



VAT: Retail Export Scheme

Summary of Responses
December 2013

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1. Executive Summary

1.1 Inbound tourism makes a vital contribution to the UK economy, earning £18 billion in foreign exchange for the UK each year. When they come here, most visitors love to shop.

1.2 The VAT Retail Export Scheme – also known as Tax Free Shopping – plays a key part in the shopping experience for our visitors and positively influences their views on Britain as a value for money shopping destination. Retailers feel that the scheme encourages sales and supports the tourism industry by making the UK an attractive destination for visitors.

1.3 The Government is encouraging more visitors to the UK and between 2011 and 2015 aims to attract 4.6 million additional visitors spending £2.3 billion. This will contribute to sustaining jobs and supporting economic growth across the UK. By 2020, the Government hopes to welcome more than 40 million visitors a year. This review of tax free shopping in the UK supports this objective and aims to put the scheme in the best possible position to deal with the increase in visitors.

1.4 Users of the scheme were invited to contribute their views on both the current scheme and possible improvements. HMRC has received contributions from retailers, refund companies, overseas visitors, airport operators, tourist organisations and industry representatives. Interested parties were invited to join Stakeholder Interest Groups, which have been set up to enable HMRC to work collaboratively with stakeholders on any detailed proposals for change.

1.5 Thank you to all those that took the time and effort to respond to the consultation - the contributions represent a good range of viewpoints and provide helpful perspectives on the issues. HMRC looks forward to taking forward the review with those who have joined the Stakeholder Interest Groups.

2. Introduction

2.1 This document summarises the responses received during the consultation carried out by HMRC between 1 July and 30 September 2013 on possible options for redesigning the VAT Retail Export Scheme. It also sets out the Government's initial responses to the outcome of the consultation, and the next steps in the policy making process.

2.2 Budget 2013 announced that HMRC would review the scheme. As set out in the consultation document, while the Government wants to encourage visitors to choose the UK as the best destination for shopping by making the scheme easy for customers to use, it is also important to ensure that UK taxpayers do not subsidise those who misuse the scheme. The key objectives of the review are therefore both improving the customer experience and revenue protection.

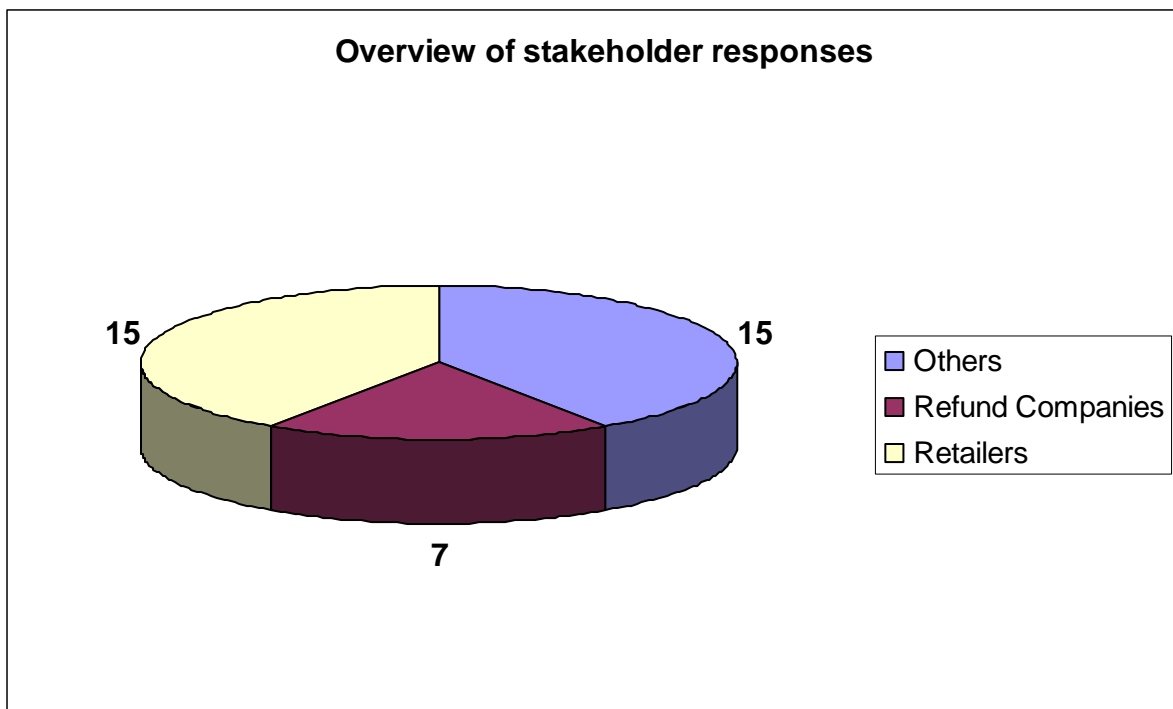
2.3 The consultation asked a range of questions designed to achieve one or both of these objectives, as well as seeking views on a number of more detailed individual proposals.

