

# Jersey, subsidising tax abuse via PWC

Published: January 13, 2026, 5:58 am

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Jersey is paying a heavy price for taking on the UK on the issue of the VAT abuse that was operated by companies such as Amazon through the island until outlawed by the UK in April this year.

Despite officially saying it condemned the scheme when the UK outlawed it Jersey rushed to arms to defend the right of companies to abuse UK tax law from its shores. And now as [Channel TV reports](#) it's paying a heavy price for doing so, and losing:

*Jersey politicians are asking why local legal costs have rocketed in the failed bid to overturn Britain's scrapping of LVCR. The island's bill has reached £740,000 - that's more than double the estimate of £360,000 and 10 times more than Guernsey's costs, which are £75,000. The bill is set to rise further when the UK government claims for its costs, which will be divided between the two islands.*

*Low Value Consignment Relief had allowed Channel Island companies to send cheap goods to the UK VAT-free. Last year, the UK government decided to end the controversial tax loophole. In March, Jersey and Guernsey States appealed to the High Court to overturn that decision but the islands lost their appeal. During States' Question Time, Jersey's Attorney General said complexities of the case and unforeseen developments, such as compiling extra witness statements, caused the costs to rise. He confirmed that the fulfilment industry has contributed £85,000 towards legal costs, but the remainder will come out of the taxpayer's purse.*

Nice to know Jersey subsidised the abusers. Never, ever let it be said that Jersey doesn't subsidise or support tax abuse.

Oh, and to whom are these costs being paid" As Channel TV noted:

*Chief Minister Ian Gorst said: "Litigation is a very uncertain process and it's very usual that costs will increase during legal action. I am satisfied by the original legal advice we received from PWC Legal."*

Never, ever let it also be said that PWC aren't a) in it for themselves b) on the side of

tax abuse.