

## **VAT: Reverse charge for purchases and sales of mobile phones and computer chips**

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## **1 Introduction**

### **1.1 What this Information Sheet is about**

This Information Sheet replaces Information Sheet 06/07, provides further clarification on the new accounting mechanism (the reverse charge) and adds guidance following further discussions with business. Any new information or guidance not included in Information Sheet 06/07 is shown in *italics*.

The reverse charge will apply, with some exclusions explained below, to supplies of mobile phones and/or computer chips which are:

- valued at £5000 and over; and
- made by one VAT-registered business to another.

The reverse charge applies to all such supplies made on or after 1 June 2007.

Under the reverse charge accounting mechanism, it is the responsibility of the customer, rather than the supplier, to account to HMRC for VAT on supplies of the specified goods.

VAT-registered businesses which sell the goods described in section 2 below will need to consider whether the reverse charge applies to their transactions. Businesses which purchase goods to which the reverse charge applies must account for VAT on those purchases to HMRC.

## **2 To which goods does the reverse charge apply?**

### **2.1 The specified goods.**

The specified goods to which the reverse charge applies are:

- mobile telephones; and

- computer chips.

## 2.2 Mobile Telephones

For the purpose of the reverse charge, *the definition of a mobile phone takes its everyday meaning in the UK and includes:*

- any handsets which have a mobile phone function (i.e. the transmitting and receiving of spoken messages), whether or not they have any other function – it therefore includes other communication devices, such as Blackberrys;
- mobile phones supplied with accessories (such as a charger, battery, cover or hands-free kit) as a single package;
- pre-pay (or 'pay as you go') mobile phones, whether or not the selling price includes an element attributable to the cost of future use of the phones; and
- *mobile phones locked to a network but not supplied with a contract for airtime.*

However, the reverse charge does not apply to the following:

- mobile phones which are supplied with a contract for air time;
- mobile phone accessories which are supplied separately from a mobile phone;
- *walkie-talkies,*
- *WiFi phones unless also intended for use with mobile phone networks; and*
- 3G data cards and WiFi cards.

## 2.3 Computer chips

The terminology surrounding computer chips can be confusing. As a guide, all computer chips covered by the reverse charge fall within the tariff commodity code 8542 3190 00. The term covers:

- small integrated circuits (i.e. Central Processing Units or CPUs);
- discrete integrated circuit devices (i.e. Microprocessors or Microprocessor Units (MPUs) and Microcontrollers or Microcontroller Units (MCUs); and
- Chipsets – the dedicated cluster of integrated circuits which support MPUs.

The reverse charge applies to such items when they are in a state prior to integration into end-user products, *or where they are sold separately and not as part of an assembled item, for example a motherboard.* Items such as computer servers, laptops or desktop units are also excluded from the scope of the reverse charge.

## 3 When do I apply the reverse charge when selling these goods?

### 3.1 UK supplies

The reverse charge applies only to supplies of specified goods within the UK made by one VAT-registered business to another. The rules and procedures for sales to non-business customers, dispatches of goods to persons in another member State and for exports outside the EU are unaffected by the introduction of the reverse charge.

### 3.2 £5,000 de minimis rule

The reverse charge does not apply to supplies with a VAT-exclusive value below £5,000. This figure is calculated on an invoice basis, i.e. the reverse charge applies if the total value of all the specified goods shown on an invoice is £5,000 or more. In that event, the reverse charge applies to the total value of the specified goods on that invoice.

If supplies of any other goods or services are shown on the same invoice as reverse charge goods, the reverse charge does not apply to the other supplies.

If an itemised invoice relates to a single supply, for example a computer, which is not subject to the reverse charge, VAT should be charged as normal on the supply, even if certain of the itemised components are reverse charge goods.

