HMRC - VATSC22200 - Value Limit

In the UK, the maximum limit of small value gifts is set at £50 to the same person in the same year - therefore a gift of goods for business purposes where the cost to the donor is not more than £50 is not a supply for VAT purposes. The £50 relief only applies to gifts made in the course or furtherance of business and therefore not to those made for non-business purposes, including those applied to personal use (for example a gift to a relative or friend). (If an asset is purchased to be given to a relative or friend, the asset is not a business asset: the VAT incurred is not input tax).

Previous page

Next page