2.4 The consultation questions were grouped around five main themes:

- Considering the current scheme, what is good about the scheme and what does not work so well?
- What measures could improve the customer experience?
- What measures could help to protect revenue?
- Is there interest among commercial providers in working alongside HMRC to introduce a digital tax free shopping scheme?
- Should the UK Government introduce a minimum threshold for the VAT Retail Export Scheme?

The consultation process

2.5 There were in total 37 responses to the consultation from a variety of interested parties. HMRC received responses from seven refund companies¹, fifteen retailers, three overseas visitors, two airport operators, two tourist representative bodies and eight other individuals/organisations/companies. A list of all the respondents is set out at Annex A.



2.6 Comments and suggestions about the scheme from the three overseas visitors were included as part of this consultation where they were identified from enquiries and complaints to HMRC. These were not formal responses to the consultation but add to the weight of evidence about the experience of the scheme from the overseas visitors' perspective.

2.7 As part of the consultation process, HMRC also established Stakeholder Interest Groups for each of the main sectors affected by this consultation – retailers, refund companies and overseas visitors (or their representatives). In early September, HMRC

¹ Not all in this group described themselves as 'refund companies' but have been included in this group if one of their functions (or intended functions) is to arrange refunds between retailers and overseas visitors.

also held an Open Forum session for the Refund Companies' Stakeholder Interest Group, followed by a series of individual meetings with representatives from eight companies (mainly those interested in how a digital scheme might be introduced and operated). The meeting proved a very effective forum for discussing the detail of many of the options for change in the consultation.

3. Responses

3.1 The views of respondents in relation to the options in the consultation document are summarised below.

3.2 In general, respondents to the consultation agreed that, while there are some positive aspects to the current UK scheme, there are a variety of minor and more significant changes that could be made to the scheme to modernise and improve it for all users.

3.3 A list of all the respondents (in response to question 1) is set out at Annex A.

Summary of responses by question

Question 2 – Thinking about your experience of the current scheme, what are the best and worst elements of the scheme?

3.4 Many respondents welcomed this review.

3.5 Most users of the current scheme felt that the key benefit to the overseas visitor is the ability to receive a refund on part of their shopping. Many felt that the scheme is a boost to the UK economy because it encourages tourism, making the UK an attractive destination for shopping, and promotes the retail sector. Accessibility to all eligible visitors, regardless of the amount spent, was regarded by many as a very positive feature of the current scheme, making it fair both to visitors from different socio-economic backgrounds and smaller retailers who wish to benefit from offering tax free shopping. A few respondents believed the scheme is simple and straightforward to use, particularly where there are parts of the system that are automated.

3.6 Passenger service issues on departure from the UK, mainly around validating claims and processing refunds, were identified by many respondents as a problem

with the current scheme. Many respondents cited long queues at London's Heathrow airport as a key concern, some saying that it leaves a poor impression of the UK on the visitor and that it can be a frustrating and confusing process. A few respondents said that this poor customer experience may result in the UK losing valuable retail and tourist business to other EU countries where the refund process is more efficient and streamlined. Others said that poor signage and lack of clear guidance at airports generally cause problems for overseas visitors and are sources of complaints to retailers and refund companies. The use of drop-boxes (often described as 'honesty boxes') at smaller airports was also criticised by some as unhelpful to the overseas visitor who wants to be able to have his/her form validated before leaving the country.

3.7 Many respondents also criticised the burden the scheme's requirements place on retailers at the point of sale, particularly in respect of the manual form filling required for the scheme. Many complained that repeatedly collecting the same data is unnecessary, that HMRC collects too much information on the form, that retailers do not have the authority or expertise to check eligibility and identification documentation.

