

## Minutes of the 92nd JVCC meeting held on Tuesday 5 August 2014

13:30-15:10 in The Auditorium,  
1 Horse Guards Road, London SW1A 2HQ

<b>1</b>	<b>Agenda Item 1 - introductions and apologies</b>	<b>Ian Stewart</b>
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1.1 IS welcomed attendees, among them Adrienne Curtis, now representing both the Confederation of British Industry and the Association of British Insurers, and Dave Huyton, The Association of Chartered Certified Accountants, deputising for Dean Carey.

1.2 IS thanked Trevor Steel, The Chartered Institute of Public Finance & Accountancy (CIPFA), for his contribution to JVCC. TS was standing down from his role on the CIPFA VAT Committee and this was his last JVCC meeting.

A list of attendees and apologies is in appendix A.

<b>2</b>	<b>Agenda item 2 – minutes of the last meeting; review of action points; matters arising</b>	<b>Ian Stewart Jon Riley</b>
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2.1 Minutes of the meeting of Thursday 8 May had been agreed via correspondence and a copy was available on GOV.UK.

2.2 JR gave an update on the two outstanding action points. Details are in appendix B.

<b>3</b>	<b>Agenda item 3 – Update on EU and other international VAT issues</b>	<b>Ian Broadhurst, Mike Cunningham</b>
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3.1 IB explained that the Italian Presidency had already held one meeting, on 2 July, to discuss the standard VAT return, and was relatively confident that progress would be made under the remainder of its term. The position should become clearer when discussions return to Council in the early autumn.

3.2 Under the preceding Greek Presidency, Member States agreed that any future technical work on the standard VAT return should be undertaken in Council and not through comitology. The Italian Presidency had duly started its technical discussions on this basis, with the immediate focus on the boxes on the return. It was

early days and we will update JVCC periodically on progress. Asked about Section 33 VAT Refunds, IB said that the UK would resist any change to the claim process we currently have in place.

3.3 Under the Greek Presidency, as a result of sustained pressure from the UK and the extremely useful letters that a number of business organisations sent to the Commission, the UK had secured a very satisfactory outcome at ECOFIN, which ensured that work on the Web Portal is now back on track.

3.4 ECOFIN agreed that future work on the standard VAT return should be governed by the objectives of reducing overall business burdens, whilst ensuring this will not lead to an increase in the overall burden for businesses in any individual Member State (MS) or national tax authority. This addresses one of the UK's key concerns. In addition, ECOFIN called on the Commission to explore a cost-effective solution for setting up a Web Portal and to report back on progress before the end of the Italian Presidency.

3.5 IB said that the UK's position on the standard VAT return remained the same, insofar as we would support an outcome that delivers real benefits to UK businesses trading across the EU. In our view, a key priority should be to support further work on the Web Portal to help address wider issues, such as the lack of readily available information on the underlying VAT rules in other MS.

3.6 RS asked what the latest position was on the Commission consultation on Review of Existing VAT Legislation on Public Bodies and Tax Exemptions in the Public Interest. MC said an update could be expected late 2014/early 2015 once the new Commission was in place. He also advised that although the Financial Services dossier was back on the work programme covering the three Presidency term (starting with and including Italy) it was unlikely to come up under the Italian Presidency.

<b>4</b>	<b>Agenda item 4 – Transfer of HMRC material to GOV.UK</b>	<b>Dave Gostelow</b>
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4.1 DG explained that the transfer of content from its own website to GOV.UK had been a priority for HMRC over the last two years. The migration of VAT material had started 16-18 months ago and was now 75% complete. Information not transferred to GOV.UK will remain accessible via the National Archives, such as previous versions of VAT Public Notices.

4.2 Unlike the HMRC website there was currently no VAT landing page on GOV.UK, instead the main way to access VAT content was via a search facility. However, feedback from user groups had been in favour of incorporating a landing page into GOV.UK from which all VAT Notices and other guidance products could be more easily accessed and this was being developed by the HMRC Digital Services Team in conjunction with GOV.UK.

