

Minutes of the 113 JVCC meeting held on 28 September at 14:00

Microsoft Teams video/audio conference

	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: UK Transition update	Emily Antcliffe Mike Cunningham
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Mike Cunningham (MC) explained that the transition period comes to an end this year. From January 2021 the UK will no longer be a part of the EU Customs Union or the EU Single Market.

Discussions between the UK and EU continue and both sides are hoping to have made good progress within the coming weeks, we expect to see a lot of additional information coming out on various aspects of the new relationship and how the NI Protocol will work.

HMRC has published guidance on areas where decisions have been finalised, for example, on postponed VAT accounting. The Government has also published the [Border Operating Model](#) in respect of B2C movement of goods, the Retail Export Scheme and Extra Statutory Concessions.

Topics covered in open forum on UK Transition:

EC Sales Lists

EC Sales Lists must continue to be submitted for dispatches of goods from Northern Ireland to VAT registered businesses in the EU after the end of the transition period. They will not be required for exports of goods to the EU or supplies of services to VAT registered businesses in the EU.

VAT registration

JVCC members have previously reported that the UK VAT registration process is fast and easy to use. HMRC does not intend on making any changes to the registration process. Businesses that are not VAT registered but may need to register after the end of the transition period will need to use the current VAT registration service.

Mini One Stop Shop

HMRC will notify businesses registered for MOSS in the UK with guidance for the end of the transition period. They will be able to submit a final MOSS return for 2020, by 20 January 2021, and will be deregistered from the UK MOSS system with effect from 31 December 2020. After that they may register for the MOSS non-Union scheme in an EU Member State of their choice or register for VAT in each EU Member State where VAT is due.

Reporting supplies in Northern Ireland

The UK VAT return will remain the same. Intra-community dispatches and acquisitions of goods must be recorded in boxes 8 and 9 of the VAT return and acquisitions tax in box 2. This will only apply to supplies of goods between NI and the EU as these will be the only supplies treated as intra-Community supplies.

The One Stop Shop

This has been delayed by the EU until 1 July 2021. HMRC will share more information on this as details are finalised.

	Agenda Item 3: Supporting businesses through COVID-19	Emily Antcliffe Alomgir Ali
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EA explained that HMRC has provided a huge amount of support for businesses during the pandemic. In terms of VAT, the Government has:

- allowed businesses to defer VAT due between 20 March 2020 and 30 June 2020 until 31 March 2021.
- extended the soft-landing period for Making Tax Digital until 1 April 2021
- delayed the reverse charge for construction until 1 March 2021
- introduced a temporary zero-rate for VAT on PPE (currently up to 31 October)
- extended the deadline for notifying HMRC of Option to Tax to 90 days (currently applies to decisions made up to 31 October)
- extended the deadline for VAT refund claims being made by the public sector until 31 December 2020
- Introduced a VAT reduction from 20% to 5% on Hospitality and Tourism, which covers the following business activities:
 - any eat-in or hot takeaway food and drinks from restaurants, cafes and pubs, excluding alcohol
 - all holiday accommodation in hotels, B&Bs, campsites and caravan sites and attractions like cinemas, theme parks and zoos.

The reduction was valid from 15 July until 12 January 2021, but, as the Chancellor announced recently, this has been extended to 31 March 2021.

We've also taken some steps to help Excise businesses by:

- fast-tracking the process to authorise businesses to produce hand sanitiser using denatured alcohol
- relaxing the rules for destruction of spoilt beer/cider/wine/made-wine.

Members commented that the support HMRC have provided has been helpful, especially the VAT Payments Deferral Scheme.

Self supply charge on RRP/RCP buildings

Ian Broadhurst (IB) clarified that HMRC haven't made a wholesale removal of the self-supply charge on RRP/RCP buildings put to use in the fight against COVID 19.

HMRC will continue to provide clearances, in line with our stated guidance:

<https://www.gov.uk/guidance/non-statutory-clearance-service-guidance>

However, in the present circumstances, we have encouraged organisations to contact HMRC – through their customer compliance manager or the charities compliance team

wmbchfesector@hmrc.gov.uk – to discuss any specific issues that have arisen, in the respect of the potential application of the self-supply charge, on a case by case basis

VAT deferral

Alomgir Ali (AA) explained that on 24 September 2020, the Chancellor announced that businesses who deferred VAT due from 20 March to 30 June 2020 will now have the option to pay in smaller payments over a longer period.

Businesses will need to opt-in to the scheme, and for those who do, this means that their VAT liabilities due between 20 March and 30 June 2020 won't need to be paid until the end of March 2022.

Those that can pay their deferred VAT can do so by 31 March 2021.

AP1: Members raised questions on how deferred VAT interacted with VAT grouping and deregistration, HMRC took an action to review the queries and come back to members.

