HMRC - VGROUPS04850 - Applications For Retrospective Exceptional Circumstances

All other applications for retrospective group treatment are to be refused in all but the most exceptional circumstances. If there is doubt about whether the circumstances are “most exceptional”, you should submit a Technical Advice Request (TAR) to with full details and a reasoned recommendation to the VAT Advisory policy team.

Guidance about the process for submitting requests to the VAT Advisory policy team can be found in VPOLADV.

Ignorance or misunderstanding of the law governing group treatment does not of itself constitute an “exceptional circumstance”. Also “reasonable excuses”, which might be accepted by Tax tribunals in failure to notify cases, do not constitute grounds for allowing retrospective VAT group treatment.

For the purposes of retrospective VAT group treatment, exceptional circumstances include those where the application for retrospective group treatment, is being made as a result of an error on the part of HMRC; for example:

HMRC lose the original grouping application and the business can supply details of their original application and the attempts to follow it up; or

the delay was caused by lack of action on HMRC’s part.

If the company is eligible for VAT group treatment HMRC would always retrospectively formalise the company’s inclusion in the VAT group.

Other claims for exceptional circumstances should be considered carefully, not automatically rejected. If there is any doubt you should submit a TAR.

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