3.8 Some were concerned that the advice to travellers that they should leave their passports in the hotel safe is being undermined by the scheme which requires all visitors to take passports with them when they shop.

Government response

The Government is pleased that respondents have recognised the valuable contribution of the scheme to the UK economy and that there has been a positive reaction to the review announced by the Government.

It is clear that there are opportunities for improving and modernising the scheme to improve the customer experience and that making the scheme easier to use will help to protect revenue.

Question 3 – What changes would help to improve the experience of the scheme at the point of sale (that is to say, at the time the goods are sold to the overseas visitor)?

3.9 Many respondents suggested that the retailer should not have the responsibility for checking eligibility of the claimant. They argued that retail assistants are not always trained to examine passport documentation and that the role of the retailer should be to ensure that the goods sold under the scheme are correctly recorded. Some argued that it is unfair to expect a shop assistant to sign a legal declaration affirming eligibility. These respondents felt that compliance under the scheme is the responsibility of Border Force, which should verify eligibility and that the goods are exported, at the point of exit.

3.10 Furthermore, respondents (particularly in the retail sector) argued that some personal information required on the form should not be completed at the point of sale. They argued that completion by the retailer adds nothing to the compliance process and, a few said, causes delays to the claim process at the point of sale.

3.11 Many respondents agreed that much can be done to simplify the form to gather less information and remove the need for repeated collection of the same data. Only four respondents advocated a standard size form but some did see benefits in standardising the format of the information required on the claim forms.

3.12 Only a few agreed with the suggestion that the definition of eligible overseas visitors might be simplified and clarified but suggested that better guidance could be provided on the use of the scheme by overseas students and by departing EU residents, particularly in relation to proof of identity.

3.13 A very few suggested that if the scheme is modernised it should take account of the growth in online sales, including ‘click and collect’ sales.

Government response

Having an effective compliance process is the cornerstone of revenue protection with retailers having a key role in the process. Retailers will therefore continue to have a responsibility for compliance at the point of sale. However, the Government is keen to ensure that the process is not overly burdensome for business, and has asked HMRC to look at ways of reducing the burdens of retailers in discharging that responsibility. HMRC will work with stakeholder groups to determine what measures of the current compliance process can be modified to ensure that the eligibility of claimants can be more easily verified and that HMRC collects only the data that is necessary for the effective operation of the scheme and in a way that places fewer burdens on the retailer.

Question 4 – What changes would help to improve the experience of the scheme at the point of exit from the UK (that is to say, at airports and ports)?

3.14 While many respondents agreed that the customer experience on departure is in need of improvement, there was not always consensus on how this might be achieved.

3.15 Respondents who offered proposals to ease congestion were not always specific about where congestion occurs. Some believed that providing separate queues for overseas visitors who do not want a cash refund will help to ease congestion and give visitors a choice about how their refund is made. Some suggested that claims under a certain value should be fast-tracked without checking and a few advocated self-certification for low-value claims. A suggestion from a retailer advocated allowing self-certification of lower-value claims which are issued and checked by retailers who become ‘accredited’ by HMRC as compliant scheme operators. Another suggested that claims processed at an in-store refund point could also be fast-tracked.

3.16 Some respondents would like to see increased resources in Border Force to handle these passenger service issues.

3.17 Across airports generally, many suggested that clearer signage would help – some suggested that signs for visitors - detailing which claims must be presented *before* check-in (such as those relating to goods contained in baggage) and which claims must be presented *after* check-in (such as those in respect of high value goods) - should be clear on arrival at all airports.

3.18 The lack of clarity on the rules concerning the use of drop-boxes (also known as ‘honesty boxes’) at regional airports – and the inconsistency in those rules around the country – was also criticised by some. Some felt that there is a low level of trust in the use of drop boxes and that visitors would prefer to see that their form has been stamped before they leave the UK.

3.19 Some believed that the use of a refund outlet to check claims and arrange refunds – as currently at London’s Heathrow airport – should be available at other airports. A minority requested that the ‘refund outlet’ model (to check claims on behalf of Border Force and offer refunds) should be opened to other operators at Heathrow as this could open competition and disperse queues.

Government response

The Government recognises the need to improve processes for overseas visitors using the scheme on departure from the UK. HMRC is currently taking steps to update a protocol with Border Force, which has operational responsibility for the scheme at airports and ports, with a view to finding ways to reduce queues, improve signage and agree a framework on the use of drop-boxes.

