

## VAT Agenda

### **The VAT rate changes to 17.5%**

HMRC have issued a Press Release and Revenue and Customs Brief 68/09 announcing that retail businesses trading overnight on 31 December 2009 will be permitted to continue to account for VAT at 15% until the earlier of 6.00am and the close of trading.

The 15% rate will therefore apply to telecoms charges for calls and texts made and billed in the early hours of 01 January 2010. The 15% rate will not apply to businesses which account for VAT on an invoice basis, on-line or mail order sales, coin-operated machines, pre payments for supplies made after 6.00am on 01 January 2010 and supplies which could be caught by the anti-forstalling provisions. HMRC have stated that they will apply a 'light touch' to errors where there is no net VAT loss.

Elysian Associates  
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