

VAT UPDATE 2021/22

INDEX

**Covering quarterly update
April 2021**

VAT Update April 2021 Index

INTRODUCTION

This index arranges the material in the update according to type of source (CJEU decision, High Court, Tribunal, new law etc.). If you are looking for a particular word or name, use the “find” function to find it.

This is a cumulative for the year to date. Each January’s index will be the final index for the calendar year to 31 December.

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1 HMRC’s publications of their views

<i>Notice 700/46</i>	Updated Notice <i>Agricultural Flat Rate Scheme</i>	Apr 21 6.2.3
<i>Notice 701/18</i>	Women’s sanitary products eligible for ZR from 1 January 2021	Apr 21 2.4.2
<i>Notice 706</i>	Updated Notice <i>Partial exemption</i>	Apr 21 5.3.1
<i>Notice 706/2</i>	Updated Notice <i>Capital Goods Scheme</i>	Apr 21 5.3.4
<i>Notice 708/6</i>	Updated Notice <i>VAT on Energy-saving materials and heating equipment</i>	Apr 21 2.5.3
<i>Notice 735</i>	Updated Notice <i>Domestic reverse charge procedure</i>	Apr 21 3.3.1
<i>Revenue & Customs Brief 04/2021</i>	Accelerated process for changing partial exemption methods during pandemic	Apr 21 5.3.3
<i>Revenue & Customs Brief 12/2020</i>	HMRC update policy on cancellation fees and compensation: when finalised it will not be retrospective	Apr 21 2.1.3
<i>Revenue & Customs Brief 3/2021</i>	<i>News Corp</i> decision only affects historic disputes, not ZR products	Apr 21 2.4.1

	from 1 May 2020	
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/531111/consultation_on_tackling_promoters_of_tax_avoidance.pdf	Consultation on “tackling promoters of tax avoidance”	Apr 21 6.9.5
https://www.gov.uk/transition	Guidance on imports and exports after Brexit	Apr 21 4.3.5
VATF23530	Updated VAT <i>Fraud Manual</i>	Apr 21 4.3.8
VBNB44500	Updated VAT <i>Business/Non Business Manual</i>	Apr 21 2.1.7
VENSAV3080	Updated VAT <i>Energy Saving Materials and Grant Funded Heating Supplies Manual</i>	Apr 21 2.5.3
VIT13300	Internal manual guidance on claiming import VAT updated	Apr 21 5.2.1
www.gov.uk/government/collections/tax-policies-and-consultations-spring-2021	Several tax consultations published on “tax day”	Apr 21 6.9.2
www.gov.uk/government/consultations/call-for-evidence-simplification-of-partial-exemption-and-the-capital-goods-scheme	Results of consultation on simplifying partial exemption and capital goods scheme – no significant changes proposed	Apr 21 5.3.2
www.gov.uk/government/consultations/vat-and-value-shifting	Consultation on apportionment of consideration for mixed supplies	Apr 21 2.8.2
www.gov.uk/government/publications/accounting-for-vat-on-goods-moving-between-great-britain-and-northern-ireland-from-1-january-2021	Guidance to new rules affecting trade from, to and through Northern Ireland	Apr 21 4.3.6
www.gov.uk/government/publications/guides-to-importing-and-exporting-goods-between-great-britain-and-the-eu	Guidance on imports and exports after Brexit	Apr 21 4.3.5
www.gov.uk/government/publications/penalties-for-late-submission/penalties-for-late-submission	How new penalty points system will work for group registrations	Apr 21 6.8.1
www.gov.uk/guidance/changes-to-notifying-an-option-to-tax-land-and-buildings-during-coronavirus-covid-19	Time limit for notifying options during pandemic extended to 90 days up to 30 June 2021	Apr 21 3.2.1
www.gov.uk/guidance/check-when-you-can-account-for-import-vat-on-your-vat-return	Guidance on payment of VAT where customs declarations are deferred	Apr 21 4.3.5
www.gov.uk/guidance/claim-vat-refunds-in-northern-ireland-or-the-eu-if-youre-established-in-northern-ireland	Updated guidance on cross-border VAT refunds	Apr 21 4.5.3

