

## EC Directive VAT Refunds

***Businesses wishing to make 8<sup>th</sup> and 13<sup>th</sup> Directive reclaims will require all supporting documentation***

### **Hansard**

“Mr. Spring: To ask the Chancellor of the Exchequer

(1) what discussions he has had with HM Revenue and Customs concerning policy changes for the repayment of VAT under the 8th and 13th EC directives;  
(2) what assessment he has made of the impact on (a) inward investment into the UK and (b) the UK hotel industry of changes to VAT collection under the 8th and 13th EC directives;  
(3) if he will make a statement on the proposed policy changes for repayment under the 8th and 13th EC directives that will come into effect on 1 January 2006; and what assessment his Department has made of the likely effects of these changes on (a) UK companies and (b) non-EU companies.

Dawn Primarolo: HM Revenue and Customs (HMRC) have been receiving an increasing number of claims for repayment of VAT under the 8th and 13th EC VAT Directives which have not been supported by all the required documentation, including valid VAT invoices. HMRC have found that the previous controls for dealing with such claims are not sufficiently robust and are being abused. HMRC have therefore decided that they must tighten their procedures and have recently reminded businesses that claims must be supported by all the required documentation, and about what details a valid VAT invoice must contain. These rules apply equally to all businesses and are no different to the rules that apply domestically for businesses seeking to recover VAT incurred on their purchases.”