HMRC will engage with Border Force and stakeholders about the possibility of fast-tracking certain claims. The Government does not see a need at this stage to increase resources.

Question 5 – What changes would help to improve the refund process for the overseas visitor?

3.20 Many of the suggestions under Questions 3 and 4, apply here. Some respondents believed that having a separate queue for cash refunds will enable others to move through the queues much more quickly (because a cash refund may take more time to process). A few suggested that there needs to be better education of the customer about what to do at the airport. Again, better signage is cited, better resourcing of both Border Force and the refund outlet at peak times and allowing the visitor to complete parts of the form themselves.

3.21 There is some consensus that visitors should have a choice (some say, more choice) about their refund options – while some believed that visitors prefer to have the security of knowing they have the refund in cash before they leave (which – they say - is good for airport retailers because they often spend that cash before they leave), others suggested visitors prefer the convenience of a payment card refund (which is often cheaper).

Government response

Focussing our efforts on the key areas of concern, as noted above, will enable some 'quick-wins'. Changes under 3 and 4 above will aim to improve the experience of making and handling claims. HMRC will discuss with Stakeholder Interest Groups measures such as: changes to the claim form; allowing additional forms of identification; changing the retailer declaration; and reviewing some procedures at the airports. HMRC will review guidance following any changes to the scheme to ensure it is fit for purpose.

Question 6 – What changes would help to improve the accounting processes for retailers, refund companies and refund outlets?

3.22 There were a range of different suggestions in this section, with no majority views on any single issue.

3.23 A very small number of respondents said that some low-value sales should be zero-rated at point of sale, instead of requiring a stamped claim form to be returned. A similarly small number advocated the option of more regular repayment returns to HMRC to ease income-flow when refunds are paid out. One respondent suggested a purchase-ID system should be agreed between all VAT operators and retailers. Another suggestion saw all retailers required to print a scanable unique ID code on each form.

3.24 Most respondents who commented on the Direct Reclaim System prefer it, saying it works well. A very small minority would prefer its abolition.

Government response

The Government continues to support the charging and collection of VAT at the point of sale, with zero-rating of sales only taking place on receipt of a stamped refund form (subject to the necessary conditions).

The Government has no plans at this stage to withdraw the Direct Reclaim System or to change the frequency in VAT returns submissions.

Question 7 – What other changes would help to improve the customer experience of the scheme?

3.25 There were a diverse range of suggestions to improve the customer experience which included:

- the scheme should not require retailer intervention at all and that HMRC should arrange the refunds when claims are presented on exit from the UK;
- a clearly identifiable logo would help brand the scheme and make it easier to identify participating retailers and support signage at the airports/ports;
- clearer guidance and better communication, including in different languages;

- a 'host' service to customers in queues to help them get their claims right before they reach the front desk;
- allow overseas visitor to use any refund company when shopping with a retailer;
- the scheme should permit electronic 'signatures'; and
- notwithstanding the option to implement a digital scheme (see below), explore opportunities to ensure better cooperation between refund companies, retailers and refund outlet(s) by integrating IT systems more effectively.

Government response

The Government believes that the most cost-effective refund process relies on the participation of the retailer at the point of sale and has no plans for HMRC to undertake the VAT refunds. HMRC will work with stakeholder groups to determine what elements of the current scheme can be modified to help to improve the customer experience.

Question 8 – What changes could be made to improve the compliance process of checking the overseas visitor's eligibility?

3.26 As noted above, many suggested that retailers should not have responsibility for checking eligibility and that the compliance process should be undertaken at the airport. This, they noted, is the role of an experienced customs officer and that it is unfair to place the burden on retail assistants.

3.27 Some suggested that better guidance should be provided on what identification can be accepted to determine eligibility and a few suggested that the eligibility criteria should be simplified.

3.28 Respondents differed on the exact level of information that should be collected on the form but there was a broad consensus that HMRC gathers too much data.

Many respondents suggested that much of the personal information required can be completed by the customer, not in the presence of the retailer, and that the retailer should only be required to complete relevant details of the sale (eg: description, price etc).

Government response

As noted above, HMRC will work with stakeholder groups to determine what measures of the current compliance process can be modified to ensure that the eligibility of claimants can be more easily verified and that HMRC collects only the data that is necessary for the effective operation of the scheme and in a way that places fewer burdens on the retailer.

