

# VAT rates and the effect on the VAT return – Post January 2021

Part of



The VAT return is made up of 9 different boxes which should be completed to submit the correct figures to HMRC.

## Post January 2021

VAT due in this period on sales and other outputs	1
VAT due in the period on acquisitions of goods made in Northern Ireland from EU Member States	2
Total VAT due (the sum of boxes 1 and 2)	3
VAT reclaimed in the period on purchases and other inputs (including acquisitions in Northern Ireland from EU Member States)	4
<b>Net VAT to be paid to Customs or reclaimed by you (Difference between boxes 3 and 4)</b>	<b>5</b>

Total value of sales and all other outputs excluding any VAT. Include your box 8 figure	6
Total value of purchases and all other inputs excluding any VAT. Include your box 9 figure	7

Total value of dispatches of goods and related costs (excluding VAT) from Northern Ireland to EU Member States	8
Total value of acquisitions of goods and related costs (excluding VAT) made in Northern Ireland from EU Member States	9

The boxes in the first section contain the actual amount of VAT that is being declared in this period with the total VAT due to HMRC being calculated automatically and put into **BOX 3** and the final amount due to or from HMRC being calculated in **BOX 5**.

The second section contains the net amounts that the VAT is being calculated on and used for statistical purposes and to check that the amount of VAT being claimed/paid is in the right area.

Boxes 8 and 9 are only applicable for transactions between Northern Ireland and the EU.

## Pre January 2021

VAT due in this period on sales and other outputs	1
VAT due in this period on acquisitions from other EC Member States	2
Total VAT due (the sum of boxes 1 and 2)	3
VAT reclaimed in this period on purchases and other inputs (including acquisitions from the EC)	4
<b>Net VAT to be paid to Customs or reclaimed by you (Difference between boxes 3 and 4)</b>	<b>5</b>

Total value of sales and all other outputs excluding any VAT. Include your box 8 figure	6
Total value of purchases and all other inputs excluding any VAT. Include your box 9 figure	7

Total value of all supplies of goods and related services, excluding any VAT, to other EC Member States	8
Total value of all acquisitions of goods and related services, excluding any VAT, from other EC Member States	9

This is the layout that was applicable PRE January 2021 when different VAT rules applied for EU trade

Business Manager knows what boxes to fill in according to the VAT status that has been allocated to the heading code of each item and uses the net amount and the value of VAT.

## Sales

VAT Status	Boxes completed – for VAT due or claimed (value of VAT)	Boxes completed– for value of outputs and inputs (net amount)	Notes
S, S1	1,3,5	6	These work in the same way but use different VAT rates/% i.e. standard and reduced
P, P1	1,3,5	6	These work in the same way as S but are used to filter out partially exempt VAT so user can do 'de minimus' calculation. Normally only purchases.
F	1,3,5	6	Flat rate. User defined %.
Z	n/a	6	Zero VAT so no VAT due. *
E	n/a	6	Exempt from VAT so no VAT due.*
N	n/a	None	Outside the scope so not relevant to VAT return
U	n/a	6 and 8	Euro sales of goods pre Brexit January 2021. Still applicable in NI. If user enters input and output VAT net effect of 0.#
U1	n/a	6	Euro services. If user enters input and output VAT net effect of 0.#
R	n/a	6	Reverse charge. If user enters input and output VAT net effect of 0.#
PV	n/a	6	Postponed VAT accounting, normally only purchases #

\*If VAT entered in error it will populate 1, 3 and 5.

# VAT involving an overseas trade is normally entered in the country of acquisition i.e. purchases but the rules can vary depending on type of sale/purchase- must be confirmed by user. The rules changed on 1 January 2021 for England, Wales and Scotland and U and U1 are no longer applicable. Euro VAT still applicable in Northern Ireland for EU trade.

## Purchases

VAT Status	Boxes completed – for VAT due or claimed (value of VAT)	Boxes completed– for value of outputs and inputs (net amount)	Notes
S, S1	4,5	7	These work in the same way but use different VAT rates/% i.e. standard and reduced
P, P1	4,5	7	These work in the same way as S but are used to filter out partially exempt VAT so user can do 'de minimus' calculation. Normally only purchases.
F	4,5	7	Flat rate. User defined %.
Z	n/a	7	Zero VAT so no VAT due. *
E	n/a	7	Exempt from VAT so no VAT due.*
N	n/a	None	Outside the scope so not relevant to VAT return
U	2,3 and 4	7 and 9	Euro Goods pre January 2021. Still applicable in Northern Ireland. If user enters input and output VAT net effect of 0.#
U1	2,3 and 4	7	Euro services. If user enters input and output VAT net effect of 0.#
R	1,3 and 4	6 and 7	Reverse charge VAT - services. If user enters input and output VAT net effect of 0.
PV	n/a	7	Postponed VAT accounting for goods purchased from overseas post January 2021
PV journal	1,3 and 4	n/a	Entered as a journal from postponed VAT accounting statement post January 2021

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More details can be found at:

- <http://www.hmrc.gov.uk/vat/managing/returns-accounts/completing-returns.htm>
- [http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?nfpb=true&pageLabel=pageVAT\\_ShowContent&id=HMCE\\_CL\\_000070&propertyType=document#P132\\_13630](http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?nfpb=true&pageLabel=pageVAT_ShowContent&id=HMCE_CL_000070&propertyType=document#P132_13630)
- [http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?nfpb=true&pageLabel=pageLibrary\\_ShowContent&id=HMCE\\_PROD1\\_028649&propertyType=document#P126\\_13346](http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?nfpb=true&pageLabel=pageLibrary_ShowContent&id=HMCE_PROD1_028649&propertyType=document#P126_13346)
- <https://www.gov.uk/guidance/vat-domestic-reverse-charge-for-building-and-construction-services>
- <https://www.gov.uk/guidance/how-to-fill-in-and-submit-your-vat-return-vat-notice-70012>
- <https://www.gov.uk/guidance/complete-your-vat-return-to-account-for-import-vat>
- <https://www.gov.uk/government/publications/accounting-for-vat-on-goods-moving-between-great-britain-and-northern-ireland-from-1-january-2021/accounting-for-vat-on-services-between-the-uk-and-eu-member-states-from-1-january-2021>