

## **Changes to the treatment of certain sports related services**

### ***Revenue & Customs Brief 15/10: VAT***

HMRC has released a Brief following the ECJ Judgment in Canterbury Hockey Club (C-253/07). Article 132(m) of the VAT Directive requires Member States to exempt “certain services closely linked to sport...by non profit making organisations to persons taking part in sport...” The current UK legislation speaks of exempting such supplies to individuals only. The ECJ found that exemption can apply to supplies to corporate bodies and non incorporated associations provided that the true beneficiaries of the services are persons taking part in sport. The UK also limits the exemption of affiliation fees charged by sports governing bodies to their member sports clubs to cases where the fees are calculated on a per person basis.

The Brief announces changes to the VAT exemption for sports related services from 1 September 2010. Eligible bodies will have to exempt supplies where the true beneficiaries are persons taking part in sport, even if the supply is not made direct to an individual and irrespective of how the fee is calculated. Businesses who want to implement the changes prior to 1 September may do so. However, the Brief sets out how claims will be subject to the four year time limit, set off provisions and potential direct tax implications.

Click [here](#) to read the Brief in full. An Impact Assessment of the policy change on the VAT treatment of sports affiliation fees has also been provided and can be found [here](#).

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