*Many businesses issue several separate invoices in relation to a single order, for example a separate invoice for each delivery. Where the order value is larger than the invoice value, it will be acceptable to apply the reverse charge to all invoices relating to the order so long as the order value exceeds the £5000 threshold, if both parties agree.*

Where VAT is due on a value reduced by an unconditional discount – for example, a prompt payment discount – then the discounted value is to be used to establish the value for the purpose of applying the de minimis rules. However, where there are contingent discounts or delayed reductions in price, the full value shown on the invoice is to be used. Further information on the definition of these discounts can be found in Notice 700.

### **3.3 Sales to Businesses**

The reverse charge only applies to supplies where the customer is registered or liable to be registered for UK VAT, and is buying the goods for a business purpose. Suppliers selling goods under the reverse charge procedure therefore need to obtain their customers' VAT registration number and satisfy themselves, as far as possible, that the number is genuine and the condition is met. Paragraph 4 gives guidance to suppliers about the checks they should undertake for this purpose.

### **3.4 Supplies excluded from the reverse charge**

Supplies of specified goods in the following circumstances are always excluded from reverse charge accounting:

- supplies of specified goods to customers for non-business use;
- supplies of specified goods for which the seller chooses to use the second-hand margin scheme – further details of this can be found in Notice 718; and
- specified goods which a business gives away for no consideration – these may be deemed supplies on which the supplier is required to account for VAT. Further information on these can be found in Notice 700/35.

## **4 What checks should I carry out?**

### **4.1 General**

Whether goods are eligible goods or are being sold in quantities above the £5000 threshold is something about which the supplier will have first hand knowledge. But for the reverse charge to apply, the goods must also be sold to a taxable person for a business purpose, and the supplier may not have first hand knowledge of the customer or their VAT status. This section provides guidance to suppliers about the checks they are expected to make. Paragraph 8 below outlines the consequences of getting this wrong.

### **4.2 Reasonable checks**

Paragraph 8 explains that a supplier will not be held liable for incorrect application of the reverse charge where they have taken reasonable steps to establish the VAT status of their customer. What is reasonable in any case will depend on norms in the sector and the type of relationship the supplier has with the customer. The following are indicators to assist you in deciding how far you should go before accepting a customer's representations. They should not be taken as an exhaustive or definitive list.

- Do commercial checks on creditworthiness and customer status which are good commercial practice for the sector suggest any reason to doubt the customer's representations?
- Is the VAT registration number genuine and does it belong to the person who is quoting it? Suppliers may use the checking facility provided by the National Advice Service (see paragraph 15). Large businesses may contact their Client Relationship Manager for advice.

- Is this a new customer or a well-established business known to the supplier? In general, however, there is no need for the supplier to carry out special verification of VAT registration numbers of existing customers with whom they have an established trading relationship.
- Is there any indication in the pattern of orders that the customer is attempting to manipulate the £5,000 de minimis?
- Has the supplier any grounds to doubt the bona fides of the customer?

There is further advice in Notice 726 relating to the integrity of a supplier and this applies equally to that of the customer. The supplier should keep evidence of the checks that they have performed, so they can produce it to HMRC if subsequently required.

#### **4.3 What if a seller has doubts about the customer's bona fides or their VAT status?**

If the seller cannot be satisfied of the bona fides of the customer or the status of their VAT registration then they must consider whether they should proceed with the transaction.

If the supplier proceeds with a reverse charge transaction where there are doubts that the reverse charge applies, they may wish to consider asking the customer for a deposit equivalent to the output tax for which they will become liable if the reverse charge is applied in error. This may be especially helpful if the customer has applied for but not yet received a VAT registration number: Any deposit taken in these circumstances can be refunded when evidence of the VAT registration is received.

#### **4.4 Retailers, including internet retailers**

The checks suggested in paragraph 4.2 apply equally to retailers and internet traders. Clearly there are fewer long term relationships with customers in the retail sector and so commercial checks and other checks to prevent fraud or money laundering will be more important.

If, for a transaction over £5,000 in value, a retailer is unable to carry out the necessary checks to satisfy himself of his customer's bona fides and, in particular, that a VAT registration number which has been quoted belongs to that person, then VAT should be charged in the normal way. However, retailers and internet suppliers already have their own checks, usually based on the value (for example, above £10,000) or quantity of the goods, to prevent fraud or money laundering. They should apply similar checks to prevent manipulation of the £5,000 limit.

