

The future of VAT Notes – Indirect Tax Directorate review

Introduction

HMRC uses *VAT Notes* as one of a variety of channels to communicate VAT updates to approximately 2 million VAT registered businesses in the UK. Generally, *VAT Notes* is published on a quarterly basis. A Budget Supplement also used to be published but this was not done in 2015 and 2016 as it merely duplicated centrally produced summary material.

VAT Notes was originally a paper only product. It is now available online and is only sent in paper form to businesses that are not required to file online, with their paper VAT returns. This means that although it is a quarterly publication it is sent out in paper with VAT returns every month.

Historically, we have anecdotal feedback that agents like having the summary that *VAT Notes* provide. However now they also, in the majority of cases, get the same information in [Agent Update](#) published online.

HMRC is moving towards a more digital future. Consequently we are reviewing *VAT Notes* to decide whether it is still needed and is fit for purpose.

To inform our work we welcome JVCC members' views on the extent to which online and paper *VAT Notes* are read and used by customers (businesses, agents, and insolvency practitioners).

Background

VAT Notes is a legacy HM Customs & Excise publication which:

- informs all VAT registered businesses of current or future changes in the VAT system
- provides links to:
 - new or updated VAT notices
 - the landing pages for Information Sheets and Revenue and Customs Briefs

VAT Notes is one of a number of channels used to update customers and to prepare businesses for change. All of the information contained in *VAT Notes* is published elsewhere on the GOV.UK website. It is solely a digest and 'sign-posting' publication.

VAT Notes was historically sent out on paper to all VAT registered businesses, as an enclosure with the paper VAT return. However, following mandation of online VAT filing, paper returns (with paper *VAT Notes*) are only sent to those businesses not required to file online. This includes insolvent VAT registered businesses and, as a result, an insolvency practitioner may receive multiple copies of *VAT Notes*.

VAT Notes are available online from the GOV.UK website and customers logged in to the VAT Online service can also access them (on GOV.UK) through a link.

Hit rate information

Publication	Total for last 6 weeks to 11/1/17	Estimate for last 12 months	Comments
VAT Notes 2016 Issue 3 (September 2016)*	291	2522	
VAT Notes 2014 Issue 1 (April 2014)*	162	1405	
VAT Notes home page	710	6153	Users going to the home page (not direct to a specific publication)
VAT Notices alphabetical order home page	7266	62,972	
VAT Notices numerical order home page	15,972	136,864	
Revenue and Customs Briefs home page	2465	21,367	
Information Sheets home page	2134	18,495	

*The hit rate is expected to be higher in the first weeks after publication.

These figures exclude those accessing *VAT Notes* from the VAT online services portal page. We are unable to obtain hit rates for customers accessing *VAT Notes* from the portal page (above) once they have logged in because this is a secure area.

Paper issue volumes

Paper issues of *VAT Notes* are sent to around 250 VAT registered businesses which file paper VAT returns (the digitally excluded population for reasons such as religion, disability, age and remoteness of location).

Paper versions of *VAT Notes* are also sent to VAT registered businesses which are subject to insolvency procedures, because they too file paper VAT returns. We consider this population is digitally enabled.

HMRC's view

We know that customers want to be told:

- when there's something new happening;
- what changes affect them; and
- what their business needs to know in advance so they can prepare.

HMRC uses *VAT Notes* as a communications route but this is always in addition to other established online mechanisms including Agent Update, public notices, Revenue and Customs Briefs, Information Sheets and Tax Impact and Information Notes.

As such, *VAT Notes* duplicate information which is available elsewhere on GOV.UK. The comparatively low hit rates on GOV.UK suggest that *VAT Notes* are not widely read and used. We are therefore considering withdrawing this publication in both paper and online forms.

However, we are mindful that no longer issuing *VAT Notes* may have an impact, particularly on the assisted digital (needs help to have online access) and digitally excluded (not online) populations. We would therefore be grateful for your views on the need for *VAT Notes* and the relevance of the current publication.

We will be promoting the GOV.UK free automated email service which alerts when updates are made to VAT (and other) GOV.UK pages: <https://www.gov.uk/topic/business-tax/vat/email-signup>. We will do this, whatever decision we reach on *VAT Notes*.

Your feedback

We would like your feedback on *VAT Notes* and in particular on the points below please:

- Do you personally use *VAT Notes*?
- What is your view of their wider use by HMRC customers?
- Do you read them online?
- Do you ever get access to the paper version issued by HMRC?
- If you don't read them why is that the case?
- If you use the automated email service, do *VAT Notes* add any additional value?
- Do you have any other feedback on *VAT Notes*?

Please send your feedback to customerexperience.indirecttaxes@hmrc.gsi.gov.uk by 28th February 2017. We would be grateful if you can title it 'Feedback on *VAT Notes*'.

Indirect Taxes Product Experience team

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