

This is the HTML version of the file <http://www.taxchambers.com/wp-content/uploads/2015/10/VAT-restitution-and-interest.pdf>. Google automatically generates HTML versions of documents as we crawl the web.

Tip: To quickly find your search term on this page, press **Ctrl+F** or **⌘-F** (Mac) and use the find bar.

Tax

VAT—restitution and interest

Produced in partnership with [Étienne Wong of Tax Chambers, 15 Old Square](#)

STOP PRESS: *The Supreme Court has granted both HMRC and the taxpayer permission to appeal the Court of Appeal's judgment in the Investment Trust Companies case. In addition, HMRC announced in June 2015 that it is seeking permission to appeal the Littlewoods decision to the Supreme Court. HMRC does not regard the judgment in Littlewoods as having wider application and will continue to ask for a stay of other compound interest claims already lodged. It will also refuse new claims until the conclusion of the litigation.*

References:

[HMRC Brief 9/2015](#)

Littlewoods [\[2015\] All ER \(D\) 225 \(May\)](#).

Investment Trust Companies [\[2015\] STC 1280](#)

This Practice Note discusses the law of restitution and its application in the context of overpaid VAT. It also discusses a taxpayer's EU law rights to receive interest on VAT repayments.

For information on the application of the law of restitution in the context of direct tax, see Practice Note: [Overpaid direct tax and restitution](#).

Restitution

Where a person is enriched at the expense of another (eg where the first person receives money from the second by mistake), and the enrichment is unjust, the law of restitution may be engaged to reverse the unjust enrichment. This is an area of law that is still developing, with a number of questions yet to be authoritatively decided by the courts.

Practice Notes

Recovery of overpaid direct tax and VAT— an introduction
VAT overpayments and under-deductions
Overpaid direct tax and restitution
VAT— European legal principles

News

Court of Appeal confirms that compound interest is payable in respect of overpaid VAT

[Cancel](#)

Download

[About LexisNexis](#) Terms & Conditions Privacy & Cookies Policy (Updated)
[Copyright © 2015](#) LexisNexis. All rights reserved.

<https://www.lexisnexis.com/uk/lexispsl/tax/docfromresult/Z...UB-U-U-U-U-U-AVVZVUZVDB-AVVBEYDWDB-BUEBYZCWY-U-U/2/393774>

Page 11 of 11