



Institute of Credit Management

Our ref. GB/PJK/NH

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Mr Edward Fosbrook
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Dear Mr Fosbrook

RESPONSE OF THE INSTITUTE OF CREDIT MANAGEMENT TO: HM REVENUE & CUSTOMS – VAT: PROMPT PAYMENT DISCOUNTS

The Institute of Credit Management is the largest professional credit management organisation in Europe. Its members hold important, credit-related appointments throughout industry and commerce, and we feel it appropriate to comment on this consultation.

While we recognise that this consultation only addresses the practical accounting arrangements for the changes, we feel obliged to register our concerns. The potential added costs for both suppliers and purchasers of implementing these changes are likely to result in the withdrawal of prompt payment discount as an incentive. At a time when late payment is recognised as an inhibitor of business and growth, we believe this to be both unfortunate and disappointing. Furthermore, we understand several EU member states are adopting a far more practical and pragmatic approach, and wonder if the UK could have done likewise.

If we can help in any further way please do not hesitate to contact us.

Yours sincerely

Glen Bullivant FICM
Chair of Technical Committee

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