

## VAT Agenda

### The new EC Sales Lists

From 01 January 2010 businesses will have to provide EC Sales Lists for taxable supplies of **services** as well as goods, to which the reverse charge applies.

This does not apply to services that are

- exempt according to the rules of the Member State where the supply takes place,
- B2B supplies where the recipient is not VAT registered or
- B2C supplies.

Presently HMRC intend to use the same form that is used for reporting goods (VAT 101) and businesses will require the following data:-

- Country code
- Customers VAT registration number
- Total value of the supplies in Sterling
- An indicator will also be required to identify services

The form has to be submitted either electronically or in paper form, on a quarterly basis but there are anti-fraud measures being considered that may require the need to complete forms on a monthly basis.

### Threshold for quarterly reporting periods for **goods**

During the period 01 January 2010 to 31 December 2011 quarterly ESLs can be submitted:

- If the total quarterly value of the intra-EC goods (excluding VAT) does not exceed £70,000 in the current quarter, or in any previous four quarters.

And from the 01 January 2012 onwards

- If the total quarterly value of supplies of intra-EC goods (excluding VAT) does not exceed £35,000 in the current quarter, or any of the previous four quarters.

If a client fails to submit an ESL by the due date daily penalties will be levied of £5, £10, £15 and so on and £100 if the ESL is incorrect. However, as long as a business can demonstrate that steps are being taken to comply with the legislation at the earliest opportunity HMRC will not levy penalties.

If you require further information regarding any of the points above please do contact us.

Elysian Associates

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