

# VAT group registration delays: interim guidance

## Indirect Tax

27 January 2022

**The COVID pandemic has affected HMRC service levels, including increasing the waiting times for processing VAT group registration applications. We have received guidance from HMRC outlining the treatment to be adopted while waiting for a response from HMRC.**

There are some issues arising that are particular to VAT group registrations when the application takes longer than usual to be processed. The CIOT has been receiving member feedback on the impacts arising from delayed processing, the main examples being:

1. For applications that include businesses already registered for VAT, VAT returns may become due during the waiting period. This causes uncertainty as to whether these returns should continue to be submitted on time or held back, as the transactions would normally be reported in the new group registration's first VAT return. Taxpayers have received differing advice on this.
2. Will the effective date of registration for the VAT group be changed if applicants submit their own separate VAT returns while the group registration is being processed?
3. What is the VAT liability of transactions that should be deemed 'intra-group' following the requested date of the group registration, as these would normally not be subject to VAT? Do you charge VAT in the meantime, and reverse this treatment once the group registration is activated?
4. Will penalties be applied where a particular behaviour has been adopted which HMRC subsequently dispute?

The CIOT, ATT and other stakeholders have been raising these VAT grouping registration issues with HMRC in the various stakeholder forums that we attend.

## Interim guidance

HMRC has provided some interim guidance that is published on the CIOT's and ATT's technical news page ([tinyurl.com/hvnrbftm](https://tinyurl.com/hvnrbftm) and [www.att.org.uk/vat\\_group\\_reg\\_delays](http://www.att.org.uk/vat_group_reg_delays) respectively). If taxpayers have received different advice from HMRC, they may wish to contact HMRC to discuss this further. If you have any feedback on group registration delays please contact [technical@ciot.org.uk](mailto:technical@ciot.org.uk).