectifiers and compounders and want them to succeed, but we remain convinced that the proposed changes as described to us will hurt and damage the long-term opportunity for Jersey's local distilling industry, and our island's opportunity to have a successful 'Jersey Brand' for spirits' export.

Yours Sincerely

Alex Curtis

Alex Curtis

[REDACTED]

info@lacotedistillery.com <mailto:info@lacotedistillery.com>

From: Elaine Millar [REDACTED] @gov.je>
Sent: Tuesday, June 18, 2024 5:43 PM
To: [REDACTED] Kirsten Morel [REDACTED] @gov.je>
Cc: [REDACTED] @gov.je> [REDACTED] @gov.je>
Subject: RE: URGENT: Small Distillers Relief Changes

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Best wishes
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Importance: High

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I would be grateful if either or both of you could find a small amount of time for a meeting to discuss these changes.

Kind Regards

Alex

Alex Curtis

[REDACTED]

info@lacotedistillery.com<<mailto:info@lacotedistillery.com>>

La Motte Street, St. Helier

Small Distillers’ Excise Duty Limit – Consultation and Review

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- 2. Current Situation 4
- 3. Treasury Proposition 5
- 4. Potential impacts 7
- 5. Possible options 9
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1. Summary

Current Situation

Jersey has a number of businesses that produce spirits. The level of input to this varies from those who carry out all their processes here (distillers) to those who import and re-distil alcohol (known as “rectifiers”), import and blend or just dilute existing spirits (known as “compounders”). In some case no actual production takes place with distillation and bottling being performed in another location (“Off island contracted distillers and importers”). Some businesses may provide products in different categories with some locally distilled product but with their bulk product made from cheaper imported base alcohol.

La Côte Distillery currently benefits from the lower duty rate for ‘small independent distillers’ (‘Small Distillers Relief’) by qualifying as a small independent distiller due to its on-island production. Without this relief, or if this relief were to be offered at the same level to non-distillers (rectifiers, compounders and importers) we could not compete and sustain the business.

Current position - Treasury

The Treasury through Customs & Excise requires different types of business to pay different levels of duty depending on their business model. A key element of this is a “small distillers relief”– which supports smaller businesses that carry out their own original distillation of the alcohol independent of other distillers.

Proposed changes

We understand from a meeting with officers that Treasury propose to expand the availability of the small distillers relief to:

- Increase the quantity of alcohol that may be produced within the relief limit;
- Include Rectifiers and Compounders where much or all of the key production is performed by other parties and often outside the island e.g. in England, Sweden or Poland.

We do not know the exact method of implementation and whether it would also include importers where bottling occurs off island.

Potential impacts

We believe that the changes as envisaged could:

- Force small local distillers out of the market due to unfair competition.
- Reduce the tax take for Treasury.
- Encourage businesses seek to reduce costs by modifying their business model to take advantage of the allowance.
- Impact the potential for Jersey to itself as a producer of quality products with a clear provenance in the way we have done with other products such as potatoes and milk.

Proposed approach

We support a review and some level of expansion of the relief, that could allow us and similar businesses to expand and importantly consider off-island export, however we do not believe that the definition of a small independent distiller by virtue of its' independence and need to produce its own alcohol should change.

Should the Government wish to assist on-island rectifiers of alcohol, we believe the best approach would be through a new category of 'rectifier of spirits' which could receive a lower level of relief than local distillers. Further options are identified in section 5.

2. Current Situation

Customs duty on alcohol is charged at different rates depending on a range of factors

These include:

- The type of alcohol.
- The alcoholic strength.
- The size and type of producer.

A key element of this is referred to as “small distiller’s relief” which allows small producers to charge a lower level of duty on their products.

This approach is similar to many EU countries and Northern Ireland, where a level of production is allowed up to 50% relief under Directive 92/83/EEC. Jersey law reflects similar wording to this direction that states;

Directive 92/83/EEC: Article 22(2)

For the purposes of the reduced rates, the term 'small distillery' shall mean a distillery which is legally and economically independent of any other distillery and which does not operate under licence.

Within Jersey, a number of businesses have entered the alcohol production and these fall into industry recognised categories.

- Alcohol distillers
 - o who produce the alcohol themselves such as from apples or barley.
- Rectifiers
 - o who take alcohol that has been produced by distillers off-island and re-distil it with botanicals or ingredients, often to create Gin or similar flavoured distillates.
- Compounders
 - o Who take alcohol that has been produced by distillers off-island and blend it with other ingredients (including solely water for the purposes of dilution). The alcohol may be a refined spirit such as a rum or neutral spirit (base alcohol);
- Contracted off-island distillers/importers
 - o These have created a brand and style of product and have this produced for them by a distiller in another location and may have it bottled there.