Question 9 - What changes would help to ensure that forms are completed correctly?

3.29 As noted above, most respondents to this question reflected on the need to simplify and standardise the format of the form, which would reduce the data required and make the form easier both for visitors to complete and for those processing and handling the forms.

3.30 A few suggested the form should be supported by foreign language translations and that there is a need to provide better supporting guidance on how to complete the form.

3.31 A few also suggested that the form is relatively easy to populate where there are integrated IT systems with customer data.

Government response

The Government acknowledges that simplifying the process at the point of sale and gathering less data will in itself help to improve compliance on form completion, as

overseas visitors will find the conditions of the scheme easier to comply with.

Question 10 – Should the Government introduce civil penalties for failing to comply with the conditions of the scheme? Please give reasons for your answer.

3.32 Respondents were split about the need to introduce civil penalties for failing to comply with the conditions of the scheme. Many felt that penalties should be applied in only the most abusive circumstances and some were concerned that they might be applied heavy-handedly, for instance in cases of genuine error. Retailers, in particular, were concerned that penalties might be applied where they had incorrectly approved a customer as eligible to use the scheme and that in these circumstances the penalty would be unfair.

3.33 Some respondents argued that the criminal and civil sanctions currently available to HMRC and Border Force are sufficient.

3.34 Conversely, some believed that there is a strong need to introduce penalties to improve overall compliance and to act as a deterrent to those who misuse the scheme. Some retailers, who feel that they are compliant with the conditions of the scheme, argued that they are disadvantaged by those retailers who do not adhere to the conditions. A very few argued that HMRC should consider withdrawing the use of the scheme from retailers and refund companies that do not act within the rules.

Government response

The Government acknowledges that there is a range of views but considers that, on balance, the effectiveness of the current penalty regime should be evaluated when other improvements to the scheme are implemented. There are therefore no immediate plans to make any changes to the current penalty regime for the VAT Retail Export Scheme.

Question 11 – What other changes to the scheme would help to ensure compliance and/or protect revenue?

3.35 There were a variety of suggestions here with no overall consensus. Individual suggestions included:

- pre-registration to the scheme of overseas visitors and retailers;
- more robust controls at the point of departure;
- apply penalties more frequently;
- increased cooperation between HMRC and refund companies;
- better information at point of sale;
- HMRC to provide an online training module for new retailer/refund company staff; and
- that tax free shopping should be withdrawn.

Government response

The Government is grateful for the wide-variety of suggestions. HMRC will work with stakeholder groups to determine what elements of the current scheme can be modified to help to protect revenue and will aim to focus on the most effective options.

Question 12 – How could a digital Tax Free Shopping scheme benefit:

- overseas visitors;

retailers;

refund companies;

refund outlets (meaning a company offering cash and credit card refunds at airports/ports or in shopping centres etc);

HM Government (including Border Force and HMRC);

UK taxpayer;

other (please specify).

3.36 Almost all respondents to this question saw significant benefits from digitising the process, for all stakeholders in the scheme. Many said that a digital scheme is realistically the only option that can substantially meet the combined objectives of improving the customer experience and protecting revenue. A few respondents reflected that to maintain a strong position in the tax free shopping market, a modern digital scheme is vital and others said it will enhance the UK's reputation as a leading shopping destination and boost the UK economy. One respondent said that the UK should take pride in leading a solution such as this.

3.37 Most saw a digital solution (that is carefully introduced) as a fundamental step towards improving the experience of tax free shopping for the overseas visitor – eliminating paperwork, speeding up the process at the point of sale, streamlining the process at the airport and allowing for a more convenient choice of refund options. Many argued that such steps will help the UK to become an even more attractive shopping destination for tourists and would boost retail sales.

3.38 Many retailers and refund companies who responded to this question said that a digital solution would make the scheme more convenient for them to use – reducing the time it takes to gather data, eliminating paperwork and removing the onus on the retailer to determine eligibility at the point of sale.

3.39 Many argued that it will increase compliance by introducing better security measures and reduce risk from misuse. It can operate in 'real-time' so there is less risk of abuse. Some respondents said that a digital scheme will bring much better accounting processes with clear audit trails between sales and claims.

