

VAT INVOICING – NEW RULES AS FROM 1 JANUARY 2013



This guidance note covers changes to the existing VAT invoicing rules.

These changes came into effect on 1 January 2013.

Introduction

The new legislation simplifies, modernises and harmonises the VAT invoicing rules and in particular eliminates the current barriers to e-invoicing. Paper and electronic invoices shall be treated in a similar way for the purposes of VAT. The new rules should increase the use of electronic invoicing which in effect should reduce burdens on business, support small and medium sized enterprises and provide more flexibility for business in the use of electronic invoicing.

In general, electronic invoicing systems currently in use, which comply with the existing electronic invoicing rules (section 66(2) of the VATCA 2010 and Regulation 21 of the 2010 VAT Regulations), shall be regarded as complying with these new rules for electronic invoicing.

New Rules as from 1 January 2013

- An accountable person may choose to issue an invoice or other document in paper or, subject to certain conditions, in electronic format.
- The issue of invoices or other documents in electronic format is subject to the following conditions:
 - there is prior agreement between the issuer and the recipient in relation to the issue and acceptance of invoices or documents in electronic format;
 - the electronic system being used conforms to the following specifications:
 - the system must be able to produce, retain and store electronic records and messages in such form and containing such particulars as are required for VAT purposes, and make them available to Revenue on request,
 - the system must be able to reproduce in paper or electronic format any electronic record or message required to be produced, retained or stored, and
 - the system must be able to maintain electronic records in a manner that allows their retrieval by reference to the name of the person who issues or receives the message or the date of the message or the unique identification number of the message.

É The issuer and recipient of an invoice or other document have an obligation to ensure the authenticity of origin, the integrity of content and a reliable audit trail between the invoice and the supply for the duration of the period of storage of the invoice. This can be done using business controls and Revenue may require evidence of those business controls.

É An accountable person may choose to issue a simplified invoice where the amount of the invoice is not greater than €100. Minimum particulars to be included on a simplified invoice are

- the date of issue,
- a sequential number that uniquely identifies the invoice,
- the full name, address and registration number of the person who supplied the goods or services,
- a description of the goods or services supplied, and
- the tax payable or the consideration exclusive of tax in respect of the supply of the goods or services.

A simplified invoice cannot be used in relation to a supply of intra-community goods or services.

É An accountable person who makes multiple supplies during the same calendar month to the same customer can opt to issue a summary invoice.

É Batch invoicing - where an accountable person is issuing a batch of invoices electronically to the same customer, those invoices may record details that are common to the individual invoices once per transmission.

É An accountable person issuing an invoice

- in relation to the auction scheme must endorse that invoice is margin scheme or auction goods
- in relation to a supply of margin scheme goods must endorse that invoice with one of the following margin scheme or works of art, margin scheme or collectors' items and antiques, or margin scheme or second-hand goods
- under self-billing rules must endorse that invoice is self-billing

If you would like more information or would like to discuss any other areas of interest,

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Please note that the above is intended to be a general guide to the various issues only and further advice should be obtained before taking, or refraining from taking, any action. This leaflet is intended to be informative and issues are condensed in the interest of clarity and brevity, and a more comprehensive examination of the issues is outside the scope