From the above, it will be seen that that the local skill, input and cost of production may vary significantly according to the method of producing a finished product. There is also a risk that encouraging low effort forms of production could dilute the image of Jersey as a producer of quality goods, contrary to the aims of several Government and Department of the Economy Strategies.

3. Treasury Proposition

Current Policy/Legal Context

A small distiller, and Duty Levels are currently defined in primary legislation in the *Customs and Excise (Jersey) Law 1999*.

Part 1 Article 1 defines a small independent distiller.

“small independent distiller of spirits” means a distiller of spirits who –

- (a) during the period of 5 years ending on the day before excise duty is charged on spirits produced by the distiller, has not distilled more than 10,000 litres of alcohol;
- (b) is legally and economically independent of any other distiller of spirits; and
- (c) uses premises physically separate from those of any other distiller of spirits;

“spirits” means potable spirits of a strength exceeding 5.5% volume;

Part 2 Article 1 defines the rate of duty paid on spirits, and it has been typical for this to be half the standard rate when applied to a small independent distiller.

1 Spirits and spirits-based drinks

There shall be charged –

- (a) on all spirits, produced by a small independent distiller of spirits, which are imported into or produced or manufactured in Jersey, excise duty at the rate of £22.75 per litre of alcohol;
- (b) on all other spirits imported into or produced or manufactured in Jersey, excise duty at the rate of £45.46 per litre of alcohol; and
- (c) on spirits-based products which are ready-to-drink and are imported into or produced or manufactured in Jersey, excise duty at the rate of £45.46 per litre of alcohol.

For background, the 10,000 litre per five year period leads to an estimated ‘2,000 litre per year’ limit to qualify for small distillers relief.

This equates to the following in bottles

- 7,619 x 70cl bottles at 37.5% ABV
- 6,493 x 70cl bottles at 44% ABV (The common strength we bottle at)

[REDACTED]

[REDACTED]

[REDACTED]



Current draft proposition

We believe that Treasury and the Minister are considering changes to the above legislation which would:

- Increase the amount of a spirit that a business may produce;
- Remove the necessity to be independent of other distillers or for the product to be distilled.

4. Potential impacts

We believe the proposed changes could have significant negative impacts in at least three core areas:

Unfair competition driving local producers out of business

Small Distillers Relief, like Small Brewers relief is intended to support small businesses and protect them from larger operators giving them the potential to build successful and potentially larger businesses.

This is achieved by limiting the relief to:

- A time banded period
- A certain volume of spirits
- Independence from other distillers – to ensure the benefit of the relief goes to businesses that do not benefit from economies of scale that arise from buying in cheap alcohol or using external (or local) outsourced producers.

Any business which bases its products on pre-made base alcohol can swamp a market and drive out local businesses.

Equally, any businesses that outsources key parts of the production – such as distilling – is, in effect, getting the benefit of much larger economies of scale.

It has been widely acknowledged that the introduction of Small Brewers Relief had a direct impact on the creation of the UK Craft Beer industry and the revival of brewing in the UK.¹

Reduced Treasury Income

The existing relief will only impact a small amount of the spirits sold in Jersey.

It is likely that a number of businesses are currently claiming relief that, if examined closely, may not be appropriate. This will already be reducing Treasury income.

Relaxing the types of producers that qualify for the relief could also lead to businesses changing their business model to exploit the relief.

As an example, other local businesses such as hospitality groups or alcohol distributors may set up operations to produce “in house” spirits – e.g. by importing and diluting or blending spirit or even just applying “own branding” - so resulting in a more significant proportion of spirits falling outside of the standard duty and a more significant loss for Treasury without delivering against the policy intention of supporting smaller producers.

Negative impact on the “Jersey Brand” and the ability to establish a local spirits industry

Over recent years a few local businesses have established local distillation facilities. This provides the island with an opportunity to develop a brand as a producer of drinks alongside other recognised Jersey products.

¹ [SBR@20-Report-2022.pdf \(siba.co.uk\)](#)

Allowing larger, non-independent businesses the same level of relief as these small local producers could both kill the existing businesses and prevent Jersey from establishing a Brand based on clear Jersey provenance.

• LA CÔTE DISTILLERY •



5. Possible options

Options and Recommendations for Review

Given the above context, we are led to see a range of policy options that could benefit Jersey through multiple channels. Whilst originally framed as recommendations, each option has an impact on the adoption of others, ultimately addressed by our final recommendation below.

