Notice 701/1 Charities
May 2004
Update 2
Continuation

Flowchart to be used from guidance contained in this notice.

This flowchart must NOT be used independently. It is for use in conjunction with the guidance above

1. Does the Charity insist that the participants make a payment in order to take part in the challenge event? (Paragraph 10.1)
   - No: There is no VAT supply by the Charity
   - Yes:
     2. Does the event include bought-in accommodation or a package of both travel and accommodation?
        - No: The entire event qualifies for the fundraising exemption – See example 4 and Notice CWL4 for more Guidance. If accommodation is outside the EU please contact the Charities Helpline for advice
        - Yes:
          3. Does the event include more than 2 nights accommodation from own resources?
             - No:
               4. Is the charity acting as a principal or undisclosed agent? (Paragraph 10.2)
                  - Yes: The charity is acting as a disclosed agent and VAT is due on the commission received. (Paragraph 10.3 and Example 1)
                  - No:
                    5. Is the event taking place inside the EU?
                       - No:
                         6. The margin is zero-rated. (Paragraph 10.4 and Example 2)
                       - Yes:
                         7. Standard – rated VAT is due on the margin. (Paragraph 10.4 and Example 3)