

# MediWales VAT Update VAT Simplification Review Pre Brexit Impact

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# VAT Simplification Review

- Announced Dec 2016: Call for evidence Feb 2017; Report Autumn 2017 (22 Nov Budget)
- Evolved into a review to “contribute to the Government’s thinking on VAT in the post-Brexit landscape”
- Review Areas:
  - Registration threshold
  - Complexity or interpretation & multiple rates
  - Complexity of VAT methods & Schemes; Partial Exemption, TOMS
  - Improve formal rulings
  - MTD interaction
  - Sector issues: Research/Universities/Charities

# Life Sciences Impact:

## Customer base:

- What if NHS recovery rules alter? S.41 COS becomes s.33?
- Level playing field between local authorities & charity sector re recovery of VAT?
- Drugs, medicines, aids for the handicapped – definition change to match DDA “disabled” definition – impact on interpretation of equipment designed for use
- Removal of Exempt liability? - University research – goods purchased for training, research?

## Sector Impact:

- Partial Exemption method changes – higher de minimis levels/ set % recoveries by sector/ choice of standard methods
- Rulings system: Public Register – commercial impact?
- Making Tax Digital – HMRC digital access to company’s VAT Account data: April 2019

# Brexit

Charity & University VAT asks:

- RCP & RRP definitions too restrictive – allow % of Zero rating not set 95% benchmark
- Broaden research definition to include social care to allow charities to benefits on equipment purchased for research use
- Reliefs for disabled and older persons need an overhaul
- re introduce relief on energy saving materials, domestic fuel & power
- Raise thresholds on Capital Goods scheme
- Extend refund scheme under section 33 rules
- Convert Exemptions to Zero rate

# Brexit

Corporate asks:

- Re VAT & Customs regulations – transitional period
- Political commentary now starting to talk of staying in the Customs Union – free movement of goods, tariff free?
- Clarity - Question remains on VAT rules as EU rules determine:
  - VAT rate levels
  - VAT Liabilities applied
  - VAT registration increases
  - European Court Rulings Precedent

We make every effort to ensure that the information contained in these slides is accurate as at the date of the event in which they formed the basis of the presentation.

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