For this purpose, a retailer includes a person making internet sales from a retail site, i.e. a site which is mainly geared to selling to private individuals and where payment is generally demanded before the goods are dispatched. Where a business has both retail and non-retail parts to its business, this paragraph only applies to the retail part. A business, or part of a business, that only makes incidental retail sales is not classed as a retailer for the purposes of this paragraph.

### **5 How do I apply the reverse charge?**

#### **5.1 Operation of the reverse charge**

Under the reverse charge mechanism, it is the purchaser of the goods, rather than the seller, who is liable to account for the VAT on the supply. The supplier will not charge VAT, but will have to specify on his invoice that the reverse charge applies. The purchaser must account for VAT, but has the right to input tax recovery on the same VAT return, subject to the normal rules.

*Software vendors have been in regular dialogue with HMRC and many have packages ready to meet the requirements of the reverse charge, or will be able to provide work-around solutions where specific functionality is not present. Those affected may therefore want to check with their software vendors.*

## 5.2 Invoicing

When making a sale to which reverse charge accounting applies, suppliers must show all the information normally required to be shown on a VAT invoice and must also annotate the invoice to make it clear that the reverse charge applies and that the customer is required to account for the VAT. The amount of VAT due under the reverse charge rules must be clearly stated on the invoice but should **not** be included in the amount shown as total VAT charged. The precise wording is not prescribed in law and discussions with business have highlighted the need to keep the annotation short.

Suggested forms of words are:

- Customer to pay output tax of £X to HMRC
- UK customer to pay O/T of £X to HMRC.

Alternatively, any of the following would also be acceptable, provided that the amount of tax is shown elsewhere on the invoice (but not in the box for total output tax charged):

- VAT Act 1994 Section 55A applies
- S55A VATA 94 applies
- Customer to account for the VAT to HMRC
- Reverse charge supply - customer to pay the VAT to HMRC
- Customer to pay VAT to HMRC
- UK customer to pay VAT to HMRC.

If the seller produces invoices using an IT system, and that system cannot show the amount of tax to be accounted for under the reverse charge mechanism, then the wording should state that VAT is to be accounted for by the purchaser at 17½% of the VAT exclusive selling price for reverse charge goods. *However, the customer must be able to identify the reverse charge goods, for example*

- *Customer to account to HMRC for the reverse charge output tax on the VAT exclusive price of items marked reverse charge.*

## 5.3 Electronic Invoicing

*In an electronic invoicing environment, provided that both parties to the electronic invoicing exchange agree, the indication that the goods are subject to the reverse charge, and that the customer is required to account for output tax on such goods, can be provided in the invoice message in coded representation rather than in textual form. HMRC are prepared to allow the use of a coded representation provided that its meaning can be demonstrated to an HMRC auditor by both parties to the electronic invoicing exchange.*

## 5.4 Completion of the VAT return

A supplier who has made a reverse charge supply must include the value of the supply in the total value of sales figure in box 6 of the VAT return – there is **no** output tax to include in box 1, because that is the responsibility of the customer.

## 5.5 Completion of the Reverse Charge Sales List

A supplier who has made a reverse charge supply must notify HMRC when he first does so, and complete a reverse charge sales list when he submits a VAT return – see paragraph 14 below.

## 6 What do I do if I have received a reverse charge supply?

### 6.1 General

VAT-registered customers who are not charged VAT because the reverse charge applies must account for the VAT due on the supply. The amount of VAT should be shown on the VAT invoice issued by the supplier. The VAT should be accounted for on the VAT return for the period in which they received the supply. The normal tax point rules apply for determining when the supply is made and received.

The customer can reclaim this VAT as input tax on the same return as it is accounted for, subject to the normal rules, including partial exemption.