Option 1: Increase the Annual Production Limit for Small Independent Distillers

The current level is too low to encourage the start-up and scaling of on-island distillers such as La Côte Distillery. We see many potential markets for distillers including greater on-island supply and export, however we see a fundamental limit on our production whilst the current duty level exists. Options include providing a 'premium economy' product to displace imports, however at regular duty rates it is impossible to compete against products such as 'Smirnoff' and 'Gordons'.

If no other options are adopted, we suggest the base limit is increased to at least 10,000 litres per year.

Option 2: Allow a level of export by producers that does not impact the annual production limit declared in Jersey.

The island should encourage businesses to produce products on-island that are exported, as export of product and service is essential to ensure the island has a strong and diversely generated 'balance of trade'.

To do so, we suggest that a level of exported product is not counted towards on-island small distillers relief. This would encourage businesses to export and generate profits in Jersey without hampering the ability to have a sustainable on island presence.

Option 3: Allow producers within a threshold to declare both duty rates when the standard is exceeded.

The current system has an inherent 'worse-than cliff-edge' effect whereby when a producer exceeds the current limits (or expects that they will within the five year period), they are no longer a small distiller and as such pay full duty on all products. Whilst they will have had a short period of relief, all products in all years forward will be levied at the full excise rate.

This makes it beneficial for a business operating remotely close to the thresholds to stay below 2,000 litres per year.

We suggest that either a sliding scale is applied, or the first X litres produced (X subject to the review) is always charged at the small distillers relief whilst a distillery is within a greater specified production level. This would allow a business to make a conscious decision to exceed the limit on-island whilst retaining the margins required on the first X litres.

Option 4: Introduce a 'Small rectifier of spirits' category and an associated relief.

We do not believe that rectifiers of spirits should qualify for small distillers' relief as currently formed. Whilst current and future businesses are producing quality products, and as a distillery we like to support them, the economics of this type of business is far different to alcohol distillers, and not recognising this difference would negatively harm current and future alcohol distillers, who already have to invest significantly to deliver on-island alcohol production.

This being said, we suggest that if support should be extended to cover this class of producer, it is done through a new category that recognises the role. The UK define such producers not as distillers but as rectifiers, since they rectify a pre-existing product. We believe the most appropriate way to provide relief to this category should the Government be minded is through this new category, at a rate no less than 75% of full duty. Similar exemptions on export, thresholds could also apply.

Any such category should be clearly defined to prevent misuse. One can imagine perverse use of the rule by importing mass-made product, flavouring this and calling it a rectified spirit, or rectifying in the still only to access the lower duty relief.

Option 5: *Collect greater detail about producers claiming relief or a lower duty rate.*

As a business that aims to 'do good for Jersey', we believe that those benefiting from a policy incentive should report on their operations to a greater degree to enable better policy making. As such, we suggest that Customs and Excise should be 'empowered' by law to request detail as such they require to develop policy and report on the relief schemes. Similar reporting requirements exist within non-statutory schemes such as the Productivity Support Scheme, as well as statutorily, such as the Agricultural Returns Law (Jersey) 1947.

Option 6: *Allow businesses to claim both a rectifier and distiller relief on their respective products.*

Currently, the definition of a small independent distiller requires complete economic independence from other distilleries. This prevents a business that is currently a rectifier from claiming any relief on products that they distil 'Grain to Glass' and so is likely a deterrent to expanding their offerings.

One solution to this would be amend the definitions to allow a business to claim both rectifier and distiller duty rates by declaring each product type separately. This would hopefully encourage more local businesses to explore 'alcohol distilling' and benefit from the full 50% duty relief.

Summary and Recommendation

Given these options, we would suggest a combination of all of the above will provide the best scheme to enable the islands' distillers and hospitality industry to prosper. It could look as such;

Small Distillers Relief *Limit*: 5,000 litres per year

Small Distillers Export Exemption: 10,000 litres per year

Small Distillers Threshold: Relief is not lost until a producer is in excess of 50,000 litres per year. Up to this, a blended duty rate would be small distillers relief up to 5,000 litres and full duty on the remaining amount.

Small Rectifiers Relief: 75% of base duty to the same limits of a small distiller.

Appendix A - Industry Context

The island is fortunate to have an increasing range of alcohol brands/producers which broadly fall into three categories (some producers overlap categories with their range of products).

1. Alcohol Distillers

These producers create all their alcohol on-island from an agricultural source of sugar. Production requires greater time, skill and investment. Scaling production is hard and requires significant investment in equipment and space.

