

Explanatory Note

Clause 49: VAT: Isle of Man charities

Summary

Details of the clause

1. For enactments relating to Value Added Tax, the clause amends paragraph 2(2) of Schedule 6 to the Finance Act 2010 to make it clear that the High Court of the Isle of Man is a relevant UK court. This has the effect of ensuring that organisations on the Isle of Man that are subject to the jurisdiction of the High Court of the Isle of Man are capable of being recognised as charities for Value Added Tax purposes and can benefit from the Value Added Tax relief that is available to charities subject to the jurisdiction of a UK Court.

Background note

2. This amendment will put it beyond doubt that charities subject to the jurisdiction of the High Court of the Isle of Man are capable of qualifying for UK Value Added Tax reliefs for charities. Isle of Man organisations are entitled to this treatment by virtue of the Principal VAT Directive and the 1979 Customs and Excise Agreement between the Isle of Man and United Kingdom.
3. If you have any questions about this change, or comments on the legislation, please contact Michelle Stokell on 03000 585127 (email: michelle.stokell@hmrc.gsi.gov.uk)