

## FACTSHEET 27

### Vat : How Do I Deal With Pre-Registration & Post De-Registration Input Vat ?

#### Pre-Registration Input Vat

Input Vat associated with costs incurred prior to Vat Registration may be able to be reclaimed from Customs . There are various conditions depending on whether goods or services were involved .

For goods ( eg equipment , raw materials , etc ) the following conditions must be satisfied :

- The goods were acquired for the purpose of a business carried on by or intended to be carried on by the taxable person at the time of the supply
- The taxable person must not have supplied the goods onwards or have consumed them before the date he was required to be registered from
- The input Vat would be eligible for reclaim under the normal Vat rules
- A stock account is recorded and maintained showing dates of purchase and subsequent disposal .

For services ( eg lawyers fees , accountants fees , etc ) the following conditions must be satisfied :

- The services must have been supplied for the purpose of a business carried on or intended to be carried on by the taxable person at the time of the supply
- The services must not have been performed on goods that have been supplied onward or have been consumed before the date he was required to be registered from
- The services must not have been performed on goods that were acquired by the taxable person more than three years before the date that he was required to be registered from

Although care has been taken in the production of this material it represents a brief summary of the topic only . Accordingly , Iain Allan & Co , shall not be liable for any actions , failures to act , or negligence on the part of those to whom the material is disseminated , which results in any liability , loss , claim or proceedings whatsoever and howsoever caused by , on behalf of , or against any person



- The services must not have been supplied to the taxable person more than six months before the date on which he was required to be registered from
- The input Vat would be eligible for reclaim under the normal Vat rules
- A list showing the nature of the service , date of purchase and date of disposal ( if applicable ) be prepared and kept .

Input Vat incurred for the benefit of a limited company prior to its incorporation can be reclaimed provided that the following additional conditions are complied with :

- The person to whom the goods or services were supplied subsequently became a member , officer or employee of the company and was reimbursed or has received an undertaking to be reimbursed for the full price of the goods or services
- The person to whom the goods or services were supplied was not at the time of the supply a Vat registered person .

#### Post De-Registration Input Vat

Input Vat on services ( but not goods ) provided after the taxable person has ceased to be registered for Vat can be claimed on Form VAT 427 , which must be submitted with the relevant invoices attached . The services must have been supplied to the person in the course or furtherance of a business carried on by the person at a time when he was Vat registered . No claim can be made more than three years after the time at which the services were supplied .

**For further advice and before taking any action please give me a call .**

Although care has been taken in the production of this material it represents a brief summary of the topic only . Accordingly , Iain Allan & Co , shall not be liable for any actions , failures to act , or negligence on the part of those to whom the material is disseminated , which results in any liability , loss , claim or proceedings whatsoever and howsoever caused by , on behalf of , or against any person