

vat news

Early 2009 - Issue 9

Golf Clubs – Don't Miss out on Potential VAT Claims



Welcome to the first VAT News in 2009 which you will hopefully receive having successfully completed the tax return season. In this issue we provide updates on a couple of current issues as well as reminding you of some developments in the VAT world. Also we provide an update on our Customs service.

If you are involved with a golf club, as a member, on the board or as an accountant, you will already be aware that there may be an opportunity for golf clubs to make back claims for substantial amounts of VAT previously paid to HMRC. The claims relate to two areas:

Back Claims for VAT Declared on Membership Fees

The majority of clubs will have already made a claim for VAT on membership fees paid from 1991 onwards as HMRC was found to be in conflict with EC law which treated these fees as VAT exempt.

Prior to 1991 HMRC had derogation from EC law allowing it to treat membership fees of sporting bodies as plus VAT. The validity of this derogation is currently being tested. If proved invalid, it opens the floodgates for back claims for VAT paid on membership fees from 1973 to 1991. If the club has not made a claim for VAT declared from 1991 onwards it should consider a claim now.

VAT Declared on Green Fees Paid by Non Club Members

A recent European Court of Justice Decision in the case of Canterbury Hockey Club looked at the VAT treatment of affiliation fees paid by the club to its national governing body. These fees were found to be VAT exempt.

When the decision was made the scope of the sporting exemption in general was considered. The ECJ found that payments by individuals to participate in a sport should be treated as VAT exempt. There is no mention of the payment having to be made to a body that the payer is a member of. This means there is potential to argue that green fees paid by non members of golf clubs should be treated as VAT exempt.

We are currently working with a number of golf clubs to secure VAT repayments if HMRC are found to be incorrect in the treatment of membership fees pre 1991 and green fees from 1973 to date. The amounts of VAT involved could make a substantial difference to the clubs.

But! It should be noted that such claims are (at present) speculative. They depend on the successful outcome of lead cases challenging HMRC's interpretation of the law. The opportunity for back claims to 1973 will end on 31 March 2009. Our advice is to make a claim to protect the golf clubs VAT position.

We can of course assist you and your clients to lodge a claim with HMRC. If you are interested please contact a member of our team on 0870 420 8971.

We are Specialists in VAT Relating to:-

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Our Range of Services Include:-

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To see how we can help you call

0870 420 8971

Claims Period Expires Soon!

DON'T FORGET - Further to the above article, the 31st March 2009 deadline draws ever nearer and this will be the last VAT News before it expires so if you have any

clients, in particular motor dealers, who overpaid VAT in the period up to 1996 then now is the time to contact us

the **vat** people
barnard atkins

Customs – Impact of Economic Downturn

As advised in previous editions of VAT News, as well as offering high quality VAT advice, The VAT People also provides specialist Customs advisory services – Look out in the next VAT News for details of the launch of The Customs People which recognises the need for such specialist services.

In the meantime, it is worth noting that the impact of the economic downturn has affected importers especially in relation to the weak value of £ sterling on the exchange rate for purchasing goods from outside the EU.

the **customs** people

Whilst our Customs advice cannot, unfortunately, change the poor exchange rate, we do offer proactive advice on ensuring that Customs Duty & Import VAT do not unnecessarily affect a business; especially as under or overpaid duty adversely affects bottom line profit.

Our services include advice on the myriad of reliefs and facilitation schemes available as well as our 'down & dirty' review where for a fixed fee we spend a day reviewing an importer's Customs affairs to ascertain whether there are any issues that need addressing or opportunities available – contact us to find out more.

Extra Time to Pay Without Being Penalised – HMRC VAT Payments Policy Change

Over 20,000 businesses have taken advantage of delaying payments of £350 million in tax to HMRC without being penalised in the last six weeks. If you have clients that are struggling in the current economic climate why not help them take advantage of a major change in HMRC's payment policy?

HMRC will now agree time to pay tax arrears including VAT in advance of the arrears being on file. They will also waive default surcharge penalties that would be incurred for late payments of VAT returns when the time to pay arrangement is agreed. Interest on debts relating to VAT assessments will not be waived.

The previous policy imposed default surcharges for late payments of VAT returns even if a time to pay agreement had been reached. This resulted in businesses that were already struggling financially incurring additional debts of between 5% to 15% of the VAT due. This is therefore a welcome move.

The initial agreement needs to be made via HMRC's Business Payment Support Service, with information to support the request being required.

If you require assistance in approaching HMRC on your client's behalf, or reviewing VAT returns or officers assessments to ensure that the amount of VAT the client is paying is not too high please call us on 0870 420 8971.

Penalty Update – further to the last VAT news, don't forget that the new penalty regime is upon us. Now is the time to take action by proactively informing clients of this! We can of course assist with the education of clients or any specific project you may wish to look at in notifying clients of this important issue.

Can we help you?

Remember that our team are at the end of a phone ready to help you with any of your VAT or Customs related queries. As a bunch of seasoned ex-VAT officers we are the best source of advice around. Just call our helpline on

0870 420 8971

or email any of our directors personally

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Why not Join the Network

Don't forget you can join our Network for free and receive additional mailings and information not otherwise available. Joining is easy and with no obligation – just send an e-mail with your details to: info@thevatpeople.co.uk

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