

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

3rd November 2026

Proposition No. P.2026/

Policy & Resources Committee

The States of Guernsey Annual Budget for 2027

AMENDMENT

Proposed by: Deputy A Kazantseva-Miller

Seconded by: Deputy M Laine

At the end of Proposition 9, add "subject to the following amendments to The Excise Duties (Budget) Ordinance, 2026 –

(a) after section 4, insert the following section –

"4A. In the definition of "independent small distiller of spirits", substitute "30,000" for "20,000", wherever it occurs in that definition.", and

(b) in section 11 –

(i) in subsection (1), after "4," insert "4A,", and

(ii) in subsection (2), after "4," insert "4A,".

Rule 4(1) Information

- a) The proposition contributes to the States' objectives and policy plans by supporting local producers and diversifying the economy, therefore aligning with the 'Empowering Economy' key outcome under the 'Foundations for our Future' area of focus in the Government Work Plan 2026 – 29.
- b) In preparing the proposition, consultation has been undertaken with the Policy & Resources Committee and Treasury officers.

- c) The proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) It is not anticipated that there would be any financial implications to the States of carrying the proposal into effect compared to the proposed 2027 Budget.
- e) Drafting advice has been sought from the States' Greffier.

Explanatory note

This amendment seeks to raise the production threshold for independent small distillers from the existing 20,000 litres to 30,000 litres of pure alcohol. The amendment would also apply the same threshold limit to the co-operative working provision for independent small distillers.

The introduction of discounted duty rates for independent small distillers has benefited the sector, leading to the creation of new products for the Channel Islands market. However, success in some instances has seen some businesses now approaching the initial 20,000 litre limit, beyond which they will incur the full duty charge. This places them in direct competition from international brands that benefit from significantly greater economies of scale. The Committee *for* Economic Development (the Committee) is encouraged by the success of the initial policy approach and seeks to further support the growth of small distillers through the extension of the threshold to 30,000 litres.

In considering this adjustment, the Committee consulted with local distillers during 2026, where concerns and feedback relating to thresholds and moving to a 30,000 litres limit were raised. This feedback was subsequently shared with the Policy & Resources Committee, together with recommendations for consideration.

Businesses operating across the Channel Islands have also highlighted the operational benefits of greater policy alignment between the Islands. With regard to the independent small distiller threshold, the Committee notes that the proposed 2027 States of Jersey Budget includes a recommendation to increase the threshold to 30,000 litres, building on the existing distiller relief regime.