

EVENTIA ACHIEVES BREAKTHROUGH AGREEMENT ON TOMS

Eventia Regulation Committee has achieved a significant breakthrough agreement with HMRC on VAT accounting for events. Until now, agencies managing events involving any element of TOMS accounting meant that the agency had to pay VAT on the full amount of the non-travel part, yet even VAT registered clients were unable to recover the VAT. This has created an unfairness and anomaly compared with VAT accounting in other parts of the EU, putting UK agencies at a competitive disadvantage.

Negotiations over 18 months with HMRC have enabled Eventia to announce that forthwith, it will be possible for agencies to issue VAT invoices on the “non TOMS” element (known as “In-house supplies”) of an event. This overturns many years of HMRC practice.

Commenting on the agreement with HMRC, Eventia Regulation Committee Chairman Brian Kirsch said

“We are delighted to have reached this milestone agreement with HMRC. It sounds very dull and technical, but this change will be of immediate benefit to agencies wanting to compete in the European market, and who want to account for VAT correctly. I am grateful to those agencies who have worked with the Committee, and in particular to the David Bennett of Saffery Champness for his expert input.”

Eventia Regulation Committee continues to work with HMRC on other TOMS issues, including whether minor “TOMS elements” in an event can be disregarded, and more fundamentally whether B2B transactions should be in TOMS at all. There may be further developments this week as the ECJ Judgment on TOMS is expected by Friday.

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