



# VAT Alert

## HMRC publishes guidance on 'eat out to help out' scheme

9 July 2020

### Summary

Following the Chancellor's summer statement on 8 July, HMRC has today published guidance for businesses wishing to use the 'eat out to help out' scheme.

The guidance covers who can register for the scheme, what a business will need to register and how to make a claim once the scheme is up and running.

The scheme is intended to encourage consumers to return to restaurant pubs and cafes after the coronavirus lockdown. It offers an incentive of a 50% discount (capped at £10 per person – including children) who eat in or 'drink in'.

Participating businesses need to register with HMRC for the scheme.

### Guidance issued by HMRC

Following the Chancellor of the Exchequer's announcement in the summer statement on 8 July 2020, HMRC has published guidance on how the 'eat out to help out' scheme will operate.

From 13 July 2020, business wishing to participate in the scheme will be able to register with HMRC. Those that do register will be able to offer a 50% discount (capped at £10 per diner) for all eat in and drink in supplies made on any Monday, Tuesday or Wednesday during the period from 3 August 2020 to 31 August 2020. Note, take away meals and drinks will not be covered by the scheme. Participating business will then be able to claim the discount given to customer from the Government. The guidance confirms that sales of alcohol and service charges will not be covered by the scheme. Registration for the scheme will close on 31 August 2020.

To register, businesses will need to be an establishment which:

- sells food for immediate consumption on the premises
- provides its own dining area or shares a dining area with another establishment for eat-in meals and
- was registered as a food business with the relevant local authority on or before 7 July 2020

However, businesses that only offers takeaway food or drink, provide catering services for private functions or are hotels that provides room service only or are an establishment that provides dining services (such as packaged dinner cruises) or supply food from mobile food vans or trailers will not be entitled to register under the scheme.

To register, a business must have its Government Gateway ID and password, the name and address of each establishment to be registered, (unless registering more than 25 establishments), the UK bank account number and sort code for the business where a BACS payment can be accepted by the business and the address on your bank account for the business (ie the address on the business' bank statements).

If applicable, business will also be required to provide a VAT registration number, an employer PAYE scheme reference number and a Corporation Tax or Self Assessment unique taxpayer reference.

Where businesses are registering more than 25 establishments it is not necessary to provide this information for each establishment but the business must provide HMRC with a link to a website which contains details of each establishment participating in the scheme including the trading name and address.

Upon successful registration a participating business will be given a unique reference number which it will need to quote on any subsequent claims. As normal, there are record keeping requirements for businesses. In particular, For each day of the scheme, a business must keep records of the total number of people who have used the scheme in the particular establishment, the total value of transactions under the scheme, the total amount of discounts given and If using the scheme for more than one establishment, the business must keep these records for each establishment.

Claims can be submitted by businesses on a weekly basis (after 7 August 2020). Importantly, business must treat the money received from the Government under this scheme as taxable income for VAT purposes. HMRC has said that it will provide further guidance on how to make claims under the scheme once the registration process has been completed.

Any business requiring assistance with the registration process should contact their usual Grant Thornton advisor or get in touch with any of the contacts listed below.

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