<i>ireland-or-in-the-eu</i>		
www.gov.uk/guidance/complete-your-vat-return-to-account-for-import-vat	Guidance on difficulties accessing import VAT statements	Apr 21 4.3.5
www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19	Scheme for payment of Covid-deferred VAT by instalments	Apr 21 6.3.1
www.gov.uk/guidance/eu-business-taxes-and-tariffs	Updated guidance on import VAT paid by agents or by suppliers	Apr 21 5.2.2
www.gov.uk/guidance/get-confirmation-from-hmrc-that-you-are-trading-in-the-uk	Changing to issue of ‘certificate of status of taxable person’ for cross-border refunds	Apr 21 4.5.2
www.gov.uk/guidance/refunds-of-uk-vat-for-non-uk-businesses-or-eu-vat-for-uk-businesses	Updated guidance on cross-border VAT refunds	Apr 21 4.5.3
www.gov.uk/guidance/sending-parcels-between-great-britain-and-northern-ireland	Updated guidance on parcel and post movements from Great Britain to Northern Ireland	Apr 21 4.3.6
www.gov.uk/guidance/transitional-guidance-for-vat-specified-supplies	Guidance on specified supplies before and after end of transitional period	Apr 21 4.2.5
www.gov.uk/guidance/vat-eu-businesses-buying-in-the-uk-and-the-vat-refund-scheme	Updated guidance on cross-border VAT refunds	Apr 21 4.5.3
www.tax.org.uk/policy-technical/technical-news/vat-registration-delays	HMRC suggest ways of avoiding delays in registration	Apr 21 6.2.4

2 Statute and other Parliamentary material

<i>Budget Red Book 2.45</i>	Scheme for payment of Covid-deferred VAT by instalments	Apr 21 6.3.1
<i>Budget Red Book 2.46</i>	Temporary reduced rate for pandemic-hit sectors extended to 30 September 2021, followed by 12.5% for 6 months	Apr 21 2.5.1
<i>Budget Red Book 2.91</i>	Registration thresholds fixed until 31 March 2024	Apr 21 6.2.1
<i>Budget Red Book 2.95</i>	New system for late filing and late payment penalties from 1 April 2022	Apr 21 6.8.1
<i>FB 2021 clauses 112 – 113, 116; Sch.23, Sch.25</i>	New system for late filing and late payment penalties from 1 April 2022	Apr 21 6.8.1
<i>Hansard 13 January 2021</i>	New second-hand goods scheme to be introduced in Northern Ireland	Apr 21 2.10.1
https://committees.parliament.uk/committee/62/environmental-audit-committee/news/139275/eac-calls-for-climate-and-nature-investment-to-be-prioritised-in-the-economic-recovery/	Suggestion by Parliamentary committee to use VAT reliefs to promote environmental agenda	Apr 21 6.9.8

SI 2021/369	Changes to reverse charge rules on Emissions Trading Scheme	Apr 21 3.3.1
www.gov.uk/government/collections/finance-bill-2021	Finance (No. 2) Bill 2021 published	Apr 21 6.9.1

3 Other UK official material

<i>HM Treasury Press Release 1 January 2021</i>	Women's sanitary products eligible for ZR from 1 January 2021	Apr 21 2.4.2
www.gov.uk/government/news/administration-services-firm-boss-banned-for-vat-fraud	Insolvency Service bans an individual from acting as director	Apr 21 6.9.7
www.gov.uk/government/news/restaurant-boss-banned-for-hiding-takings-to-avoid-tax	Insolvency Service bans an individual from acting as director	Apr 21 6.9.7

