

# What's new in VAT?

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Subject	Brief detail	Who is affected?	Action
Sports exemption – green fees	HMRC have always argued that the exemption for members' sports subscriptions accorded to non-profit making members' clubs does not apply to non-members, for example, golf club visitors' green fees. A recent case has ruled against them though HMRC are seeking to appeal	Sports clubs which have accounted for VAT on non-member sporting income	Consider protective claim
VAT registration – HMRC initiative	HMRC have issued around 40,000 letters to non-registered businesses asking whether they should be registered and offering a lower penalty for registering now	Non-registered businesses receiving the letter and also those who have not received the letter but wish to consider registering now	Assess registration liability and act if registration is required
Cross border trade – definitions	The definitions for the place of belonging rules have been amended	Businesses supplying or receiving services across EU borders	Check that the new definitions do not impact on current arrangements
Cross border trade - Italy	Italy has revised its VAT registration system meaning that a lot of old VAT registration numbers are no longer valid	Businesses using Italian VAT numbers in order to make VAT free supplies	Check all Italian customers' VAT registration numbers
Salary sacrifice	The rules for deciding whether VAT is due on supplies made under salary sacrifice arrangements change from 1.1.12	Businesses that allow staff to opt for goods or services in return for a lower salary	Check current arrangements against the newly announced changes
Penalty – misdeclaration – delayed tax provisions	An error on a VAT return can be subject to the misdeclaration penalty. An error made which is subject to a compensatory adjustment on a later return can, instead, be subject to a delayed tax penalty at a much lower rate. HMRC have revised their policy where a compensatory adjustment has not been made because no return has been rendered but where it is clear that such an adjustment would be made	Businesses penalised under the misdeclaration rules but where a compensatory adjustment would have been made.	Check misdeclaration penalties and put in a claim for the application of the lower penalty if it is clear that the delayed tax penalty was more appropriate under the new interpretation.