HMRC - VATWELF4070 - Spiritual Welfare: Goods And Services Incidental To Spiritual Welfare

The law

Item 10 gives the conditions of the exemption for goods and services incidental to 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.

‘Otherwise than for profit’

This should not be confused with ‘significantly below cost’ used in determining whether some welfare activities are non-business. The term otherwise than for profit is interpreted as excluding a religious community which plans to achieve an excess of income over expenditure.

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