4 Case law: Court of Justice of the European Union

CJEU (A-G) (Case C- 21/20): <i>Balgarska natsionalna televizia v Director of the Direktsia</i>	Entitlement of state-funded television corporation to recover input tax considered	Apr 21 2.1.4
CJEU (A-G) (Case C- 4/20): ' <i>Alti OOD v Direktor na Direktsia 'Obzhalvane i danachno-osiguritelna praktika' Plovdiv pri Tsentralno upravlenie na Natsionalnata agentsia za prihodite</i>	A-G Kokott considers default interest should not be added where a VAT liability is transferred to someone under a joint and several liability provision	Apr 21 4.4.4
CJEU (A-G) (Case C-521/19): <i>CB v Tribunal Económico Administrativo Regional de Galicia</i>	A-G considers whether assessment on undeclared income should be at VAT rate or at VAT fraction	Apr 21 4.4.3
CJEU (A-G) (Case C- 844/19): <i>CS v Finanzamt Graz-Stadt</i>	A-G Kokott considers whether interest should be credited on VAT repayment claims	Apr 21 4.4.5
CJEU (A-G) (Case C-846/19): <i>EQ v Administration de l'Enregistrement, des Domaines et de la TVA</i>	Rules on "having a social character" considered by A-G	Apr 21 2.3.4
CJEU (A-G) (Case C- 855/19): <i>G. sp. z o.o. v Dyrektor Izby Administracji Skarbowej w Bydgoszczy</i>	Polish anti-fraud measures were disproportionate	Apr 21 4.3.3
CJEU (Case C- 288/19): <i>QM v Finanzamt Saarbrücken</i>	Place of supply of company car provision to employees considered	Apr 21 4.2.4
CJEU (Case C-459/19): <i>HMRC v Wellcome Trust Ltd</i>	Charity was liable to reverse charge on investment management services bought in from outside UK	Apr 21 4.2.1
CJEU (Case C- 48/20): <i>UAB 'P.' v Dyrektor Izby Skarbowej w B</i>	Polish law preventing correction of erroneous invoices was contrary to the Directive	Apr 21 4.4.7
CJEU (Case C- 501/19): <i>UCMR -</i>	Collective management organisation	Apr 21 2.1.6

<i>ADA Asociația pentru Drepturi de Autor a Compozitorilor v Asociația culturală , Suflet de Român</i>	for authors' royalties was liable to account for VAT under art.28 PVD	
CJEU (Case C- 581/19): <i>Frenetikexito – Unipessoal Lda v Autoridade Tributária e Aduaneira</i>	CJEU considers principles of mixed and compound supplies, and also medical care exemption	Apr 21 2.8.1
CJEU (Case C- 604/19): <i>Gmina Wrocław v Dyrektor Krajowej Informacji Skarbowej</i>	Transfer of “perpetual usufruct” was a taxable transaction	Apr 21 3.1.2
CJEU (Case C- 655/19): <i>Administrația Județeană a Finanțelor Publice Sibiu and Another v LN</i>	Seller of property acquired on foreclosure of loan was not engaged in economic activity	Apr 21 2.1.5
CJEU (Case C- 7/20): <i>VS v Hauptzollamt Münster</i>	Place of importation considered	Apr 21 4.3.2
CJEU (Case C- 712/19): <i>Novo Banco, S. A v Junta de Andalucía</i>	Andalusian banking tax was not incompatible with PVD	Apr 21 4.4.6
CJEU (Case C- 787/19): <i>Commission v Republic of Austria</i>	Infringement proceedings against Austria's TOMS	Apr 21 2.9.1
CJEU (Case C–802/19): <i>Firma Z v Finanzamt Y</i>	Rules for bad debt relief for cross-border debts considered	Apr 21 5.7.1
CJEU (Case C–812/19): <i>Danske Bank A/S, Danmark, Sverige Filial v Skatteverket</i>	<i>Skandia</i> principle applied where head office grouped with subs, as well as when branch grouped with subs	Apr 21 6.1.1
CJEU (Case C- 895/19): <i>A.v Dyrektor Krajowej Informacji Skarbowej</i>	Polish law refusing correction of returns was incompatible with PVD	Apr 21 4.3.4
CJEU (Case C- 907/19): <i>Q-GmbH v Finanzamt Z</i>	Exemption for insurance-related supplies of insurance agents and brokers considered	Apr 21 2.3.1