Examples: *La Cote Distillery*; [REDACTED]

2. Rectifiers

The businesses take existing alcohol and modify it in some way.

Examples may include:

- Buying existing spirits in bulk, blending them and adding a local flavour;
- Buying base alcohol at 95% and using this as a basis for further distillation eg to produce a gin by adding botanicals and redistilling this to produce a gin;
- Buying base alcohol at 95% in bulk and adding water to reduce the strength and selling it as Vodka.

Examples: [REDACTED]
[REDACTED]

3. Off Island Contracted Distilling and Importers

Examples: [REDACTED]

These producers typically tie their product to Jersey through their ingredients, either for the alcohol or for flavouring, however most, or even, all production occurs off island. This can involve sending potatoes, milk products or botanicals to off island distillers who use their equipment to produce the product.

In the case of some products, the level of Jersey produce in the final varies from purportedly providing all the sugars for the base alcohol, to a blend of a custom base spirit mixed with another base spirit, to the use of another distillers' base spirit entirely blended with a flavouring (e.g. aged Caribbean rum with a flavour).

This landscape leads to dramatically different business characteristics. Off island production can scale, leverage products distilled in different economic climates and require limited intervention.

Rectifiers may perform a genuine operation on Jersey, but their labour and investment is still significantly lower per comparative output to an alcohol distiller.

Appendix B- Our Business - La Côte Distillery

Our Business Context

La Côte Distillery was formed in 2016 and started selling to the public in 2017, making us one of the longer trading distillers on the island. Since the business started, we have always committed to 'Grain to Glass' distilling, producing all our own alcohol in-house.

'Grain to Glass' distillers are few in number, once quoted to be only 10% of UK Gin distilleries². The value of Grain to Glass goes beyond marketing. It enables education in communities, local supply chains, reuse of distillate and opportunities for sustainability to name a few.

At La Côte Distillery, [REDACTED]

[REDACTED]

- | [REDACTED]
- | [REDACTED]
- | [REDACTED]
- | [REDACTED]
- | [REDACTED]
- | [REDACTED]
- | [REDACTED]

At this scale, it would be impossible to offer an 'affordable premium' product at full duty, and hard to compete with producers using imported spirit if they had the same level of duty relief.

References

[Grain to glass? The first step is vodka - CLASS \(classbarmag.com\)](#)

² [Olivier Ward: Using your own base spirits \(youtube.com\)](#)

From: [REDACTED]@gov.je>
To: Kirsten Morel [REDACTED]@gov.je>, Elaine Millar [REDACTED] [REDACTED]@gov.je>
Subject: FW: URGENT: Small Distillers Relief Changes
Date: Tuesday, July 02, 2024 12:54 BST
Attachments: image001.png (35.7 KB), image004.png (45 KB), image005.png (5.4 KB), image006.png (5.5 KB), image002.png (7.8 KB)

Dear Minister, Colleagues

I was about to suggest a discussion next Thursday (11th) at a time between 2-4pm on this subject.

If that works then we will send an invitation.

Kind regards

[REDACTED]

From: [REDACTED] >
Sent: Tuesday, July 2, 2024 12:49 PM
To: Kirsten Morel [REDACTED]; Elaine Millar [REDACTED]
Cc: [REDACTED]@gov [REDACTED]@gov.je>
Subject: RE: URGENT: Small Distillers Relief Changes

CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Dear Kirsten and team,

Thank you for the brief chance we had to discuss last Monday, and your comments that you would support a dual tier system should it be possible and feasible in law.

In my understanding, it would be completely possible and fairly easy to deliver the following under the Government Plan and Finance 2025 (Jersey) Law.

The Finance 2006 (Jersey) Law shows how this is done, which originally implemented the Small Independent Distiller definition and rates as below;

Finance (Jersey) Law 2006 (jerseylaw.je) <<https://www.jerseylaw.je/laws/enacted/Pages/L-14-2006.aspx>>

As such I am sure it would be straightforward to do the following this year;

1. Amend the definition 'Small Independent Distiller' to

- * Increase their production allowance from 10,000 litres every five years and make it a yearly figure.
- * Test independence only on the production of 'distilled' products. For example, a small independent distiller may also be a compounder and rectifier, but may claim relief on the products they produce that are 'distilled and produced legally and economically independent from another distiller'.

1. Introduce the definition 'Small Rectifier' as a producer who is 'legally independent of other rectifiers and uses premises separate from any other rectifier'.

The 'economic independence' of rectification would not be included as they would be purchasing alcohol from a distiller who by virtue of their production rectifies their own product. The fact that physical independence of site is required would prevent abuse or unintended consequences.

