

**Do you provide hotel conference/function facilities? Revised interpretation of law on VAT treatment**

HM Revenue & Customs have revised their interpretation of law on the VAT treatment of hotel/conference function facilities. They now accept that where a room is provided for a meeting, conference or similar function (but not where the primary purpose is for a supply of catering), the provision of the conference/function room hire, meals and sleeping accommodation under the 24 hour delegate rate should be treated as separate supplies. These will be taxable supplies, with the exception of the conference/function room hire, which will be an exempt supply unless an option to tax has been made.

More information can be found in Business Brief 01/06.