



# SBA CUSTOMS



BRITISH FORCES CYPRUS

DUTY-FREE GOODS and SERVICES  
FOR SERVICE CLUBS AND  
ORGANISATIONS

## 1. MEMBERSHIP

1.1 The Treaty of Establishment permits BFC units to acquire duty and/or VAT free goods and services for the exclusive use of members of the force.

### ENTITLED MEMBERS

The following are treated as entitled members:

- a) All naval, military and RAF personnel serving in Cyprus [see Note 1 regarding block membership]
- b) All commonwealth and foreign forces attached as individuals serving with BFC units.
- c) All personnel in the TA, Reserve, Full Time Reserve Service, Volunteer Reserve, who are serving or on long term temporary duty with HQ BFC units.
- d) All UK based civilians serving with HQ BFC organisations.
- e) All UK based contractors employed wholly by the MOD and who are entitled to free service provided Health, Education and Housing provision.
- f) All dependants, including children of the above. A definition of a dependant is the wife or husband of, and any person, including children, who is wholly or mainly maintained by or in the custody or charge of a member of BFC.

### NON ENTITLED MEMBERS

The following are treated as Non-entitled members:

- a) Retired serviceman of British and Commonwealth Forces.
- b) Civilians living in Cyprus.

**Note 1:** Any club claiming a block membership (i.e. RIB or UNFICYP personnel) should divide the total fee charged for that block membership by the cost of a normal annual fee applicable to an individual serving member. This figure, rounded up to the nearest whole number, should be used to calculate the true membership of the club.

**Note 2:** These definitions are used to establish the treatment of the club or organisation for VAT and duty-free purposes only. Eligibility for charitable status is laid down in the Charity Commission Statement of Recommended Practice 2005.

## 2. PURCHASE OF DUTY AND/OR VAT FREE GOODS AND SERVICES

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2.1 There are a number of options for clubs to acquire such goods and services subject to Customs control. These are summarised below, however full details can be found in SBA Customs Notice 3 Duty-free Goods and Services for official use.

## 2.2 Local Purchase and Imports from UK

- (a) **Form V6A** is to be used in all cases where VAT exemption is required and must be completed before payment is made to the supplier. Please note that the supplier/retailer must be VAT registered in order to zero rate any taxable supply. The club or organisation is responsible for obtaining the **V6A** from the relevant issue point, **not the supplier**.
- (b) Club items arriving as 'Military Equipment' via ROC Ports and airports are to be customs cleared by the MOD shipping agent located at JSPU. The club representative is to obtain and complete **form SBAC 7** in order for the goods to be released.
- (c) Clubs and organisations are to note current HQBFC instructions which specify that all charges in respect of any goods cleared through JSPU, will be recovered through debit voucher action.

## 2.3 Imports via Bonded Warehouse

- (a) **Form C6D** is to be completed by the club for imported goods requiring clearance from a bonded store. On receipt of the completed form, the supplier will arrange clearance of the item(s).
- (b) Please note that a copy of the invoice or advice note is required prior to the issue of any of the above forms. In the case of issue of a **form V6A**, the suppliers VAT registration number should be clearly shown.

## 2.4 Sodexo / Ermes

- (a) Clubs may purchase capital goods on account from Ermes outlets. Where the individual value of an item exceeds €170 **Form SBAC 39** (Privileged Goods-Bulk Indent for all Authorised Service Clubs) is to be completed and presented to SBA Customs for authorisation before payment of the goods.

**Note:** The forms highlighted above are only available from SBA Customs or Station Admin Offices.

### 3. CUSTOMS CONTROL PROCEDURES FOR DUTY/VAT FREE GOODS

#### 3.1 Records and returns

All clubs and organisations entitled to use Duty and VAT free forms are advised to retain copies for their own property records. This will assist any future reconciliation of duty and /or VAT free property during customs control visits and will maintain an audit trail of the tax status of assets held. In addition, clubs and organisations will be notified to submit property and membership lists to SBA Customs approximately every six months.

#### 3.2 Indulgence Freight

Club property or equipment imported via indulgence freight will normally be released on completion of form SBAC 7 at the Customs Office, RAF Akrotiri. It is the clubs responsibility to inform SBA Customs about any item received via indulgence freight, where normal clearance procedures have not taken place.

### 4. DISPOSAL OF OBSOLETE DUTY AND OR VAT FREE EQUIPMENT

4.1 There comes a time when the items of equipment are no longer required by the club and the question of disposal arises.

The methods of disposal are:

- a) Sale or transfer to another service club, organization or entitled person.
- b) By auction through the Akrotiri sales site.
- c) Sale to Non-entitled persons or organisations.
- d) SBA Customs supervised destruction.

4.2 SBA Customs must be informed in writing of the disposal in all of the above cases. Full details of the item(s) being sold or transferred must be included. SBA Customs may inspect the item(s) to be sold at the club premises prior to the sale. SBA Customs reserve the right to refuse authority for the sale or transfer.

**Note:** Item sold or transferred without first obtaining SBA Custom's authority may result in duty/VAT being charged to the club. The club may also be subject to investigation and/or potential offence action.

4.3 Disposals of tax free items to non-entitled persons or organisations will normally be subject to the payment of the outstanding taxes due on the item. SBA Customs should be consulted for further advice.

## **5. DUTY FREE BAR**

5.1 Authorised Service Clubs (see BFC Standing Orders Chapter 54) may be supplied with duty-free spirits at a rate determined by SBA Customs in consultation with OICs. This rate of supply of quantities of spirits will be fixed at the time a club is formed and will be based upon membership, frequency of use and other relevant factors. The monthly allocation may be amended or withdrawn by SBA Customs if circumstances alter.

**Note:** This arrangement applies to rationed spirits only; clubs may not stock duty-free tobacco products.

## **6. VAT POLICY**

6.1 Under Treaty of Establishment arrangements there is a provision that service clubs are not required to register for VAT regardless of turnover provided that SBA Customs remain satisfied that all necessary controls are and conditions are enforced.

## **7. GENERAL ENQUIRIES**

7.1 This document may be amended from time to time. Any up dates are published on the SBA Customs web page of the SBA Administration website [www.mod.sba.uk](http://www.mod.sba.uk).

7.2 Any queries concerning the information in this document are to be directed to the following:

The Examining Officer  
(Clubs and Messes)  
SBA Customs  
RAF Akrotiri

Mil Ext. 6762