HMRC - VATSC51680 - Grants: Related Guidance

The consideration for a supply is everything received in return for the supply, including subsidies directly linked to the price. If there is no consideration there is no supply.

The guidance on the definition of consideration in

Assistance in deciding whether there is a direct link between a supply and consideration can be found in the ECJ judgment in Mr Tolsma (C-16/93), see

Sometimes funding for activities that are carried out by a public body under statutory powers comes from a mixture of grants and statutory contributions by private individuals or businesses. Guidance about how to approach this subject can be found VATGPB3500.

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