5 Other European material

<i>Council Implementing Decision (EU) 2021/512</i>	Council Implementing Decision authorises scale rates for private use of fuel in business cars in NI	Apr 21 4.3.6
ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12671-Review-of-the-VAT-rules-for-financial-and-insurance-services/public-consultation	Commission consultation on reform of VAT on financial services	Apr 21 4.4.2
https://ec.europa.eu/taxation_customs/business/vat/ioss_en	Guidance on Import One Stop Shop	Apr 21 4.4.1
https://ec.europa.eu/taxation_customs/business/vat/oss_en	Guidance on One Stop Shop	Apr 21 4.4.1
https://ec.europa.eu/taxation_customs/business/vat/ressources_en	Guidance on new e-commerce rules in EU from 1 July 2021	Apr 21 4.4.1

6 Case law: House of Lords/Supreme Court

Supreme Court: <i>Balhouses Holdings Ltd v HMRC</i>	Clawback of zero-rating relief did not apply on sale and leaseback transaction	Apr 21 3.1.1
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7 Case law: Court of Appeal/Court of Session

Court of Appeal: <i>Eynsham Cricket Club v HMRC</i>	CA confirms that a CASC is not entitled to charitable reliefs for VAT	Apr 21 3.3.3
Court of Appeal: <i>HMRC v News Corp UK & Ireland Ltd</i>	ZR for books etc. only applied to physical items, not digital versions (until law changed 1 May 2020)	Apr 21 2.4.1
Court of Appeal: <i>R (on the application of Friends of the Earth Ltd) v Secretary of State for Transport</i>	Costs order included VAT, rather than covering the net VATable fee	Apr 21 6.9.4

8 Case law: High Court/Upper Tribunal

Upper Tribunal: <i>HMRC v Anna Cook</i>	Teaching of Ceroc dancing was not generic teaching of dance and was therefore not exempt	Apr 21 2.3.2
Upper Tribunal: <i>HSBC Electronic Data Processing (Guangdong) Ltd and others v HMRC</i>	Application to be joined in a dispute about grouping rejected: each taxpayer should argue its case separately	Apr 21 6.8.9
Upper Tribunal: <i>The Lilies Graham Trust v HMRC</i>	Charity failed to separate out its supplies of accommodation as “not ancillary to welfare”: it was wholly exempt	Apr 21 2.3.3
Upper Tribunal: <i>Tower Bridge GP Ltd v HMRC</i>	HMRC were entitled to refuse claims for input tax in missing trader carbon credits case on the basis of inadequate invoices	Apr 21 5.8.2
Upper Tribunal: <i>Westow Cricket Club v HMRC</i>	Cricket club had a reasonable excuse for issuing ZR certificate based on advice received from HMRC	Apr 21 3.3.2
High Court: <i>National Crime Agency v The Solicitor for the Affairs of Her Majesty's Treasury</i>	Company struck off and assets forfeited to Treasury as proceeds of crime	Apr 21 6.9.6

9 Case law: First Tier Tribunal

First-Tier Tribunal (TC07960): <i>Davey Parekh</i>	Application for costs refused: HMRC had not acted unreasonably	Apr 21 6.8.4
First-Tier Tribunal (TC07967): <i>Robert Patten</i>	Appeal about exception from registration liability struck out because HMRC had already given in	Apr 21 6.2.6
First-Tier Tribunal (TC07975): <i>St James Marketing Ltd</i>	Reasonable excuse for surcharge dismissed	Apr 21 6.8.2

