Indirect Taxes Conference 2019

Indirect Tax

01 December 2019

This year’s Indirect Tax Conference was held at the America Square Conference Centre on 8 October 2019. Chaired by Alan McLintock, the chair of the CIOT’s Indirect Taxes Sub-committee, some of the UK’s leading VAT advisers spoke about relevant current issues from their areas of specialism.

International VAT

Wendy Andrews from Bishop Fleming looked at the practical aspects of international VAT for UK businesses for trading with the EU and the rest of the world (ROW). Her presentation covered the VAT and customs duty position for a no-deal Brexit, the EU quick fixes effective from 1 January 2010 and future changes anticipated for EU VAT. She also highlighted the increasing number of ROW countries introducing local indirect tax obligations for internet selling.

Making Tax Digital

Our own Richard Wild summarised the implementation of MTD to date, and then focused on practical issues such as penalties, exemptions, the Agent Services Account and easements. He presented points for deferred taxpayers to consider and speculated on the future mandation of MTD.

Partial exemption

Gabby Donald from PwC looked at the areas for reform highlighted in the recent partial exemption and capital goods scheme consultation. She then focused on case law that deals with ‘direct and immediate link’ and demonstrated the differences in cases that looked at being linked ‘to a particular supply’ and those that are linked ‘to the activities as a whole’, as well as the concept of chain-breaking transactions.

Brexit: the impact to indirect tax legislation

Tarlochan Lall from Monckton Chambers presented the position for VAT legislation in the event of a no-deal or post transition period Brexit. This included understanding the impact of the EU (Withdrawal) Act 2018, the effect of Court Justice of the EU case law, and circumstances where taxpayers may still benefit from directly effective rights post EU exit.

VAT and property

Martin Scammell, author of '*VAT on Construction, Land and Property*', independent VAT consultant and director of Orca Law VAT conferences, presented current issues for VAT and property and relevant case law. This included the now deferred domestic reverse charge for construction, the position for exemption on leasing, letting and licences to occupy, authorised signatories for the option to tax, zero-rating and the DIY scheme, and sale and leaseback. Martin also highlighted an opportunity to recover VAT paid in error directly from HMRC where it was unduly difficult to claim via the supplier, under principles from the *Reemtsma Cigarettenfabriken GmbH and PORR Építési Kf*t VAT cases.

Case law update

The final session was presented by David Walters of Deloitte, who raised awareness of the leading VAT cases from the last year, including input VAT recovery points for VAT groups and representative member issues (*Lloyds and Standard Chartered*), the difficulties in identifying elements of barter transactions (*A Oy*), and when compensation can be a supply (*MEO*), as well as cases for holding companies, credit notes, food, penalties and interest.

The CIOT is extremely grateful to the speakers for their time in preparing such interesting presentations and networking with attendees on the day.