

VAT treatment of medical services carried out by pharmacists

The VAT treatment of medical services carried out by staff directly supervised by pharmacists will be exempt from VAT.

The new zero rating rules came into force from 1 May 2023 and will improve the competitiveness of services offered by community pharmacies.

Extending the VAT exemption to include services carried out by non-registered staff directly supervised by pharmacists will bring the VAT treatment of pharmacists in line with other registered health professionals providing medical services to the public.

Services include health checks and blood pressure checks, which currently are liable for the 20% VAT rate.

Malcolm Harrison, chief executive of the Company Chemists' Association said: 'At the CCA we have been working closely with HMRC and DHSC on a whole host of tax issues for several years now. We're delighted that the Chancellor has announced measures which will place pharmacists on an equal footing with GPs and other prescribers.'

'The measures will ensure alignment in the VAT treatment of both the services provided under the supervision of pharmacists and the medicines supplied by Patient Group Directions (PGDs).'

'From May this year healthcare services provided by members of the pharmacy team, under the supervision of a pharmacist, will be treated as zero rated for VAT.'

'In addition, from this autumn, medicines supplied via PGDs will be treated the same way for VAT as those prescribed by a GP or independent prescribing pharmacist.'

The change will take effect from 1 May 2023 and will apply to services supplied on or after that date that meet the condition.

HMRC will update the guidance, Health professionals and pharmaceutical products (VAT Notice 701/57), in due course.

The legislation will be introduced in a statutory instrument, Value Added Tax Act 1994 (Schedule 9) (Exemptions: Health and Welfare) (Amendment) Order, SI 2023/388.

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