First-Tier Tribunal (TC07976): <i>Conservatory Roofing Systems Ltd</i>	Trader supplied new insulated roofs, not insulation for roofs: standard rated	Apr 21 2.5.2
First-Tier Tribunal (TC07977): <i>GB Taxi Services Ltd</i>	Taxi company was not liable to be registered for IPT, even though it provided the benefit of a block insurance policy to its taxi drivers	Apr 21 2.8.3
First-Tier Tribunal (TC07978): <i>Daniel Bussau</i>	Trader's application for HMRC to be barred from appeal was dismissed	Apr 21 6.8.6
First-Tier Tribunal (TC07979): <i>Healthspan Ltd (2)</i>	<i>Krakvet</i> decision confirmed that distance selling rules applied to UK case – no need for separate CJEU reference	Apr 21 4.3.1
First-Tier Tribunal (TC07984): <i>Silverdoor Ltd</i>	Argument about amending grounds of appeal	Apr 21 6.8.7
First-Tier Tribunal (TC07985): <i>GLS Ltd</i>	Tribunal accepts evidence that receipts were loans, not consideration for supplies as assessed by HMRC	Apr 21 2.1.1
First-Tier Tribunal (TC07988): <i>Harry Edebiri T/A Tt Trading</i>	Trader who did not understand consequences of registration was relieved of some of liability in difficult circumstances	Apr 21 6.2.5
First-Tier Tribunal (TC07990): <i>Wilmslow Financial Services plc (in administration)</i>	Attempt to avoid irrecoverable input tax by transferring exempt business to Gibraltar failed “commercial and economic reality” test	Apr 21 4.2.2
First-Tier Tribunal (TC07996): <i>Borough Council of King's Lynn And West Norfolk (No. 2)</i>	Extra amounts paid into parking meters were taxable as consideration for supply of parking, not gifts	Apr 21 2.1.2
First-Tier Tribunal (TC07999): <i>St George's University Ltd</i>	Place of supply of education was where the university organised the courses – Grenada – not where the education was physically delivered	Apr 21 4.2.3
First-Tier Tribunal (TC08000): <i>Jota Jota Alimentos Global Sl</i>	Spanish company made no supplies in the UK so was entitled to cross-border refund	Apr 21 4.5.1
First-Tier Tribunal (TC08001): <i>Paul Baldwin T/A Baldwin Motor Services</i>	HMRC's decision on registration date was wrong, so late registration penalty was reduced	Apr 21 6.8.3
First-Tier Tribunal (TC08004): <i>Messrs Harrison</i>	HMRC were entitled to refuse trader entry to the Agricultural Flat Rate Scheme	Apr 21 6.2.2
First-Tier Tribunal (TC08006): <i>Imprimatur Capital Holdings Ltd</i>	Holding company was not making supplies to investment holdings for consideration, so minimal input tax allowed	Apr 21 5.1.1
First-Tier Tribunal (TC08011):	Retrospective planning consent after	Apr 21 3.4.1

<i>Martyn Long and Another</i>	deadline for submission of DIY claim could not satisfy claim conditions	
First-Tier Tribunal (TC08012): <i>Tasca Tankers Ltd</i>	HMRC's application to strike out an appeal dismissed; trader's application to adduce further evidence also dismissed	Apr 21 6.8.5
First-Tier Tribunal (TC08014): <i>Robin St John Sellers</i>	Barrister failed to establish reasonable excuse for default surcharge in spite of slow payment of legal aid fees	Apr 21 6.8.2
First-Tier Tribunal (TC08015): <i>Everyday Wholesale Ltd</i>	Case management hearing in missing trader case	Apr 21 6.8.8
First-Tier Tribunal (TC08024): <i>Ryan Flood</i>	Settlement of long-running argument in case where taxpayer appeared not to understand the VAT system	Apr 21 5.8.1
First-Tier Tribunal (TC08026): <i>Knightsbridge Accountants Ltd</i>	Firm of accountants failed in appeal about deductibility of input tax	Apr 21 5.2.3
First-Tier Tribunal (TC08030): <i>Cowdenbeath Taxi Services Ltd</i>	Repayment claim allowed because HMRC had made contradictory decisions	Apr 21 6.4.1

10 Other material

www.tax.org.uk/policy-technical/submissions/vat-and-sharing-economy	CIOT response to consultation on "VAT and the sharing economy"	Apr 21 6.9.3
<i>Taxation, 21 January 2021</i>	Article about reverse charge rules for the construction industry	Apr 21 3.3.1
<i>Taxation, 25 February 2021</i>	Article explaining some of the Brexit changes in practical terms	Apr 21 4.3.7
<i>Taxation, 4 March 2021</i>	Article about <i>News Corp</i> decision	Apr 21 2.4.1
<i>Taxation, 11 March 2021</i>	Student article about supplies of construction and of buildings	Apr 21 3.3.4
<i>Taxation, 11 March 2021</i>	Article on impact of March Budget	Apr 21 6.9.1

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