3.40 Other benefits included:

- claim forms issued more efficiently;
- paperwork cannot be lost;
- system could pre-authorise eligibility;
- removes the need for customers to carry passports when they shop;
- can consider using Smartphone technology;
- increased transparency and awareness;
- refund process can be tracked;
- Border Force could take a more risk-based approach to checking goods and claims;
- would assist HMRC in auditing retailers and refund companies;
- reduces waiting times at airports;
- provides overseas visitor with a choice of refund options.

3.41 Alongside these positive responses, there were heavy caveats from significant stakeholders in the market. A number of prominent retailers and retail representatives argued that it is vital that no additional costs are passed onto either overseas visitors or the retailers, and that any digital solution should be available to all. Some respondents felt that a manual system must run alongside a digitised system, at least initially.

3.42 A significant minority of refund companies and some retailers argued strongly that there is a case for ensuring that a digital scheme is operated independently of any other party in the refund process. Some were also concerned that a refund company operating the digital scheme would pass on costs to other refund companies and ultimately the overseas visitor. There was also a concern that a digital scheme should not exclude smaller independent retailers.

3.43 Other concerns surrounded: the sharing of sensitive and valuable customer data; the complexities of aligning multiple systems; how such a system might be planned and introduced; ensuring a suitable transition period; and the costs to business of installing new hardware or software. One respondent suggested that a digital solution will expose the scheme to more fraud and abuse.

Government response

The Government recognises that respondents to the consultation have given a clear steer on their preference for a digital solution.

HMRC will continue to consider options for a digital solution, taking account of the risks and benefits identified through the consultation and will set out a plan for taking this work forward in early 2014. This work will determine whether there is a viable digital option that can be taken forward.

Question 13 (for businesses) – Taking account of the need to develop a strong business case, how could a digital scheme be delivered? Please provide any details (including likely costs, ways to mitigate those costs, impacts (positive and negative) on different stakeholder groups (including financial and admin burdens) as well as resource and revenue savings.

3.44 A small number of companies, operating both within and outside the current refund sector, outlined models for a digital solution. Due to commercial sensitivity, this information has in some circumstances been provided at a high level. Many of these respondents offered further meetings with HMRC and other interested parties to discuss in more detail.

3.45 The possible solutions varied in approach from a complete digital end-to-end process to a more basic logging and verification of purchases. Some models drew on the existing infrastructure of payments systems and another promoted a new online verification process. A respondent indicated the opportunity to develop an app for smart phones. A few respondents advocated a pre-registration system to verify eligible claimants before arriving in the UK. Some contemplated the necessity of a digital system being able to print claim forms in the event the overseas visitor departs the EU from another Member State.

3.46 Responses to this question indicated that there are companies which are interested in working alongside HMRC at little, or no, cost to UK taxpayers. Others

advocated drawing on existing systems in other EU countries. A few respondents said that HMRC should draw on experiences in Ireland, France and Singapore. A few respondents said that any digital scheme in the UK should aim to be compatible with other digital schemes across the EU.

3.47 Respondents suggested implementation times could range between 6 months to 3 years.

Government response

A digital solution depends on reaching an appropriate commercial agreement with third-party suppliers, as HMRC itself will not be able to fund a digital scheme. The Government is pleased that there are companies who wish to engage with HMRC to find ways of delivering this innovative solution. HMRC will meet again with interested parties early in 2014. If private-sector funding of a digital solution is pursued, there will be an open competition to choose the private sector partner.

Question 14 – Should the UK introduce a minimum threshold for the Retail Export Scheme? Please give reasons for your answer.

3.48 Of the respondents who answered this question, most did not support the introduction of a threshold for the VAT Retail Export Scheme. However, a significant proportion supported the possibility of a threshold.

3.49 Many of those who objected to a threshold cited as their main concerns the negative impact on sales and the competitive advantage of larger retailers and department stores over smaller retailers. Many also felt that a threshold will disadvantage low-spending visitors, and those from less wealthy countries. Some believed that a threshold will have a disproportionate impact on regions outside London. A very few believed that a threshold will be complicated to understand and for retail staff to apply. Some argued strongly that low-value spends should be encouraged.

3.50 Almost all of those who objected to a threshold argued that one of the key positive aspects to the current scheme is its availability to all. They argued that a threshold would send an unwelcoming message to UK visitors and damage the UK's competitiveness in tax free shopping, sending visitors to other EU countries. A respondent in the tourism sector felt that a threshold would undermine the legacy from last year's Olympic and Paralympic Games.

