What is the new UK VAT Return wording?

Box 1: VAT due in the period on sales and other outputs

Box 2: VAT due in this period on acquisitions of goods made in Northern Ireland from other EU Member States

Box 3: Total VAT due (this is the total of box 1 and 2)

Box 4: VAT reclaimed in the period on purchases and other inputs (including acquisitions in Northern Ireland from EU member states)

Box 5: Net VAT to pay to HMRC or reclaim (this is the difference between box 3 and 4)

Box 6: Total value of sales and other supplies, excluding VAT

Box 7: Total value of purchases and all other inputs, excluding any VAT

Box 8: Total value of dispatches of goods and related costs (excluding VAT) from Northern Ireland to EU Member States

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

<u>Please Note</u>, you will probably benefit from updating the wording on your VAT Statement, this is simple in Business Central as it supports 100 characters at the moment (Boxes 4,8,9 will need abbreviating), most NAV versions only support 50 character here so you may need to get creative.

In a nutshell, what has changed?

- Boxes 2,4,8 and 9 have had their wording (and the advice notes) changed.
- Boxes 1,3,4,5,6 and 7 have not had their wording changed, but the advice notes have been updated to include reference to post Brexit changes like PVA
- Most of the wording changes actually are the adding in of a reference to Northern Ireland with regard to EU sales or acquisitions.
- Boxes 8 and 9 are now only used if you have supplied goods to or acquired goods from an EU member state under the Northern Ireland Protocol.

This link explains how it works https://www.gov.uk/guidance/how-to-fill-in-and-submit-your-vat-return-vat-notice-70012

So how do I make my changes?

Two methods can be used, one is the quicker and easier, but it will mean that your VAT Statement will not work if you try to use it for reviewing historic returns pre Brexit, the other involves a little more work but is better. We will show you both.

<u>Note</u> if you do trade under the Northern Ireland Protocol, you don't have a choice, you must use the second option (or similar).

<u>Very important</u>: Just trading with NI does not count, i.e. if you sell to NI from UK mainland or buy from NI you are still trading under the Domestic VAT rules, those transactions do not go in Box 8 or Box 9.

Boxes 8 and 9 are now only for goods movements within the EU, which means EU to NI and NI to EU only, not GB to NI or NI to GB.

Help sheet - make the changes to your VAT statement for the April alterations to the VAT Return

First step for either option

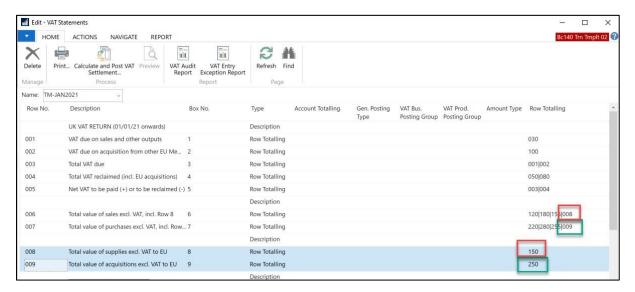
You need to check you are working on the correct VAT Statement Name.

Go to **VAT Statement Templates**, if there is a choice you want the one **called VAT GB (GB VAT Return)**, then choose **Navigate** and **Statement Names** and find the one that we changed for post Brexit use and selected it (if you haven't don't those updates STOP and talk to your Tecman Account Manager). Select the correct one and choose **Edit Statement**.

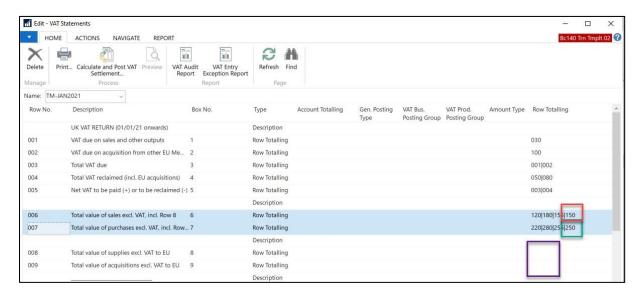
Note: VAT Statements on your Role Centre should also take you to the right area

Option 1: Simple and quick (and a bit brutal)

