

Conferences – VAT deductibility

This document should be read in conjunction with section 60(1) of the VAT Consolidation Act 2010 (VATCA 2010)

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Introduction

This guidance sets out the entitlement to deduct input VAT incurred on attendance at certain business conferences.

An accountable person can deduct VAT incurred on accommodation in connection with the attendance by him or her or by his or her representative at a ['qualifying conference'](#) as defined. A deduction may be made where the accommodation is provided at the conference venue or at a different location.

1. Definitions

'Delegate' means a taxable person or a taxable person's employee or agent who attends a qualifying conference in the course or furtherance of that person's taxable business.

'Qualifying conference' means a conference or meeting in the course or furtherance of business organised to cater for 50 or more delegates, which takes place at a venue designed and constructed for the purposes of hosting 50 or more delegates and in respect of which the person responsible for organising the conference issues in writing the details of the conference to each taxable person who attends or sends a delegate, and such details shall include-

- the location and dates of the conference
- the nature of the business being conducted
- the number of delegates for whom the conference is organised, and
- the name, business address and VAT registration number of the person responsible for organising the conference.

'Qualifying accommodation' means the supply to a delegate of a service consisting of the letting of immovable goods or accommodation covered in paragraph 11 of Schedule 3, for a maximum period starting from the night prior to the date on which the qualifying conference commences and ending on the date on which the qualifying conference concludes.

The accommodation covered is that normally provided in a hotel or guesthouse and the maximum period for which deductions or refunds of VAT on accommodation may be claimed is from the night prior to the date the conference begins to the date the conference concludes.

VAT incurred in respect of accommodation for the night the conference ends may be claimed. Where a delegate attends for only part of the duration of the conference, entitlement to deduct the VAT incurred on the accommodation is reduced accordingly. The following examples illustrate the position.

Example 1

A delegate attends a two-day conference which begins on a Thursday morning and concludes at midday on Friday. The delegate arrives at the venue on Wednesday evening and obtains accommodation for three nights.

The three-night stay would be viewed as qualifying accommodation and so the VAT incurred on that accommodation would be deductible.

Example 2

A delegate attends part of a two-day conference which begins on a Thursday morning and concludes at midday Friday. The delegate attends on Thursday only. The delegate arrives at the venue on Wednesday evening and obtains accommodation for three nights.

Only two of those three nights accommodation would be viewed as qualifying accommodation. The VAT incurred on the accommodation for those two nights only would be deductible.

Example 3

A delegate attends a two-day conference starting on Thursday morning and ending midday on Friday. The delegate arrives on Wednesday and obtains accommodation from Wednesday to Saturday night inclusive.

In these circumstances the three nights from Wednesday to Friday are qualifying accommodation. The Saturday night is not and the VAT charge in respect of the Saturday night accommodation is not deductible.

2. Deductibility

The entitlement to deduct input VAT relates solely to VAT incurred on costs of accommodation and does not include VAT incurred on expenditure on food or drink.

In accordance with normal VAT rules, deductibility is allowed only where expenditure is incurred which is attributable to taxable supplies by a business.

Claims for VAT input credit under this provision should be made on the VAT return in the normal way.

Claims for refunds of VAT incurred by delegates from abroad on qualifying accommodation in Ireland may be made by businesses established abroad in accordance with the terms of the 2008/9/EEC VAT Directive or the Thirteenth VAT Directive.

Example 4

A delegate to a conference is engaged in a totally deductible business, e.g. a salesperson in a computer manufacturing company. The subject matter of the conference is selling techniques.

In this case the VAT incurred on qualifying accommodation related to that conference would be fully deductible by the manufacturing company.

Example 5

A delegate to a conference is engaged in a non-deductible activity e.g. insurance, which is exempt from VAT.

In this case no deductibility would arise in respect of the VAT incurred in respect of accommodation related to that delegate's attendance at a conference.

Example 6

A delegate engaged in a business involving partially taxable/partially exempt supplies, for example, financial services, attends a qualifying conference covering banking (a non-deductible activity) and leasing (a deductible activity).

In this case the VAT on the accommodation charges associated with attending the qualifying conference must be apportioned between the amount deductible and that which is non-deductible. There are various practical methods for apportioning the VAT and the accountable person may use whatever apportionment method he or she normally uses in relation to overhead costs.

Example 7

If an accountable person attends a conference on a topic which is unrelated to that person's accountable business, the accommodation charges associated with attending that conference are attributable to non-taxable activities and are not deductible for VAT purposes.

3. Invoices and other documentation

A VAT refund can be claimed only on foot of a valid VAT invoice for accommodation. This would be issued in the normal way to the accountable person by a hotel or by a VAT registered conference organiser. The accommodation charge must be invoiced to the accountable person. It must not be invoiced to an agent or employee. In addition, the accommodation charge must be separately identified from any other goods or services provided e.g. food, drink, etc.

In addition to having a valid VAT invoice the accountable person must retain in his or her records [details](#) in writing, provided by the organiser of the qualifying conference.

4. Conference organiser

The legislation does not define a conference organiser. The term can refer to anyone who is involved in organising a conference whether this is, for example, the hotel hosting the conference, or a professional conference organiser.

A conference organiser does not also have to be the accommodation provider. The important thing from the claimant's point of view is to ensure that the written [details](#) are made available to him or her by the organiser.