

# VAT at the RSC as it affects Member Networks



## VAT Registration

All subject groups, local sections and regions (“groups”) are an integral part of the Royal Society of Chemistry (RSC), the revenue and expenditure of which is included within the RSC’s Designated Funds. The groups are instituted by Trust Deed and share the same objectives as the RSC; they are therefore able to share the RSC’s charity registration number and, in some respects, its [eligible body](#) status.

However, for VAT purposes they are considered individual entities and are not part of the RSC’s VAT group. This means that any group with a taxable turnover over the current [threshold](#), or an expectation that the threshold will be breached, must register for UK VAT. Voluntary registration is permitted if turnover is below the threshold, but is not mandatory. Comprehensive registration guidance can be found on the [HMRC website](#).

Once registered, the group will be obligated to charge VAT on the supply of all [taxable goods and services](#). This means that any VAT charged on purchases can be reclaimed, providing it can be linked to a taxable supply. This is processed by way of a quarterly [VAT Return](#).

## Eligible Body status

In terms of its Educational activities, the RSC is considered to be an [eligible body](#), a status which groups are able to take advantage of. This means that where education is provided between two eligible bodies, the education provided, along with any closely related goods and services, is considered Exempt of VAT. This Exemption does not apply to non-educational meetings such as AGMs or standard committee meetings.

## Hospitality at Burlington House

Administration of the [meeting facilities](#) provided at Burlington House is done so through a subsidiary of the RSC. Chemistry Ltd is a standard rated UK company, and as such does not fit the criteria to be considered an eligible body. This means that all bookings and catering services provided, including educational events and group meetings, will attract VAT.

## UK Events

Any service that takes place within the UK is subject to the UK VAT rules. This means if a VAT registered group runs a non-educational event in the UK, standard VAT must be charged, regardless of the domicile address of the attendee. Events of an educational nature can be considered Exempt of VAT when provided by an eligible body but care must be taken to ensure the content is considered [Education](#).

## VAT in Europe

Once a group has been registered for VAT, additional reporting obligations may be required depending on the goods and services supplied and/or purchased within the EU.

### Intrastat reporting

This function is for the reporting of the movement of goods within the Member States of the EU and is only required if the sales or purchase [threshold](#) has been reached. Sales are categorised and reported into type of goods, weight, quantity, delivery type and customer type.

### EC Sales

Any sales of goods or services within the EU between two VAT registered businesses (Business to Business) must be declared by way of a monthly [ESL report](#) to HMRC. However, if supplies to other EU countries are below the threshold, it is possible to seek agreement from HMRC to complete an annual Simplified ESL.

The ESL submission report requires details of each customer's VAT registration, so the number must be validated via the [EU Commission](#) at the point of sale and a copy of the validation certificate kept on record.

### Reverse Charging

Any purchases made from a VAT registered business outside of the UK will be subject to the [Reverse Charge](#) rules. This means that both output and input VAT will need to be accounted for within the [VAT Return](#). [For Exempt or Partially Exempt businesses, this will result in a cost to the organisation, however standard rated businesses will see no impact.](#)

[The Reverse Charge rules often only apply to services, but can apply to goods if the place of supply is the UK.](#)

## Sales of Electronic Services in EU – Mini One Stop Shop (MOSS)

The place of supply rules for Business to Customer (B2C) sales to the EU of electronic services changed on [1 January 2015](#). This means that local VAT must be charged at the rate of the customer's domicile country whether the supplier is registered for VAT or not. Returns are made quarterly via HMRC where comprehensive MOSS [registration and filing](#) information can be found.

## Further Info

For further information contact [networksfinance@rsc.org](mailto:networksfinance@rsc.org) where one of the RSC's Finance team will be happy to help.