## **6.2 Completion of the VAT return**

The customer must enter the output tax payable on purchases under the reverse charge in box 1, but the value of the purchases must **not** be entered in box 6.

Input tax can be reclaimed, subject to the normal rules, by including it in the total shown in box 4. The value of the purchases should be entered in box 7 in the normal way.

## **6.3 Onward sales of goods purchased under the reverse charge system**

If the purchaser of reverse charge goods sells them to another VAT-registered business in the UK and the invoice value is £5,000 or more (see paragraph 3.2), then the reverse charge applies to the onward sale, and all the guidance relating to such sales set out in this information sheet must be followed. This applies to any sale on or after 1 June 2007, even if the goods were purchased before this date.

If the goods are sold in any other circumstances, then the appropriate normal VAT accounting rules for the transaction in question must be followed. This includes submission of an EC Sales List in respect of goods supplied to a customer in another member State.

## **6.4 Unregistered customers purchasing reverse charge goods**

Businesses that are not VAT-registered may need to consider whether the purchase of goods to which the reverse charge would apply if they were registered for VAT makes them liable to be registered for VAT.

This is because any unregistered business which makes individual purchases of specified goods (e.g. computer chips) of £5,000 or more has to include these amounts when considering whether the value of their taxable supplies has exceeded the threshold over which they must register for VAT. The first £1,000 of such purchases per month is disregarded, so customers who do not purchase reverse charge goods above this amount will not have to take them into account.

However, the total value of purchases to which the reverse charge would apply (if the customer were registered for VAT) in excess of £1,000 per month does count, along with their other taxable supplies, towards their liability to register for VAT. That value should therefore be included both in calculating the value of taxable supplies in the previous 12 months or less, and in the expected value of taxable supplies in the next 30 days alone, for the purpose of applying these tests for liability to register for VAT.

## **7 What if I need to make an adjustment or correction?**

### **7.1 Adjustments in the course of business**

Adjustments could be required, for example because of adjustments in price after the invoice has been issued, or because of returned goods. For adjustments in respect of supplies where the reverse charge does not apply, follow the guidance in Notice 700/45. However, if an adjustment affects a reverse charge supply, the following additional guidance will apply:

In all circumstances, the object of the changes is to bring to account the correct VAT.

***Do I need to adjust the VAT when making adjustments? If both parties agree, the concession in paragraph 18.2.1 of Notice 700, which allows both parties not to make VAT adjustments where a supplier offers a credit or contingent discount, can be applied to reverse charge adjustments. Where this option is used adjustments will still be required to the Sales List (see paragraph 14.9 below). We believe the complexities involved in making adjustments are likely to make this the easiest option, but the other methods are:***

**Return not yet made.** If as supplier or customer you identify a change in the value of reverse charge goods before your accounting period is closed, you can simply adjust your primary records of the sale/purchase and make sure the corrected figure feeds through to the VAT account.

**Return already made and reverse charge applied.** The customer will have to adjust any reverse charge output tax and any input tax to reflect the new values.

**Return already made and price adjustment brings the supply into the reverse charge.** The supplier will have to credit the output tax accounted for and give back any VAT collected from the customer. The customer will have to correct the value of any input tax taken to reflect the new value and bring the reverse charge output tax to account in the same period.

**Return already made and price adjustment removes the supply out of the reverse charge.** *If both parties agree, the original VAT treatment need not be reversed although an adjustment to the Sales List will still be required (see paragraph 14.9 below). If they do not agree, the supplier will need to bring output tax to account and collect the VAT from his customer. The customer will need to reverse the output tax he has entered and correct the input tax entry to reflect the corrected value. In that case, we recommend the whole supply is credited and then re-invoiced with the new tax treatment.*

**Credit or debit notes issued for supplies made before 1 June 2007.** These are an adjustment to the original supply and cannot therefore bring these supplies into the reverse charge.

