HMRC - VATWELF2010 - Which Bodies Provide Exempt Welfare Services?: Suppliers Of Welfare Services - The Law

EU law

The exemption for welfare services in EU VAT law is given at Article 132 1. (g) & (h) of Council Directive 2006/112/EC.

Article 132:

Member States shall exempt the following transactions:

(g) the supply of services and of goods closely linked to welfare and social security work, including those supplied by old people’s homes, by bodies governed by public law or by other bodies recognised by the Member State concerned as being devoted to social wellbeing;

(h) the supply of services and of goods closely linked to the protection of children and young persons by bodies governed by public law or by other organisations recognised by the Member State concerned as being devoted to social wellbeing.

UK law

The UK exemption for welfare services is given at Item 9, Group 7 of Schedule 9:

Item 9:

The supply by-

a charity,

a state-regulated private welfare institution or agency, or

a public body,

of welfare services and of goods supplied in connection with those welfare services.

Item 10 also exempts, in certain circumstances, goods and services that are incidental to the provision of spiritual welfare.

Item 10:

The supply, otherwise than for profit, of goods and services incidental to the provision of spiritual welfare by a religious community to a resident member of that community in return for a subscription or other consideration paid as a condition of membership.

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