

AGENDA ITEM No 11

Issue Report from Seminar attended by Council Market/Support Staff in connection with Market Operations

The seminar ended with the issue of whether market licences were exempt from VAT. Helen Ball from Shrewsbury Town Council reported they were being investigated by HMRC in regards to whether they were VAT liable. Their licence offer to traders and whether it is enhanced, inconsistencies in terminology (pitch/stall), and the services they provide (promotion, clean up, rubbish disposal, security) are all in question as to whether VAT should be applied. Shrewsbury Town Council are currently taking legal advice and are arguing the case which potentially could be back dated four years and amount to in excess of £120,000. Based on the criteria the HMRC officer had raised in regard to Shrewsbury, there were potential concerns in regard to how operations such as the pannier market and other events such as goose fair operate both here and nationally.

It was understood there was a tribunal in 2016 which ruled market licences were exempt from VAT. The VAT Advisor for NABMA had advised members to maintain a watching brief pending the release of further clarification and this is consistent with the advice your Accountant has given the Council. Should Shrewsbury decide to take their case to a tribunal then the outcome would give a more definitive ruling. NABMA are supporting Shrewsbury Town Council and have advised they will forward updates to members as and when they have more information.