

Charities & Condoms

Following a tribunal decision, the supply of condoms to a charity providing care or medical or surgical treatment is zero rated. HMRC have decided not to appeal the tribunal's decision. The decision does not affect supplies of condoms to customers other than charities providing care, medical or surgical treatment. They will continue to be liable to the reduced rate of VAT, which applied to contraceptive products, with effect from 1 July 2006.

Businesses that have accounted for and paid VAT on supplies of condoms that are now consider to be zero rated may submit claims for overpaid VAT. These will be subject to a three-year limitation period and unjust enrichment provisions.