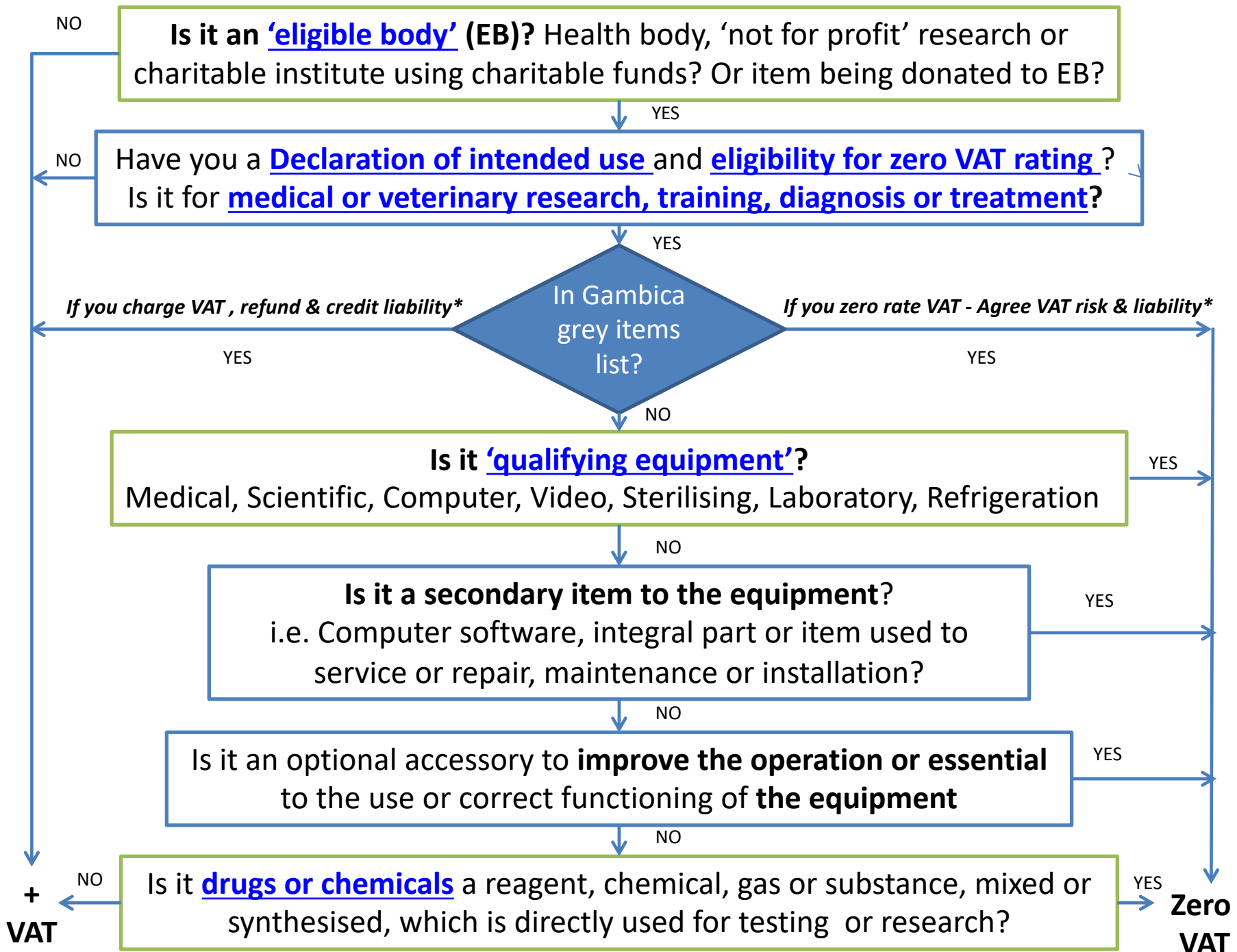


# GAMBICA

VAT group  
October 2020



***If you charge VAT, refund & credit liability\****

\*The GAMBICA's specialist VAT group grey area items list is currently under review for agreement with HMRC.

GAMBICA recommend that if a supplier charges standard rate VAT on a 'grey item' purchase, the supplier agrees to refund the VAT to the eligible body upon agreement with HMRC. The supplier would then issue a credit note for the VAT charged.

***If you zero rate VAT – Agree VAT risk & liability\****

Where a supplier charges zero rate VAT on a 'grey item' purchase, the purchaser agrees to pay the standard rate VAT to the supplier, if HMRC disagrees with GAMBICA's specialist VAT group grey area items list. The supplier would then issue an invoice for the standard rate VAT not charged and the eligible body agrees to make payment of the VAT.

# References

1. [How VAT affects charities \(VAT Notice 701/1\)](#)
2. [Charity funded equipment for medical and veterinary uses \(VAT Notice 701/6\)](#)
3. [VAT Notice 701/6 supplement](#) - Certificates you can use when zero rating goods or services under the VAT Act 1994, Schedule 8, Group 15, items 4 to 6.
4. [Certificates](#) – for purchase by an eligible body of medical and scientific equipment
5. [\*\*GAMBICA - VAT zero rating guidance\*\*](#) <sup>e</sup>
6. [\*\*GAMBICA Grey Items list\*\*](#)