4.3 The “What’s new” page on the HMRC website will not be reproduced on GOV.UK. DG advised that the HMRC home page on GOV.UK has a link to an “Our announcements” page which serves the same function and to which users can sign up for email alerts and RSS feeds. The home page also links to “Our publications” which signposts all new and updated HMRC publications and is another feature to which users can sign up to receive alerts. There is a feedback facility on every page and two-way dialogue about GOV.UK and the information on the website was actively encouraged.

4.4 AMc requested that PDF versions of VAT Notices should be made available on GOV.UK alongside the current HTML versions, as these were easier to search and download. He also asked if it would be possible for changes to guidance manuals to be clearly marked to highlight the text that had been amended and to show the date of any revision. IS asked DG to take away these points and let JR have a note to circulate to members.

**AP2/14: DG to look into the issues raised about VAT publications on GOV.UK and to provide JR with a note for JVCC members**

4.5 RCh mentioned difficulties in tracking down a VAT Information Sheet that should have been available on GOV.UK but had been moved to the National Archives. RCh to send details to JR so that this can be rectified.

5	<b>Agenda item 5 – What changes can we make to improve our VAT online service (registration, variations and deregistration)</b>	<b>Lorn Morrison</b>
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5.1 HMRC was looking at how to encourage greater take up of its online VAT services. While 87% of VAT registration applications were now submitted online, the figure for online variations and deregistration was around the 50% mark. LM asked JVCC members for their experiences of using these online VAT services and for their views on what could be done to make them more attractive to users.

5.2 Suggestions to make the services more user-friendly included:

- Improve the clarity of the questions on the online VAT1 form;
- make available the full set of questions on the online VAT1 form (currently the questions can only be accessed as the form is being completed) ;
- provision of a flow chart to assist with the completion of the online VAT1 form;
- better communications and signposting to increase awareness of online options: this could be achieved by flagging up the availability of the online variations and deregistration services to those registering for VAT online, or by advertising the online services on the paper forms;
- resolve issues around the timely receipt of Activation Codes. Delays in receiving Activation Codes could be particularly problematic for non-established taxable persons
- make it easier and quicker for agents to discuss the tax affairs of newly-registered clients by incorporating online Agent Authorisation into the VAT online registration process

On the final point, LM said that the introduction of Agent Online Self Serve will allow agents who satisfy certain criteria for enhanced access to self authorise new clients.

5.3 IS thanked JVCC members for their contributions and encouraged them to send any further suggestions to JR to feed into the work that LM was taking forward.

<b>6</b>	<b>Agenda item 6 – VAT Data Sharing</b>	<b>Sally Beggs</b>
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6.1 The Small Business, Enterprise and Employment Bill included provisions to enable HMRC to share, on a controlled basis and only with qualifying parties, non-financial VAT registration data for a limited number of purposes. The type of data to be released included the VAT registration number, name of the business, contact details and status information, such as legal entity and trade classification. No financial or compliance data will be shared.

6.2 There were concerns raised by some JVCC members about the release of a current address for a business where this was also a home address and it was suggested that an opt out clause should be included in the legislation. SB advised that HMRC will have complete control over who the data is released to and this will be subject to the recipients meeting stringent conditions. There will be no opt out available.

6.3 Responses to the original consultation had been mixed, but research had shown that sharing information on the VAT register, for a limited number of purposes and only with qualifying parties, had the potential to bring significant benefits to small and new businesses through the release of additional trade credit. The Bill was currently going through Parliament and had just completed its second reading.

6.4 Members asked if deregistered businesses would be removed from the register and whether HMRC would be carrying out audits of those companies to whom data had been released to ensure compliance. SB took away these points and it was agreed to cover both at the meeting in November under a substantive item on HMRC's implementation plans.

<b>7</b>	<b>Agenda item 7 – Any Other Business</b>	
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7.1 TS to send JR an email with some queries about the reverse charge for wholesale supplies of gas and electricity.

7.2 RCh said it would be useful if, ahead of publication, JVCC members could be given the opportunity to comment on substantive changes to VAT Public Notices and guidance.