1. Introduce a new duty rate for the new category of 'Small Rectifier' at 75% of the current full duty rate.

This proposed scheme would provide relief to all small rectifiers and would enable them to run both rectifying operations and delve in to 'distillation' whilst benefiting from each relief, encouraging local investment, innovation and new products that will promote Jersey.

Best Regards,

Alex

Alex Curtis

info@lacotedistillery.com<mailto:info@lacotedistillery.com>

La Motte Street, St. Helier

[cid:image002.png@01DACC7E.FE155F10][cid:image004.png@01DACC7E.194B45C0]

From: Kirsten Morel <[REDACTED]>

Sent: Friday, June 21, 2024 7:55 PM

To: [REDACTED]; Elaine Millar <[REDACTED]>

Cc: [REDACTED]@gov.je<mailto:[REDACTED]@gov.je>; [REDACTED]

[REDACTED]@gov.je<mailto:[REDACTED]@gov.je>>

Subject: Re: URGENT: Small Distillers Relief Changes

Dear Alex

Please accept my apologies for not having responded sooner and I am grateful to Elaine for getting back to you.

I'm grateful for the submission. It raises some interesting points.

FYI, my starting point is that I am keen to ease trading conditions for as many local businesses as I can, including through the use of reductions in duty.

For a number of reasons, which I am happy to explain at a later time, I can see potential advantage in having a two tier rate that separates rectifier and compounders, as suggested in the submission

There may be legal or technical reasons why this is not viable but I am not aware of them off the top of my head.

In the event that there are, I would still favour introducing a widening of the existing definition, as this would bring benefit to several local businesses that face challenging conditions at this time.

If the Treasury Minister is content, I would be pleased to ask officers to explore a two tier option.

We should see each other in the States next week, so I'd be happy to discuss it further then.

I hope this helps explain my thinking on the topic at the current time.

Enjoy the weekend!

Kirsten

Kirsten

From: [REDACTED]

Sent: 21 June 2024 3:54 PM

To: Elaine Millar <[REDACTED]>; Kirsten Morel <[REDACTED]>

Cc: [REDACTED]@gov.je<mailto:[REDACTED]@gov.je>; [REDACTED]

██████████@gov.je ██████████@gov.je>>
Subject: RE: URGENT: Small Distillers Relief Changes

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Dear Ministers and Officers,

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Yours Sincerely

Alex Curtis

Alex Curtis

██████████

info@lacotedistillery.com<mailto:info@lacotedistillery.com>

La Motte Street, St. Helier

[

From: Elaine Millar [REDACTED]
Sent: Tuesday, June 18, 2024 5:43 PM
To: [REDACTED]; Kirsten Morel [REDACTED]
Cc: [REDACTED]@gov.je<mailto:[REDACTED]@gov.je>> [REDACTED]
[REDACTED]@gov.je>>
Subject: RE: URGENT: Small Distillers Relief Changes

Hello Alex,

Happy to meet but we are struggling to find a time, as diaries are busy and I am on leave Thursday through Monday. Our PSs are trying to find a slot on Thursday morning, as that is the only time I can do this week. [REDACTED] will be in touch with you shortly.

Best wishes

Elaine

From: [REDACTED].uk>>
Sent: Monday, June 17, 2024 12:17 PM
To: Elaine Millar [REDACTED]; Kirsten Morel [REDACTED]
Subject: URGENT: Small Distillers Relief Changes
Importance: High

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Dear Elaine and Kirsten,

I am emailing to ask for an urgent meeting to discuss the proposed changes to the small distiller's relief in the next Government Plan. I had a meeting with Treasury officers [REDACTED] today who explained the current proposals/ideas.

I am extremely concerned that to my understanding, the full small distiller's relief would be provided not just to rectifiers (re-distillers) but compounders as well. La Côte Distillery currently qualifies as a small distiller as we make all our own alcohol. In labour and investment, this is significantly harder than importing a base alcohol and helps to ensure businesses like us are viable.

I currently foresee that if the scope widened to all categories, it will like prove devastating to our 'Genuine Jersey' accredited business as it will be impossible to compete.

I have prepared a set of options that I think would benefit the whole distilling industry including rectifiers, whilst ensuring a proportionate level of relief based on production type. I will share this with you and officers shortly. One of these is to include a new category 'Small Rectifier of Spirits', to

enable a duty relief for the on-island rectifiers who make spirits from an imported base alcohol.

I would be grateful if either or both of you could find a small amount of time for a meeting to discuss these changes.

Kind Regards

Alex

Alex Curtis

[REDACTED]

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