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From [Hansard](#):

## VAT: Channel Islands

**Mrs. Gillan:** To ask the Chancellor of the Exchequer what estimate he has made of the effect on value added tax (VAT) revenue of VAT-free goods coming through the Channel Islands into the UK in each of the last three financial years. [256410]

**Mr. Timms:** We estimate that the cost of the Low Value Consignment Relief on imports from the Channel Islands was around £70 million in 2006-07 and £80 million in 2007-08.

Insufficient data are available to produce comparable estimates for the year 2005-06.

**Mrs. Gillan:** To ask the Chancellor of the Exchequer what steps he is taking to prevent value added tax-free goods entering the UK from the Channel Islands. [256476]

**Mr. Timms:** Over the last three years the Government have worked with the authorities in Jersey and Guernsey to address this issue. As a result, and to avoid potential damage to their international reputation, the authorities in Jersey and Guernsey have taken a number of steps to restrain the exploitation of the low value consignment VAT relief by UK companies. These are set out in detail in my speech to the House on 27 January 2009, **Official Report**, columns 275-76.

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