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Understanding VAT Relief for Charities

VAT Notice 701/1: Charities. Section 6. VAT reliefs explains the reliefs charities can obtain on their purchases.

Only certain goods and services are zero-rated or reduced-rated when purchased by charities, regardless of whether the charities are registered for VAT or not.

For each of these reliefs, specific conditions have to be met. Charities wishing to take advantage of these reliefs must provide their suppliers with eligibility declarations certifying that the conditions have been met for that relief.

6.1.2: Aids for the disabled. Under this section it states that supplies to charities of certain goods and services which the charities make available to disabled people for their personal or domestic use, are zero-rated.

The HMRC Internal 'VAT Relief for Disabled People Manual' VRDP05200 – Goods supplied for the use of disabled people [item 2]: domestic or personal use, clarifies this point by specifically mentioning induction loop systems:

The goods must be used specifically by an individual (or series of individuals), to use as they wish such as:

- *An induction loop system in an eligible charity building enabling a disabled person to switch their hearing aid to the 'T' position.*

Zero-rating would apply in these circumstances, even if the charity did not know the identity of the user(s) at the time of purchase, because that charity was arranging for a succession of individual personal uses to take place.