

If you will allow tax abuse by being a tax haven please...

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The [Jersey Evening Post has reported](#):

A CHANGE to a UK tax policy may have a negative effect on the industry that the rule was originally designed to protect.

Lower value consignment relief was introduced to speed up the administration process when shipping items of low worth to the UK. The policy allowed anything shipped to the UK that had a value of less than £18 to be exempt from VAT. This benefited the horticulture industry, as previously some plants shipped to England were dying after being held up by the VAT procedure in the UK.

However, large companies such as Play.com spotted the opportunity to undercut UK prices by basing themselves in Jersey, allowing them to offer CDs, DVDs and computer games at reduced prices.

Earlier this year it was announced that from November the threshold for LVCR will drop from £18 to £15 to enable UK companies to compete with offshore retailers that have been taking advantage of the VAT loophole.

And that's just the start of it: it's very clear that unless the abusive trade stops LVCR at anything like £15 will go too.

But that's the price you pay for encouraging tax abuse: real business suffers.