



VAT Invoice Formats

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What a VAT invoice should include

Whenever you supply goods/ services on which VAT is chargeable to another VAT-registered business, you must give them a document showing certain information about what you are supplying. This document is called a VAT invoice.

You must issue a VAT invoice within 30 days of the date you make the supply showing:

- an identifying invoice number
- time of supply
- date of issue (if different from time of supply)
- name and address of your business
- customer's name and address
- your VAT registration number
- a description sufficient to identify the supply
- the quantity of the goods or services, with a unit price - excluding VAT
- the rate of VAT per item, the amount of VAT
- the rate of any cash discount

Changes to the VAT invoicing regulations with effect from 1 October 2007

VAT regulation changes were made on 23 July 2007 and make minor modifications to the format of invoices which are effective from 1 October 2007.

Businesses most likely to be affected are those:

- using the margin scheme for second-hand goods, antiques, works of art, and collectors' items
- involved in making travel related supplies that fall within the scope of the Tour Operators' Margin Scheme
- involved in intra EU supplies of goods/ services
- making supplies where the customer accounts for the VAT.

The changes

The number on the invoice

Invoices must have a sequential number based on one or more series which uniquely identify the document.

Reference to the second-hand margin schemes

Invoices under the special arrangements for second-hand goods, antiques, works of art and collectors' items must include a reference to the nature of the treatment, which accords with the Directive. That means a reference to either the relevant EC or UK legislation, or including any other indication of the treatment.

Reference to the Tour Operators' Margin Scheme (TOMS)

Invoices under TOMS must include a reference to the nature of the treatment, which accords with the Directive.

Businesses can include a reference to the relevant EC or UK legislation, or include any other indication of the treatment. The choice of legend is a matter for individual businesses to decide.

Reference to the reverse charge or exemption (including zero rate dispatches to other Member States)

Zero rate dispatches and exempt or reverse charge invoices will require a reference to the grounds for the treatment. Businesses can include a reference to the relevant EC or UK legislation, or include any other indication of the treatment.

It also applies to UK supplies where the customer accounts for the VAT, such as the gold scheme (VAT Act 94 s55) or any reverse charge requirement introduced under Missing Trader Intra-Community (MTIC) rules in VAT Act 1994, s55A.

The regulations make it clear that a requirement to issue invoices for exempt supplies only arises when the supply is business to business, across an EU border, and an invoice is required by the Member State of receipt.

References required

The regulations will be changed to make it clear that an invoice issued under the following procedures must contain a reference to the relevant EC or UK legislation, or include any other



indication of the treatment. The choice of legend is a matter for individual businesses to decide:

- regulation 17(2)(b) covering section 14(6) supplies to persons belonging in other Member States
- regulation 18(2)(d) covering section 14(1) supplies by intermediate suppliers
- regulation 19(2)(d) covering section 14(2) supplies by persons belonging in other Member States.

Frequently Asked Questions

Consecutive numbers on invoices

Does the invoice number series have to be numerical, or can it include letters?

The 'invoice number' can be numerical, or a combination of numbers and letters, as long as it forms part of a unique and sequential series. The sequence does not need to start at 1 but must create a unique and sequential series.

I use a unique customer reference number as the identifying number on the invoice. Can I add an additional consecutive number?

Yes, this would have the affect of.

I have several customers. Can I run several separate sequences of invoices at the same time?

Yes, it is acceptable to operate more than one sequence.

My business operates as several separate business units or divisions. Is it possible for each unit or division to operate its own sequence of invoices?

Yes, it is acceptable to operate more than one sequence at the same time.

What if there is a break in sequence, for example where I cancel an invoice or it is spoiled and never issued to a customer?

As long as you retain the cancelled or spoiled invoice in your accounting records, or you can provide an explanation for the break in sequence, this is acceptable.

Margin scheme for second-hand goods, works of art, antiques and collectors items

I use the margin scheme and my invoices include the legend specified in Notice 718. Besides the legal references to either EC or UK law, what wording will qualify as a 'relevant reference' for the purposes of the new regulations?

Under the new regulations the way in which margin scheme treatment is referenced on an invoice is a matter for business. Paragraph 2.4 above provides some examples of acceptable legends.

Tour Operators Margin Scheme (TOMS)

My business uses the TOMS. What reference will I now have to include on invoices?

You must include one of three references – a reference to the relevant article in the EC Directive, a reference to the relevant UK legislation, or any other reference indicating that the TOMS has been applied.

Will I have to issue an invoice for all TOMS supplies?

No. The legend is only required where you issue an invoice to other business customers.

Exempt, Zero Rate, Reverse Charge supplies

Do I have to issue an invoice for exempt supplies?

Reference on the invoice when an exempt supply is made to a business customer in another member State and an invoice is required in that Member State.

Where I am required to issue an invoice for an exempt supply and reference the exemption, how can I be certain of the treatment in other Member States?

You do not have to describe the treatment in the receiving Member State. You need only to explain why VAT has not been charged on your invoice. This can be done by reference to EC legislation, UK legislation or by a simple statement that the supply is exempt.

Is there any change to the requirement in respect of exempt supplies in the UK?

No. There is no requirement for invoices to be raised for exempt supplies made by you to a UK customer.

I make supplies to business customers in other member States which are subject to the 'reverse charge' procedure. What do I need to show?

If this would be an exempt invoice in the UK it is sufficient to indicate that fact. You should be guided by your business customer and if they require a reference to the reverse charge procedure.

I make supplies of Gold under the special accounting scheme. How am I affected by the changes to the VAT invoicing regulations?

Details of the scheme and your invoicing liabilities are contained in [Notice 701/21](#), which includes details of the form of words to be used on such VAT invoices.

I make business to business purchases and sales of mobile phones and computer chips, and I understand that I may be required to apply the reverse charge. How do the changes to the VAT invoicing regulations affect me?

There are special reverse charge arrangements for sales of specified goods (currently mobile phones and computer chips), where the supplies are business to business between VAT registered taxpayers in the UK.

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