

This month, we bring you updates on how Brexit is going to affect VAT rules along some considerations for year – end reporting. As always we welcome your feedback and interactions and look forward to hearing from you in the near future.

**T** The Tax Centre of Excellence have published a VAT Treatment paper on 'Temporary Staff moves for Brexit'. This is in relation to the request for temporary loans of staff from GDs to support other GDs in their 'No Deal EU Exit' work. In summary, there will be no supply for VAT purposes for those staff on loan up to six months, as the cost will still be borne by their home Department. Please see [here](#) for further information. We are also working on a dual workplace bulletin which will be issued shortly, so look out for that.

### **PAYE Forum Update**

We are very pleased to announce that the PAYE Forum is going to be taking place on Thursday 21st March 2019. Invitations will be issued shortly so if you haven't already done so, please could you [send](#) through a list of PAYE contacts from your Department, to ensure we include as many Departments as possible.

### **a Update on the implications of Brexit on Departments.**

**a** The Prime Minister has reached a deal with the 27 EU member states on a Withdrawal Agreement, but at present this deal has not been agreed by parliament, therefore in the event of a potential No Deal outcome, the government has placed relevant documents on the DExU website to aid preparation for a No Deal exit. Please follow the [link](#) below to that site. In addition, HMRC have also updated their guidance in the [Partnership Pack](#) to reflect the latest on 'no deal' preparations.

### **X Update on UK traders EU Exit Preparations**

**X** HMRC letter advises businesses on the three actions they must now take to ensure they can continue to trade the day after the UK leaves, this includes registering for a UK Economic Operator Registration and Identification (EORI) number. This number is assigned to importers and exporters by HMRC and is used in the process of customs entry declarations and customs clearance travelling to and from EU and non-EU countries. Without a UK EORI number a department won't be able to continue trading with the EU after Brexit. Departments can confirm whether they already have this and can apply for an EORI number via the link [here](#). When carrying out the check, your EORI number will be the Country code, VAT number and 3 zeros at the end.

### **C Changes to VAT legislation on Face Value Vouchers**

**C** This measure introduces legislation for the VAT treatment of vouchers issued on or after the 1<sup>st</sup> January 2019. It affects only vouchers for which a payment has been made and which will be used to buy something. There will no longer be a supply of a voucher, or of the right to purchase goods or services using a voucher. Instead, a voucher represents the goods or services to which it relates, and the question is when the supply of

those goods or services takes place - at the time of the issue and each successive transfer of a voucher, or when the voucher is redeemed? See [here](#) for further information.

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## End of Year Considerations – Diesel Supplement

As part of the plan for the UK tackling roadside Nitrogen Dioxide concentrations the Finance Bill 2017-18 brought in an amendment to Schedule 1 of the Vehicle and Registration Act (VERA), applying a supplement to new diesel cars registered after 1 April 2018 that are not meeting the Real Driving Emission 2 standard. This tax information and impact deals with the increase to the diesel supplement from 3% to 4% used for calculating the taxable benefit-in-kind of a diesel car. Please see [here](#) for more information.

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## Guidance Update – Internal Manual VAT Supply and Consideration

HMRC have updated their guidance in their internal manual for VAT Supply and Consideration. The guidance helps to determine the liability of the supply of goods or services and spells out what 'consideration' is – i.e. whatever is received in return for the supply of goods/services. The Internal Manual can be found [here](#).

## Guidance Update – Education of Vocational Training (VAT Notice 701/30)

This notice explains the VAT treatment of education, research, vocational training, goods and services provided in connection with these activities and examination services. It has been updated to include references to the Horizon 2020 programme in paragraph 5.8, and to update references to the Young People's Learning Agency and the Skills Funding Agency to the Education and Skills Funding Agency (ESFA) in paragraphs 5.5, 13.1 and 13.7. Please see [here](#) for further information.

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## Guidance Update – Transfer of a business as a going concern (VAT Notice 700/9)

This notice explains whether the transfer of a business should be treated as a 'transfer of a business as a going concern' (TOGC) for VAT purposes and when and how to account for VAT. The notice has been updated with new advice added for purchasers not established in the UK at paragraph 2.2.6. There are also updated rules on transfers into a VAT group in paragraph 4.3, and in paragraph 2.4 there is new information for when property is transferred but the seller retains an interest in it. See [here](#) to read more.

*Don't forget to regularly visit our Tax CoE [website](#) which contains lots of other useful guidance and documentation.*

*Once more, we welcome feedback and if there are any topics that you would like to see covered in the future. Email us [here](#).*