

David Ogilvie
Policy Manager
HMRC
100 Parliament Street
London SW1A 2BQ

16 February 2017

Dear David,

Re: Property Search Fees (CON29)

In our last letter to HMRC on this issue (*Property search fees (CON29) – refusal of non-business treatment, 7 December 2016*), we asked for clarification on two points:

1. We would like to seek assurances that no retrospective assessments will be issued in respect of property search fees.
2. While going forward local authorities will not suffer financially as a consequence of this decision, as the VAT will be passed onto the requester of the service, it does raise an issue as to what will happen should they be required to issue retrospective VAT invoices for services provided prior to 1 January 2017, similar to the current Royal Mail case. This could result in a financial loss to local authorities.

The Committee feels that a policy statement from HMRC on the above points is essential.

Yours sincerely

Mike Revis
(Chair, CIPFA VAT Committee)

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