



150 YEARS
of PROVEN QUALITY

Saffery Champness

CHARTERED ACCOUNTANTS

POTENTIAL FOR LARGE VAT REPAYMENTS: *Wholesale Tour Operators*

**Two landmark VAT decisions
this week could pave the way
for large VAT repayments.**

**Particular opportunity for
wholesale tour operators to
receive windfall VAT refunds.**

**May also be possible to claim
large sums of interest.**

If you were in business before December 1996 then this opportunity could apply to you. As you may be aware, it was normal until the mid 1990s for wholesale operators to pay VAT under TOMS. This position was challenged by both Independent Coach Travel (Wholesaling) Ltd and Normal Allen Group Travel Ltd. Both companies won with the result that many wholesalers were able to demonstrate that they had overpaid VAT and that a refund should be made to them.

However, by the time many claims were made, Customs & Excise, as it was then, had introduced a three year cap on refunds meaning that many businesses were unable to claim as much as they should have been entitled to. This week's decisions may now allow you to redress that situation.

In essence, The House of Lords has ruled that the three year cap was introduced illegally and should have no effect for periods before 1996 or 1997 (depending on circumstances). This means that any business which was able to benefit from the Independent Coach Wholesaling/ Norman Allen decisions but which

found the period for which it could claim curtailed by the three year cap should now review the position with a view to claiming the VAT it was prevented from claiming back in the 1990s.



In theory, claims following this week's decisions could go back as far as 1973!

I would be delighted to discuss this opportunity with you. If you would like to see how your business might benefit from these decisions, please call me or email as below.

David Bennett
VAT Partner
020 7841 4052

Saffery Champness

CHARTERED ACCOUNTANTS

LION HOUSE RED LION STREET LONDON WC1R 4GB

T 020 7841 4000 F 020 7841 4100

E david.bennett@saffery.com W www.saffery.com



Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities.

No responsibility for loss occasioned to any person acting on or refraining from action as a result of the material in this leaflet can be accepted by Saffery Champness. J2302.