



Shabana Mahmood MP
House of Commons
London
SW1A 0AA
3rd December 2020

Dear Shabana Mahmood MP

Reversal of the VAT Retail Export Scheme (VAT Notice 704)

The UK jewellery industry is already confronting economic challenges that have arrived in recent years and is now further impacted by non-essential COVID closure in November, a crucial trading period for the local jeweller. COVID has of course resulted in a severe lack of tourism into the country, understandably, however the outlook doesn't look much better with the removal of the VAT Retail Export Scheme from 1st January 2021.

The VAT Retail Export scheme represents a point of competitive advantage for UK Jewellers to attract Jewellery buyers for their luxury goods. Unless the decision to remove the scheme is reversed, we foresee further implications across the wider sector with not just retail but also manufacturing Jewellery businesses in danger.

As Member of Parliament for Birmingham, Ladywood we estimate that at least one in ten of all Jewellery bought in the UK will have passed through your constituency, Birmingham's internationally renowned Jewellery Quarter. The city has for a long time attracted international travel, for both business and pleasure through its wealth of theatres, restaurants, and hospitality attractions. The jewellers in our membership directly benefit from such tourism given the quarters destination appeal to buy authentic British Jewellery.

The removal of this scheme will no doubt impact job security at a delicate moment for all, with businesses already having to make difficult decisions. The Jewellery Quarter, along with London's Hatton Garden are the epicenters of British jewellery, not just commercially, but also culturally with heritage dating back to the 1800s, another competitive advantage that will be impacted with the scheme removed.

We need support to reverse this decision and continue the competitive advantages I've outlined above. Your endorsement, direct advice and guidance, reassurance and empathy are vital at this time. I have enclosed a letter sent to the Chancellor from the Association of International Retail, who are leading the campaign nationally to reverse this decision.

Jewellery businesses are a lynchpin of the Jewellery Quarter, and this matter is not just going to affect the minority, but the majority. With significant liquidity issues for retailers and their supply chain Jewellery businesses will find it increasingly difficult to operate, thus impacting on one of the UK's greatest creative industries. Urgent action can and will make a difference.

Yours sincerely

Gary Wroe
Chair, National Association of Jewellers

David Doyle
President, National Association of Jewellers

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