**AP3/14: JR to discuss with VAT policy team leaders a process for sharing in draft substantive revisions to VAT Public Notices and guidance**

<b>8</b>	<b>Agenda item 8 – Review of Meeting</b>	
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8.1 The final meeting of 2014 will take place on Thursday 6 November.

## **Appendix A**

### **JOINT VAT CONSULTATIVE COMMITTEE (JVCC)**

(Meeting no 92)

Tuesday 5 August 2014

13:30-15:10, Auditorium

1 Horse Guards Road, London SW1A 2HQ

#### **External Attendees**

Rhiannon Churchill (RCh)	Institute of Chartered Accountants in England and Wales
Ruth Corkin (RC)	VAT Practitioners Group
Adrienne Curtis (AC)	Association of British Insurers & the Confederation of British Industry
Helene Dinsdale (HD)	One Hundred Group
Michele Hood (MH)	British Retail Consortium
David Huyton (DH)	Association of Chartered Certified Accountants
Alex McDougall (AMc)	The Institute of Chartered Accountants of Scotland
Alex Millar (AM)	Association of Accounting Technicians
Martin Shah (MS)	The Law Society of England & Wales
Richard Sharp (RS)	The Chartered Institute of Management Accountants
Trevor Steel (TS)	Chartered Institute of Public Finance & Accountancy

#### **Apologies**

Casey Baird	Finance and Leasing Association
Dean Carey	Association of Chartered Certified Accountants
Tony Jackson	The Chartered Institute of Taxation
Peter Jenkins	Charity Tax Group
Julian Ogden	VAT in Industry Group
Martin Scammell	British Property Federation
Stephen Taylor	Association of Taxation Technicians

#### **HMRC/HMT Attendees**

Ian Stewart (IS)	Director, Indirect Tax Directorate
Jon Riley (JR)	JVCC Secretary, Indirect Tax Directorate
Ian Broadhurst (IB)	Indirect Tax Directorate
Mike Cunningham (MC)	HM Treasury
Dave Gostelow (DG)	HMRC Digital Service
Lorn Morrison (LM)	Indirect Tax Directorate
Sally Beggs (SB)	Indirect Tax Directorate

**Appendix B**

**Current position on JVCC action points**

AP ref	Detail	Current position
<b>Action point from the meeting on 8 November 2013</b>		
<b>AP5/13</b>	<b>PR to look into the possibility of an automated response from HMRC to acknowledge receipt of Option to Tax notifications</b>	<p><b>All signed and scanned Option to Tax notifications submitted to the dedicated Option to Tax Unit email address are acknowledged by email. We are not able set up an automated email acknowledgment so this is done manually. We aim to acknowledge receipt within 2 working days. There was a backlog when this issue was first raised in November 2013 but we are currently meeting our expected service level to process applications and issue a reply within 15 working days. Applicants can check on the progress of OTT notifications submitted by electronically and by post by telephoning the OTT Unit.</b></p> <p><b>Where OTT notifications are submitted with a VAT registration application, we do not issue a separate acknowledgment of the OTT notification but customers may check on the progress of an OTT notification by quoting the registration application acknowledgment reference.</b></p>
<b>Action point from the meeting on 8 May 2014</b>		
<b>AP1/14</b>	<b>PR to look into reported delays in issuing assessments by post and in updating HMRC systems to take account of changes in VAT group membership</b>	<b>The Indirect Tax Process Owner Team looked into both issues. Each was an isolated case and control measures were in place to prevent any further occurrences, though we will consider any options for</b>

		<b>fine tuning during end to end reviews we have planned for our error correction and registration processes</b>
<b>Action points from the meeting on 5 August 2014</b>		
<b>AP2/14</b>	<b>DG to look into the issues raised about VAT publications on GOV.UK and to provide JR with a note for JVCC members</b>	
<b>AP3/14</b>	<b>JR to discuss with VAT policy team leaders a process for sharing in draft substantive revisions to VAT Public Notices and guidance</b>	