Technical: Spotlight on the CIOT's Indirect Taxes Committee

Briefings



23 November 2022

The Indirect Taxes Committee (ITX) focuses on VAT, customs duty and import/export process, excise duty, insurance premium tax, and environmental taxes/levies and it meets quarterly for half day meetings. The committee is chaired by Gabby Donald, the vice-chair is Nick March, and the CIOT technical officer is Jayne Simpson. Our committee volunteers are from a wide range of backgrounds, including practice, legal, industry, HMRC and public sector, as well as from other representative bodies, which brings significant indirect tax experience to the group.

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ITX is represented on several HMRC indirect tax forums including:

- Joint VAT Consultive Committee (VAT);
- Land and Property Liaison Group (VAT);
- Insurance Liaison Group (VAT/IPT);
- Finance Liaison Group (VAT);
- Split Payments Working Group (VAT);
- Joint Customs Consultative Committee (customs duty/import export processes);
- Joint Customs Consultative Committee Guidance Sub-group (customs duty/import export processes); and
- Joint Alcohol and Tobacco Consultative Group (excise).

We regularly engage with the Joint VAT Consultative Committee outside of the quarterly meetings, raising issues of VAT policy, for example on postponed VAT accounting, and highlighting member feedback, which for this period has been largely focused on service issues.

ITX volunteers have also been engaged with HMRC on specific issues such as VAT service levels, the VAT aspects for uncertain tax treatment rules, the new penalty reform system, Making Tax Digital for VAT, the new online VAT registration system, VAT and electric cars, employee expenses, the online application system for partial exemption special methods, and the plastic packaging tax.

Outside of HMRC engagement, we are represented on the indirect tax committee of the CFE Tax Advisers Europe and also attend other representative bodies' VAT and indirect tax committees, such as the ATT, Charity Tax Group and the Institute of Chartered Accountants of England and Wales.

Recent submissions include our response to the proposed online sales tax (tinyurl.com/4n44hbuc), to which we voiced our opposition. Gabby debated our

position as a panel member in the joint event with the Institute of Fiscal Studies (tinyurl.com/4t9tayw6). We also submitted comments on the online sales tax to the Treasury Committee inquiry for the Autumn Budget and Spending Review 2021, along with comments on the alcohol reform review. We contributed to other indirect tax consultations in 2021/22, including the independent customs regime, treatment of the aggregates levy in construction works, and simplifying the land exemption for VAT. We raised significant concerns with the VAT and value shifting proposals, and the project has now been placed on hold.

Every year, ITX runs a VAT conference, an all-day training event with leading experts in their field discussing current and upcoming VAT topics. After two years of hosting the conference online due to the pandemic, we returned to an in-person event in London. Topics included VAT and cryptocurrency, HMRC's new penalty system, topical VAT cases, VAT and property, international trade, and considerations for VAT groups with overseas branches. The event was chaired by Gabby, and it was great to meet with CIOT members and VAT specialists on the day.

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