



Welcome

Welcome to the November 2020 newsletter for users and partners of Datafile Software.

This newsletter contains details on the system changes that may be required to disclose additional information on commercial documents in light of Brexit.

Terry Moore

Managing Director
Datafile Software Solutions Limited

Contact Details

Telephone
01772 816 514

Email

office@datafile.co.uk

Website

www.datafile.co.uk

Knowledge Base

<http://kb.datafile.co.uk/>



Follow us on Twitter



Subscribe to our
YouTube Channel



Preparing for Brexit

- System Changes – What is required for Commercial Invoices?
- VAT Coding and Table Updates
- What to do Next?



VAT Coding

Except for users based in Northern Ireland, the EC VAT Codes (usually C / X) should not be used for transactions from the January 1st 2021. For users in Northern Ireland EC VAT Codes will remain in use.

Generally, excluding NI, customers/suppliers in the EU should be processed as you would do any customers/suppliers from the rest of the world.

Customers - Default Customer VAT Codes can be amended to use the “Exempt” VAT code (note exempt on the VAT table does not mean out of scope of UK VAT) – this would be ‘E’ on our default table.

Suppliers - Importers will have the option to use Postponed VAT Accounting (PVA) from 1st January 2021 for all imports, not just arrivals from the EU. You do not have to register to use PVA, it is open to any UK business that holds a UK VAT Registration No. However, you will need to register with the Customs Declaration Service to access your PVA figures.

Under PVA no C79 certificate will be issued, instead your customs declaration will generate an online Monthly Postponed Import VAT Statement – this can be used to account for and recover import VAT as input tax on the next VAT return. C79 VAT Certificates will still be issued where VAT is paid on importation.

Generally, under C79 (when no certificate has yet been received) or under PVA, purchase invoices will be posted using the ‘E’ VAT code. If using both schemes, then you may wish to consider separate VAT codes for ease of analysis and auditability.

A Nominal Journal can be used on receipt of the C79 Certificate / Monthly PVA Statement to reclaim the import VAT.

Duty invoices should be processed as normal.



VAT Code for Postponed VAT Accounting

Windows window: Tax Details (1/2)

Menu: Datafile | Home | Tools | Edit | Links

Tools: Calculator, Price Checker, Databases, Database Plus, Stock Availability, Spooled Reports, Messaging, Ledger Enquiry, Contacts, Calendar, Discount Matrix, Supplier Matrix, Forms, Word List.

Utilities: Sales/Purchase Tax Table - Name: VAT
 Cash Accounting for this Company:
 Maintain & Print VAT Form Values: Monthly?: Period Basis?:

	Code	Title	Rate	Exempt	EC-Tax	UK Equiv	Reverse Equiv	EC Sales	Ign-Rev Limit	Outside Scope	PVA
1	S	Standard	20.00	N	N			N	N	N	N
2	Z	Zero Rated	0.00	N	N			N	N	N	N
3	F	Reduced	5.00	N	N			N	N	N	N
4	R	Reverse VAT	0.00	N	N		S	N	N	N	N
5	O	OutOfScope	0.00	N	N			N	N	Y	N
6	E	Exempt	0.00	Y	N			N	N	N	N
7	I	Import VAT	0.00	Y	N		S	N	Y	N	Y
8	C	EC Goods	0.00	Y	Y	S		Y	N	N	N
9	X	EC Services	0.00	Y	Y	X		N	N	N	N
10			0.00	N	N			N	N	N	N

Code for Outside Scope of Reports: Reverse VAT Limit: 5000.00

Buttons: Action, Opt-1, Opt-2, Save, Abandon, Close

Comp DEM

A new VAT code is required to identify VAT transactions processed under postponed VAT accounting.

Code – Set the code to be used for Import VAT. In the example screenshot “I” has been used.

Title – Set the title to be displayed, for example, ‘Import VAT’.

Rate – Set the rate to 0.

Exempt – Set the flag to Y (if set on a supplier this VAT code will override any picked up from Stock)

EC Tax – Set this flag to N.

UK Equivalent – Leave blank

Reverse Equivalent – Set this to main UK tax code (e.g. S)

EC Sales – Set this to N.

Ignore Reverse VAT Limit – Set this to Y.

Outside Scope – Set this to N.

PVA – Set this to Y.



What to do Next

Your system may already have the data items included on documentation. If not, then these will need to be set up and included on data entry screens and documents. The changes will affect the following tables:

- Sales Ledger Account Database
- Sales Order Header Database
- Sales Order Detail Database
- Stock Database

Instructions are available in the system documentation to amend database tables, data entry forms and documents if you wish to carry out these changes internally.

Alternatively, please make contact your support partner to discuss.