	Agenda Item 4: Making Tax Digital for Business for VAT	Verna Gellvear
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Verna Gellvear (VG) confirmed that as of 21 September 2020

- 1.4 million businesses have signed up to Making Tax Digital (MTD)
- Around 7 million successful MTD VAT returns have been submitted
- 85.38 % of all businesses mandated to join from April 2019 are now signed up to the MTD service.

HMRC has started issuing letters to non-compliant businesses. They contain a supplementary information sheet to test whether providing additional information will drive up the MTD sign up rates.

HMRC also plans to issue letters to the businesses for whom it is unclear whether their business falls under MTD mandation. The letters will invite businesses to check their turnover and sign up to MTD if required to do so. Alternatively, they can submit a declaration to inform to HMRC that they are not required to sign up for MTD and HMRC records will be updated.

VG explained that HMRC is moving all business records from the VAT Mainframe to the Enterprise Tax Management Platform (ETMP) starting in April 2021. Businesses will hear more about this within the next couple of weeks.

AP2: Members raised a question on what businesses will be migrated first and asked when this is likely to be. VG took an action point to find out more about this and come back to members.

	Agenda Item 5: Operations update	David Millar David Mourning
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David Mourning (DMo) took the committee through the operations performance dashboard.

DMo explained staff are now successfully taking calls from their homes, and this has given HMRC the ability to handle more calls and improve performances against targets.

Teams managed to maintain their targets for handling VAT Registration and Variations during the COVID-19 period and there is a VAT Error Correction recovery plan to progress the work in that area by prioritising repayment cases.

DMo recognises there are problems with VAT Groups and Divisional cases, the plan to improve the progress was impacted by lockdown rules as staff were unable to receive the face to face training that was planned.

Work is continuing to try and drive up performance in this area.

Post

David Millar (DMi) explained that HMRC has a strategy to employ a digital mail service for VAT post, whereby post going to offices that are closed is diverted to a central office, the post is then scanned and placed into a digital folder.

HMRC will also be using a 'BX' postcode for some addresses, this will allow businesses to track and trace the post and give them reassurance it's been delivered.

The 64-8 form

Teams are currently reviewing the use 64-8 form (across all taxes) and how HMRC can receive them in line with our electronic delivery.

	Agenda Item 6: Future meetings – Subject matter/approach	Jonathan Heath
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Jonathan Heath (JH) asked members for their thoughts about how they want to approach future JVCC meetings. For example, are members content with the frequency and length of the meetings, bearing in mind we have COVID-19 to deal with and we're nearing the end of the UK transition period.

JH also mentioned that it would be good if members could share some of their experiences on VAT issues they've resolved and perhaps members could lead on some discussions.

Members agreed that the virtual meetings should be made longer, and they would like to help shape the agenda. It was suggested that, ahead of the meetings, HMRC should ask members their thoughts on what they'd like to discuss and if there is a full agenda already, members should have input on what should stay on the agenda and what can be taken off.

Another suggestion was to have a one-hour open discussion at the end of every meeting to address topics that haven't made it on to the agenda.

EA thanked members for their comments and confirmed that we will consider this for future meetings.

	Agenda Item 7: AOB	All
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HMRC and JVCC members agreed that a separate call should be arranged to discuss a number of issues raised regarding the recently published [Revenue and Customs Brief \(12\) 2020: VAT early termination fees and compensation payments](#)

AP: Secretariat to set up a call within the next couple of weeks.

Members asked about the status of the draft VAT Business/Non-business guidance that was shared for comment a couple of months ago.

AP: IB advised he will look into this and get back to members.

Next meeting: TBC

Appendix A

JOINT VAT CONSULTATIVE COMMITTEE (JVCC)

(Meeting number 113)

28 September 2020, 14:00 – 16:00.

Microsoft Teams video/audio conference

Attendees	
Anshita Joshi	The Investment Association
Dean Carey	The Association of Chartered Certified Accountants
Lee Hurst	One Hundred Group
George Anastasi	Finance and Leasing Association
Martin Shah	The Law Society of England & Wales
Jayne Simpson	The Chartered Institute of Taxation
Linda Skilbeck	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
Ruth Corkin	VAT Practitioners Group
Graham Elliott	Charity Tax Group
Ruwan Da Silva	London & International Insurance Brokers' Association (LIIBA)

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

Alomgir Ali	Indirect Tax Directorate
Ian Broadhurst	Indirect Tax Directorate
Jonathan Heath	Indirect Tax Directorate
Catherine Flynn	Indirect Tax Directorate
Elizabeth Wilson	Indirect Tax Directorate
Mojgan Ahmad	Indirect Tax Directorate
Verna Gellvear	Making Tax Digital for Business
David Millar	Business, Tax and Customs Directorate
David Mourning	Business, Tax and Customs Directorate
Neil Rollason	Large Business National Compliance
Nick Dawe	Large Business National Compliance
Mike Cunningham	HMT