
97. IS BRIDGE A SPORT?

A second recent case about VAT-exempt supplies concerned competition entry fees charged by non-profit making sporting organisations (Group 10, Sch 9, VATA 1994).

A tax tribunal dealt a losing hand to the English Bridge Union (EBU), which had wanted to be recognised as a sport so that members would not have to pay VAT on their competition entry fees (which amounted to £631,000 in 2012/13).

Although bridge is seen as a sport - a contract sport, as the joke goes - by other countries, by the Charity Commission and even by the International Olympic Committee, the First-tier Tribunal ruled that it does not involve enough physical activity to make it so in the eyes of VAT law.

The EBU had argued that bridge is a healthy pursuit, pointing to studies showing that regular contests may benefit the immune system and reduce the risk of dementia. It also insisted that if activities such as croquet, darts and billiards qualify as sports, then the 50,000 members of the EBU should also be seen as sportsmen and women.

HMRC's barrister turned to the *Oxford English Dictionary* backed by the Council for Europe's sport charter, which explains that sport "aims at expressing or improving physical fitness and mental well-being, forming social relationships or obtaining results in competition at all levels". This was the definition HMRC had adopted and it had previously been confirmed at a VAT tribunal in the *Royal Pigeon Racing Association* case VDT 14006.

It is considered a key objective of the VAT directive to encourage

physical activities in the public interest, when provided for non-profit making objectives (VAT Notice 701/45). The tribunal took account of the Court of Justice of the European Union's ruling that the directive was designed not to promote wider health but to make sporting activities more accessible to a wider section of the population, this being a key distinction when applying the VAT exemption.

The EBU's barrister asked whether it was "really possible to draw a distinction between the mental skill needed in planning a snooker shot, or a croquet stroke, and the physical skill used in executing it". Judge Charles Hellier explained: "To our minds, sport normally connotes a game with an athletic element, rather than simply a game". In passing judgement, Judge Hellier admitted qualms that failing to recognise bridge as a sport might discriminate against older people, who form the majority of players.

This is considered to be a case that might run and run like Jaffa Cakes - or it might just play and play!

Contributed by Julie Butler, Butler & Co