

VAT webinar notes – 1 May 2014

Buying and selling goods and services within the EU

Overview and disclaimer

The webinar is intended to provide an overview of the VAT treatment of buying and selling goods and services within the EU. More detailed information is available in the following HMRC Notices which can be accessed via the HMRC website:

- Notice 700/12 – Filling in your VAT return
- Notice 725 – The single market
- Notice 741A – Place of supply of services

The Association of Accounting Technicians, Alex Millar, and AM VAT Limited cannot accept responsibility for any loss occasioned by any person attending the webinar or using the webinar notes.

The 28 EU Member States as at 1 May 2014

Austria
 Belgium
 Bulgaria
 Croatia
 Cyprus
 Czech Republic
 Denmark
 Estonia
 Finland
 France
 Germany
 Greece
 Hungary
 Ireland
 Italy
 Latvia
 Lithuania
 Luxembourg
 Malta
 Netherlands
 Poland
 Portugal
 Romania
 Slovakia
 Slovenia
 Spain
 Sweden
 United Kingdom

UK VAT return entries

The following notes reflect the entries in a UK VAT return of a UK business that buys and sells goods and services within the EU. The notes only relate to the impact on the VAT return of intra-EU trade and are not to be understood as a comprehensive guide to completing the nine boxes of a UK VAT return.

VAT return box 1: VAT due on sales and other outputs

Box 1 should include:

- The VAT due on distance sales of goods to customers in other EU Member States if the UK business is not registered for VAT in those other EU Member States.
- The VAT due under the reverse charge on services received from non-UK suppliers.

VAT return box 2: VAT due (but not paid) on acquisitions from other EU Member States

Box 2 should include the VAT due on goods acquired from other EU Member States and the VAT due on services directly related to the goods acquired, for example, delivery charges.

VAT return box 3: Total VAT due

The box 3 figure is the box 1 figure and the box 2 figure added together.

VAT return box 4: VAT reclaimable on purchases

Subject to the usual rules for claiming input tax, box 4 should include:

- The VAT that has been reverse charged on services received from non-UK suppliers and included in box 1.
- The figure in box 2.

VAT Return box 5: VAT payable or reclaimable

The box 5 figure is the difference between the box 3 figure and the box 4 figure.

VAT return box 6: Total sales excluding VAT

Box 6 should include:

- The value of goods and related costs supplied to other EU Member States (the box 8 figure).
- The value of services supplied to customers in other EU Member States.
- The value of services received on which VAT has been reverse charged.

Box 7: Total purchases excluding VAT

Box 7 should include:

- The value of goods and related costs acquired from other EU Member States (the box 9 figure).
- The value of services received on which VAT has been reverse charged.

Box 8: The total value of goods supplied to other EU Member States

Box 8 should include the value of goods physically moved from the UK to other EU Member States and services related to those goods, for example, delivery charges. Services related to those goods should only be included if they form part of the overall invoice total. If these, or any other services, have been invoiced separately they should not be included.

Box 8 should not include the value of distance sales (goods supplied to customers in other EU Member States who are not registered for VAT) where the relevant distance selling threshold has not

been exceeded. Each EU Member States sets its own distance selling threshold which at present must be roughly the equivalent of either €35,000 or €100,000.

Box 9: The total value of goods acquired from other EU Member States

Box 9 should include the value of goods physically moved to the UK from other EU Member States and services related to those goods, for example, delivery charges. Services related to those goods should only be included if they form part of the overall invoice total. If these, or any other services, have been invoiced separately they should not be included.