



The Government of Sark
POLICY AND FINANCE COMMITTEE

COMMITTEE OFFICE, LA CHASSE MARETTE, SARK GY10 1SF

Telephone: (01481) 832118 E-mail: policy.finance@sarkgov.co.uk

Guernsey's Goods and Services Tax (GST) Reforms

Residents will be aware that the States of Guernsey has now voted to introduce **GST in 2029**. The cost of living in Sark is already high, and residents are rightly concerned about the potential impact this may have on prices and everyday expenses.

Over the past few years Conseillers have had preliminary discussions with Guernsey counterparts and officers regarding the potential implications of GST for Sark. Whilst this is perhaps not a tax that Sark might have chosen, we have been very encouraged that Guernsey has listened carefully to the concerns raised regarding Sark's already high cost of living and the potential effect on island households and businesses. These initial discussions have included some bespoke measures for Sark that could help reduce the impact, for example, ensuring GST is zero rated from essential wholesalers of food and fuel.

GST will inevitably have some effect on Sark as most goods arriving here pass through or are purchased from Guernsey. There is no solution that entirely removes the impact, be that a formal goods border between our islands or additional costs that may be incurred when shopping in Guernsey. Our priority is therefore to ensure that any arrangements minimise this impact for residents and businesses. We have been clear throughout that the movement of people and goods between Sark and Guernsey must remain as frictionless as possible, and we will continue to make that case strongly on Sark's behalf. Guernsey has also confirmed that Sark could receive a rebate payment to offset the GST paid by Sark residents and businesses on goods and services purchased through Guernsey. This could in turn be used to offset rises in basic tax rates in Sark.

GST will not come into effect in Guernsey until early 2029.

There is still much work to be done before any final arrangements can be agreed and any proposals affecting Sark will ultimately require debate and approval at Chief Pleas. We are committed to reaching the pragmatic solution for Sark residents throughout this process and our objective throughout will be to minimise the impact on islanders and secure the best possible outcome for Sark. We will keep residents updated as these discussions progress now that a decision to proceed with GST in Guernsey has been made. More information about how GST may affect Sark residents and businesses will be published in the next couple of weeks.

6th October 2026