COVID-19: Indirect tax topical reminders and updates

Indirect Tax

29 September 2020

We have highlighted below some indirect tax COVID reminders and updates for October.

- The temporary zero-rate applied to PPE from 1 May 2020 ends on the 31 October 2020 (Revenue and Customs Brief 4/ 20).
- The domestic reverse charge for supplies of building works or construction that was due to go ahead on 1 October is deferred to 1 March 2021.
- MTD businesses in the deferred group were due to have digital links in place between all parts of their functional compatible software by 1 October, but all taxpayers have a digital links deferral to the first VAT return period starting on or after 1 April 2021.
- The import duty and VAT reliefs for protective equipment, relevant medical devices or equipment brought into the UK from non-EU countries ends on 31 October 2020.
- HMRC has confirmed to the CIOT that a business that has been temporarily closed due to government COVID-19 restrictions would be viewed similarly to a seasonal business or a business that may shut temporarily for refurbishment, which can be examples of where the ‘break in trading’ rules do not affect the TOGC status, where all other TOGC criteria is met.