

Corporate Gifting Rules

Category	Rule / Limit	Corp Tax Treatment	VAT Treatment	BIK Treatment	Notes
Employee Trivial Benefits	≤ £50 per gift (incl. VAT if not reclaimable)	✓ Deductible	✓ VAT reclaimable (if applicable)	✗ No BIK if rules met	Unlimited per employee if criteria met
Director Trivial Benefits	£300 total per tax year (≤ £50 per gift)	✓ Deductible (up to £300)	✓ Same as employees	✗ No BIK if rules met	Applies to directors & family in close companies
Vouchers & Gift Cards	Not trivial if cash or cash-like	✗ Not deductible (treated as earnings)	✗ No VAT	✓ BIK	Retailer-specific vouchers may qualify as trivial benefit if ≤ £50
Staff Parties & Socials	≤ £150 per head per year	✓ Deductible	✓ VAT reclaimable (employees only)	✗ No BIK if rules met	Partners count as extra head with own £150 allowance
PSA (PAYE Settlement Agreement)	Not set limit	✓ Deductible	Depends on underlying cost	✗ Employees avoid BIK if (company settles on their behalf)	Use for irregular, higher-value, or awkward gifts
Client & Supplier Gifts (Branded)	≤ £50 per recipient per year	✓ Deductible	✓ VAT reclaimable	✗ Not employee benefit	Must be promotional & branded
Client & Supplier Gifts (Non-Branded / Food / Alcohol / Entertainment)	Any value	✗ Not deductible	✗ No VAT	✗ Not employee benefit	No exceptions