3.51 Of those in favour of a threshold, it is argued that it will be beneficial to others using the scheme if smaller claims are removed from the process – reducing numbers in queues. A very few in the retail sector believed that a threshold would increase spend (to exceed the *de minimis*) and would mean less time for retailers completing low value forms. Some only advocated a threshold if the option of a digital scheme is not taken forward. Some noted that most retailers/refund companies already impose a threshold in-store and this would make the rules consistent across retailers.

Government response

The Government has no plans to introduce a threshold below which claims cannot be made. While there is a significant minority of respondents who favour a threshold, the Government believes there are compelling arguments to suggest that a threshold may have an adverse impact on smaller retailers, certain refund companies and overseas visitors. It notes that one of the most positive aspects of the scheme, according to many respondents, is its availability to all.

Question 15 – If you think there should be a minimum threshold in the UK, what should it be?

3.52 Of those in favour, suggestions ranged from £30 to £200. Most preferred a lower amount and many favoured £50 - £75.

Government response

The Government has no plans to introduce a threshold below which claims cannot be made.

Question 16 (for retailers and refund companies) – Please provide an estimate of the impact of a threshold set at £150.

3.53 The impact on individual companies varied significantly. Smaller retailers suggested that up to 75 – 80 per cent of overseas transactions are below £150. Many estimated the impact in the range of 20 – 35 per cent.

3.54 It is not possible to provide an accurate picture of the average impact because the evidence here is unclear.

Government response

The Government has no plans to introduce a threshold below which claims cannot be made.

4. Next steps

Modernising the scheme

4.1 To modernise the scheme and equip it for the future, the Government recognises that a digital solution is the leading option. A streamlined, more efficient scheme will support the retail and tourism sectors and the UK economy as a whole.

4.2 HMRC will continue to explore options for a digital solution, taking account of the views of and impact on key stakeholder groups and will update Stakeholder Interest Groups on progress. HMRC will set out a plan for taking forward this work in early 2014.

4.3 The Government is clear that to ensure value for money to the UK taxpayer a digital solution is dependent on finding an acceptable means of funding. If such a solution is viable, it is intended that an open competition will run to choose any private sector partner.

Changes to the current scheme

4.4 The Government acknowledges the need for more immediate improvements, and some basic changes to the current scheme will be undertaken that will improve the customer experience (at the point of sale and the point of exit) without undermining the compliance of the scheme. The focus will be on the most effective improvements rather than widespread and multiple changes, particularly improving the compliance process at the point of sale and improving passenger service issues at airports.

4.5 HMRC will work with Stakeholder Interest Groups on the detail of these improvements before revising guidance to business and overseas visitors. Changes to the current scheme will be made in 2014.

4.6 The Government does not intend to take forward options for introducing civil penalties or a minimum threshold.

Annex A: List of stakeholders consulted

Company/Name	Types of business
Amazon.co.uk Ltd	Retailers
British Museum Company Ltd	Retailers
Currys and PC World	Retailers
Harrods Ltd	Retailers
House of Fraser	Retailers
Hugo Boss	Retailers
John Lewis Plc	Retailers
Marks & Spencer	Retailers
New West End Company	Retailers
Oasis & Warehouse Fashions Ltd	Retailers
Royal Collection Enterprises Ltd	Retailers
Selfridges Retail Ltd	Retailers
Tesco	Retailers
Value Retail Management (Bicester Village) Ltd	Retailers
Warner Bros. Studio Leavesden	Retailers
Fexco	Refund companies
GB Tax Free	Refund companies
GK Strategy	Refund companies
Global Blue S.A.	Refund companies
Premier Tax Free (UK) Ltd	Refund companies
Smartax Refund Ltd	Refund companies
Tax Free Worldwide	Refund companies
Association of Taxation Technicians	Others
British Retail Consortium	Others
Chartered Institute of Taxation	Others
Heathrow Airport	Others
M.A.G	Others
MasterCard Worldwide	Others
Overseas visitor	Others
Overseas visitor	Others
Overseas visitor	Others
Taxmapp	Others
Tourism Alliance	Others
Travelex Limited	Others
UK resident	Others
UK Travel Retail Forum	Others
VisitBritain	Others