

BILLBACK - HMRC CONCESSION GUIDELINES

Principal Payee

- Identify if the agent is the “**Principal Payee**” or acting as a “**Disclosed Agent**”
- Identify payment terms
- If a specific payment method is required - identify this at enquiry stage (BACS/CC/VCC)
- Complete a **Credit Check** on the **Principal Payee**

Credit

- Contract should be in the name of the Principal Payee (The person/organisation who is liable)
- Therefore, the credit facility is with the client (NOT the agent)
- Agent to provide “Letter of Authority” or other form of confirmation they are acting as a Third-Party Administrator
- Identify payment terms between agent and client

Invoicing

- If the client is the Principal Payee:
 - The agent must be acting as a Disclosed Agent
 - Venue invoices should be addressed to the “client”, c/o the agent to the agent’s address
 - The agent must not recover the VAT charged by the venue
 - The agency must retain the venue invoices in case of inspection by HMRC
 - Venue costs should not be marked up
 - The agent’s payment request to the client should state the precise value of the VAT charged and should include a statement such as “the VAT shown is your input tax which can be reclaimed subject to the normal rules”

Payment

- Agent = Third Party Administrator: payment will be made on receipt of payment from the client (terms agreed at enquiry stage)
- Agent = Principal Payee: payment will be made within agreed payment terms of invoice received
- Any late payment charges to be made to the Principal Payee

Is the agent acting as a **THIRD-PARTY ADMINISTRATOR** and the Client is the **PRINCIPAL PAYEE**?

Principal Payee = who is paying the bill

Any late payment charge to be made to the Principal Payee

