

AEO Money Matters VAT Session

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**Steve McIntyre & Mike Barnard
The VAT Consultancy
Alresford**

Tel: 01962 735350

Fax: 01962 735352



The VAT Consultancy
Independent Professional Advice

Who We Are

- Independent Firm – VAT & Customs Duty
- Award Winners
- AEO Members
- VAT Advisers to AEO



Agenda

1. Ticketing Issue
2. 1st January Change in VAT Rate
3. Place of Supply
4. Tour Operators Margin Scheme (TOMS)



Ticketing Issue

- “Single or Multiple Supply”
- General criteria outlined in ECJ decision re CPP.
- Need to look at essential features and whether customer is supplied with several distinct principal supplies.



Ticketing Issue (2)

- If separate supplies, are each 'principal' or is one or more merely ancillary?
- Ancillary if it does not constitute for customers an aim in itself, but a means of better enjoying the principal supply.



Ticketing Issue (3)

- Following CPP, HMRC take the view that programme is ancillary item.
- Hence single supply of admission subject to VAT.
- Is this right? B SkyB and Telewest cases.



Change of Rate

- Generally, normal tax point rules apply.
- If payment received or tax invoice issued prior to 1st January 2010 then 15% VAT applies.
- Special Rules if customer cannot recover VAT charged.



Change of Rate (2)

- If supplier and customer connected, or
- If supply exceeds £100,000 in value, or
- If supplier or person connected finances prepayment, or
- If tax invoice not due to be paid for at least 6 months.



Place of Supply

- Issue for Exhibitions in other EC Member States under existing rules
- VAT due where exhibition takes place
- But are you principal/ agent? Organiser/ owner/ service provider?



Place of Supply (2)

- Rules change in January 2011 so as Business customer in other Member State accounts for VAT
- But admission charges remain taxable where event takes place



TOMS

- Looming large from 1st January 2010 for principals
- Extra cost exposure on UK accommodation
- Plus VAT on all UK/EU travel service profits



TOMS (2)

- There are solutions, but need to take action now!
- Switch to agency status
- Earn commission or fee from client
- Profit on passenger transport can be removed



EC VAT Reclaims

- 8th and 13th Directive – EC and non EC businesses
- Deadlines - 30th June for prior year (EC) and 31st December for year to June (non EC).
- Wef 1st January 2010 electronic system - should be able to make claim via HMRC portal, but is system ready in all States?
- We can help – dedicated team – significant recoveries.



Any Questions?



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