HMRC - VATSC59000 - Disbursements

These are payments made by a third party to a supplier on behalf of the recipient of the supplies. When the third party recharges the amount to the recipient of the supplies, they are simply recovering their costs and so the payment is not consideration for a supply made by the third party. Therefore it is outside the scope of VAT provided all the conditions in Notice 700 are met. Further information can also be found in V1-5 Taxable Person.

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