

New Partial Exemption Rules

Although we have previously mentioned the introduction of more stringent rules for those using a partial exemption special method, we remind you that the new rules coming to play on the 1st April this year.

Customs will now only approve a special method if the business has declared it to be fair and reasonable. The declaration envisages a reasonable person taking reasonable steps to ensure the proposed method is fair. Customs state that should they approve a method and subsequently discover that the person signing the declaration did not act reasonably, the special method could be overridden.

In a recent Business Brief, Customs have produced a template identifying how the written declaration should be made which shows the actual business in question, the method to which it relates and the signatory.

The current system of signing and returning a copy of Customs summary of the method will disappear.