

Minutes of the 111th JVCC meeting held on 10 February at 13:30

HMRC, Room 2/39, 100 Parliament Street, London, SW1A 2BQ

	Agenda Item 1: Welcome and introductions	Emily Antcliffe
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Emily Antcliffe (EA) welcomed everyone to the meeting and introductions were made.

	Agenda Item 2: Minutes of last meeting and action points	Colin Connor
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Colin Connor (CC) explained that the live issues log has been shared with members and completed items will be removed from the log unless further concerns are raised.

We will attempt to provide answers to the two live issues within the next few weeks.

	Agenda Item 3: Future relationship with EU and feedback from industry	Ian Broadhurst
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Ian Broadhurst (IB) explained that from 1 February, we entered a transition period. During this period, all existing VAT rules and regulations continue to apply, subject to any changes during 2020 which will be communicated to you in the normal way. The government has been clear that the UK will not extend the transition period. This will give businesses certainty and allow the UK to negotiate its future relationship with the EU.

Members wanted clarity on the temporary arrangement to allow businesses to submit an advanced notification to become VAT registered, CC confirmed that we'll keep this contingency alive to be implemented ahead of the end of the transition period if required. Members also asked if HMRC had a plan for providing clear, timely advice to businesses on what they need to do when in preparing for the end of the transition period. HMRC confirmed this will be the case with ongoing advice throughout the transition period as the position develops.

Members asked questions on cases currently progressing through CJEU, Eileen Patching (EP) explained that there's a provision within the Withdrawal Agreement to allow the UK to diverge from CJEU decisions and oversight. This requires a consultation with judiciary and ministers to exercise that power and must be enacted before the end of the transition period. CJEU decisions up until 31 December 2020 will have a precedence unless the Supreme Court rules otherwise. There were also questions around the legal position following the transition period of CJEU judgements made prior to 31 December 2020. EP advised that this would be agreed as part of negotiations but there is an expectation that the Supreme Court would provide legal recourse unless explicitly stated otherwise.

AP: Ruth Corkin (RC) took an action point to send a copy of the paper that she drafted for the Alternative Arrangements Advisory Group on entry and export declarations.

In Ruth's experience, it is incredibly difficult for anyone to access the HMRC import and export systems and reliance on the current agency fraternity (mainly freight agents) is already causing issues for both VAT and Customs Duty. The paper gives a number of examples of these.

	Agenda Item 4: Implementation of the 'quick fixes/ call off stock' legislation	Peter Bennet, Jonathan Heath
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Peter Bennet (PB) provided a background to the quick fixes, and a run through each one in turn, covering what it does, why, and where the UK legislation can be found.

PB explained the legislative implementation of call off stock arrangements between member states and that the UK was quite firm on the position that businesses, if they choose, can carry on with existing rules.

Further information can be found on GOV.UK:

- [Draft legislation: changes to tax rules for call off stock arrangements between member states](#)
- [Changes to the rules for call-off stock arrangements between member states](#)
- [The single market \(VAT Notice 725\)](#)
- [How to report your EU sales for VAT](#)
- [Report sales to VAT-registered EU businesses using the EC Sales List](#)
- [Changes to VAT for intra-EU chain transactions and zero-rated goods](#)

	Agenda Item 5: Government Digital Service approach to guidance	James Low
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James Low (JL) gave a presentation on meeting user needs on GOV.UK and the Government Digital Services (GDS) approach to guidance. JL provided context in some of the numbers of HMRC's guidance products and page views per year. GOV.UK guidance should be clear, concise and easy to find. It should help users to quickly and easily:

- understand how a policy affects them
- do something to help meet their needs

JL explained that we aim to design guidance that's not duplicated elsewhere on GOV.UK, optimised for search navigation, part of a clear user journey, focussed on evidenced user needs and written in Plain English.

Members were encouraged to use the feedback tool 'is this page useful?' at the bottom of every GOV.UK page.

Members expressed concerns GOV.UK guidance is not always current and up to date, and although they do agree there is a need for changes, it is important that we don't lose sight of existing guidance that users find really useful.