Basically you need to break boxes 8 and 9, whatever the Row Totalling reference was in there, add it directly to Boxes 6 or 7 (as appropriate) and on Boxes 6 and 7 remove the line reference to Box 8 or Box 9. So this



Becomes this

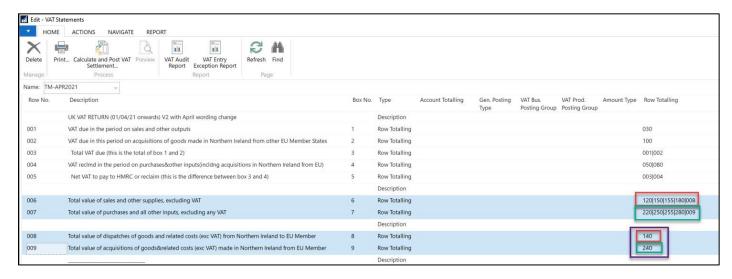


It's a bit blunt but will work. Just don't use this VAT Statement to review postings prior to Brexit as it won't work properly.

Help sheet - make the changes to your VAT statement for the April alterations to the VAT Return

Option 2: Better practice but takes slightly longer

Essentially, this route is better as it keeps the structure in tact but ensures that the new VAT Posting Setup using EU2021 is sent directly into Box 6 or Box 7 whereas the old EU postings will be sent into Box 8 or Box 9 as appropriate and then added on to the Box 6/7 total (if applicable).

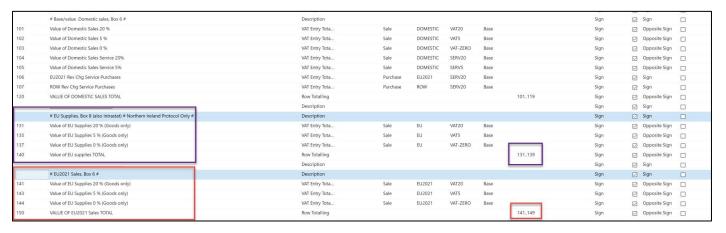


Change Boxes 6 and 8

On the image below, it shows an extract from the relevant part of the VAT statement that filters the Sales postings:

The red is the postings that will be sent directly to **Box 6** (Totalling Row: <u>Line 150</u>). These are the post Brexit (no- Northern Ireland Protocol) postings using the **VAT Business Posting Group** of **EU2021**.

The purple is the <u>old pre Brexit postings</u>, that will be sent to **Box 8** (Totalling Row: <u>Line 140</u>). These entries were created using the **VAT Business Posting Group** of **EU** (which will <u>also be retained for use with any postings made under the Northern Ireland Protocol</u>).



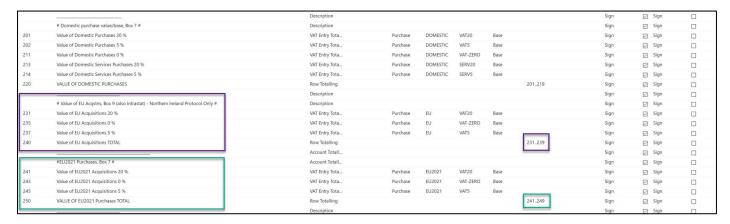
Help sheet - make the changes to your VAT statement for the April alterations to the VAT Return

Change Boxes 7 and 9

On the image below it shows an extract from the relevant part of the VAT statement that filters the Purchases postings:

The green is the postings that will be sent directly to **Box 7** (Totalling Row: <u>Line 250</u>). These are the post Brexit (no- Northern Ireland Protocol) postings using the **VAT Business Posting Group** of **EU2021**.

The purple is the <u>old pre Brexit postings</u>, that will be sent to **Box 9** (Totalling Row: <u>Line 240</u>). These entries were created using the **VAT Business Posting Group** of **EU** (which will <u>also be retained for use with any postings made under the Northern Ireland Protocol).</u>



Summary

This method means your VAT Statement can still be used to review past returns.

It is the only real option if you do trade under the Northern Ireland Protocol and have warehouses in mainland UK as well as in NI. If you are a business established in NI then Boxes 8 and 9 should reflect the figures on your Intrastat return.

Want to know more?

We hope this information is helpful to you, if you need further help then please contact your Tecman Account Manager to arrange assistance or check the advice on our Brexit portal.