Navigating around GOV.UK needs to be improved, for example, the alphabetical listings of the VAT Notices isn't clear. Members explained that they don't always get the information they need when using the search engine.

In summary it was recognised that HMRC needs to provide current and easy to navigate guidance, whilst there is a need for change and rationalisation this need to reflect the way a wide range of users consume information.

	Agenda Item 6: Making Tax Digital for Business for VAT	Verna Gellvear
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Verna Gellvear (VG) confirmed that there are now 1.35 million businesses signed up to the MTD VAT service and over 3 million submissions received successfully.

83.8% of all businesses mandated for periods from April were signed up to the MTD VAT service.

HMRC experienced technical issues on occasions in January which affected services, including MTD. The service was down for a short period of time on each occasion, the customer impact of the outage was minimal and we provided additional time for those who were unable to file as a result. 94% of customers due to file in January successfully filed their return, which was higher than the comparable figure for the last filing deadline.

We deployed technical fixes to the system ahead of the next filing peak (7 February 2020) and are monitoring the service constantly to minimise the chance of a recurrence.

	Agenda Item 7: HMRC Operations update	David Millar, David Mourning and Shona
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David Millar (DM) explained that there have been some challenges with the introduction of MTD and the digital transformation of our internal systems in order to support this.

The VAT Error Correction teams have been significantly impacted as it's elongating the existing process and this, along with an increase in demand, has led to an increase in resource requirement. VATEC is a high priority work area for our customers and as such we have placed extra resource onto this line of work and have planned further resource to meet our revised need forecast.

AP: David Mourning will produce a slide that provides context to Error Correction data for the next meeting.

	Agenda Item 8: Any Other Business	All
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AP: EP to report back on the Disclosure of Avoidance Schemes: VAT and other Indirect Taxes

AP: IB took an action point to look into the guidance on reduced rate of renovation of empty properties.

EA proposed an idea that external members of the JVCC lead on some agenda items, including any changes and improvements that come from the discussion so that we can create a more balanced approach to the JVCC and hopefully achieve more progress together. This would allow external members the chance to shape the conversation and focus on areas that they think we all need to be looking at.

Next meeting: 13 May 2020 HMRC Offices, 100 Parliament Street

Appendix A

JOINT VAT CONSULTATIVE COMMITTEE (JVCC)

(Meeting number 111)

10 February 2020, 13:30.

HMRC Offices, Room 2/39, 100 Parliament Street, London, SW1A 2BQ

Attendees	
David Jordorson	Association of British Insurers
Dean Carey	The Association of Chartered Certified Accountants
Lee Hurst	One Hundred Group
Brian Palmer	Association of Accounting Technicians
Martin Shah	The Law Society of England and Wales
Jayne Simpson	The Chartered Institute of Taxation
Nick McChesney	Institute of Chartered Accountants in England and Wales
Susan Cattell	The Institute of Chartered Accountants of Scotland
Mark Hammond Giles	Confederation of British Industry
Martin Scammell	British Property Federation
Nancy Cruickshanks	Association of Tax Technicians
Nic Davison	Chartered Institute of Management Accountants
Phillip Ford	Association of International Accountants

HMRC / HMT	
Emily Antcliffe	Indirect Tax Directorate
Eileen Patching	Indirect Tax Directorate

Alomgir Ali	Indirect Tax Directorate
Ian Broadhurst	Indirect Tax Directorate
Colin Connor	Indirect Tax Directorate
Catherine Flynn	Indirect Tax Directorate
Tina Lang	Indirect Tax Directorate
Peter Bennet	Indirect Tax Directorate
Jonathan Heath	Indirect Tax Directorate
David Millar	Business, Tax and Customs Directorate
David Mourning	Business, Tax and Customs Directorate
Shona Calderwood	Business, Tax and Customs Directorate
Verna Gellvear	MTDfB Transformation
Sue Hill	Customs and Border Design
Alex Todd	Chief Digital & Information Officer Group
James Lowe	Chief Digital & Information Officer Group