**Suggested forms of words for credit notes are:**

- *Customer to account for the output tax adjustment of -£xxxx to HMRC*
- *UK Customer to account for the output tax adjustment of -£xxxx to HMRC*
- *Customer to account to HMRC for the adjustment to reverse charge output tax on the VAT exclusive price of items marked reverse charge.*

*Where the output tax liability reverts to the supplier as a result of a decrease in consideration, as noted above, we recommend the whole supply is credited and then re-invoiced with the new tax treatment. However, if using credit notes is preferred the following would also be acceptable:*

- *Customer to account for output tax adjustment of -£xxxx to HMRC, supplier now accounts for £yyyyy output tax to HMRC.*

## **7.2 Mistakes**

Mistakes made under the reverse charge procedure will be dealt with in a similar manner to other errors involving VAT – see Notice 700/45.

## **8 Failure to comply with the reverse charge**

### **8.1 Customers**

Failure to apply the reverse charge may arise as an oversight or where the customer has been unable to provide the supplier with a VAT registration number because a number is still awaited from HMRC. Where a customer does not account for the reverse charge when they should, we will assess for the output tax due less any input tax he may be entitled to.

But failure to notify a supplier that the reverse charge ought to apply may also be an indicator of fraud and is likely to result in extended verification of any input tax claimed. If a customer takes no action if they are charged VAT when the reverse charge should apply, they may put themselves in a position where they could be held to be jointly and severally liable for the VAT or unable to recover the input tax on the supply.

## 8.2 Suppliers

If the supplier applies the reverse charge and has taken sufficient steps to check the bona fides of his customer but has been deliberately misled by them, then he will not be required to account for output tax on the sale. Similarly, if the supplier has correctly applied the reverse charge to a sale, then they will not be required to account for output tax if the purchaser fails to do so.

If the supplier applies the reverse charge incorrectly or has not taken sufficient steps to check the bona fides of his customer then he will be liable to pay the output tax on the sale.

If a supplier incorrectly charges VAT when the reverse charge should have been applied then the customer will be assessed for the output tax which will offset any entitlement to input tax recovery. The supplier will then have to credit his customer with the VAT, returning any money collected as VAT. The supplier will also be subject to the normal error correction procedures – see Notice 700/45.

## 8.3 Penalties

HMRC understands the difficulties businesses may have implementing the reverse charge and will, where there is no tax loss, apply a light touch in dealing with errors that occur in the first six months after introduction.

## 9 I make payments on account – how does all this affect me?

The Payments on Account (POA) regime requires businesses with a net VAT liability of £2 million per year or more to make monthly payments on account. Because some businesses may be required to account for output tax on their purchases as well as on the onward sale to non business customers, the introduction of the reverse charge could have the effect of increasing their net VAT liability. This would have the effect of bringing them within the scope of POA, or increasing their monthly payments if they are already within the scheme.

The POA scheme is being amended to allow affected businesses to apply to HMRC to exclude the output tax due under the reverse charge from the calculation to establish whether a business is subject to POA or the monthly payments a business in POA has to make. Applications for such exclusion should be made to: Large Payers Unit, 3<sup>rd</sup> Floor North, Queens Dock, Liverpool, L74 4AA.

Some businesses may find that their net liability will decrease with the introduction of the reverse charge. If that is the case, then the normal rules outlined in paragraph 3.2 of Notice 700/60 will apply.

## 10 Bad Debts

Bad debt relief does not apply with reverse charge supplies as it is the customer who accounts for the tax. However, where the customer has to adjust input tax recovery because part or all of the consideration is unpaid after 6 months (perhaps because of a disputed charge), then they may make a corresponding adjustment reducing the output tax accounted for.

## 11 Self-billing

The reverse charge does not affect the self-billing procedure itself. It is the responsibility of the business issuing the self-billed invoice to apply the revised accounting procedure. If the reverse charge applies then the purchaser will be the person issuing the invoice to account for the tax. They should not charge VAT to their supplier and should indicate to their supplier that they will be accounting for the tax themselves. *However, the supplier will be required to complete the reverse charge sales list, see paragraph 14.*

Suggested forms of words are:

- We will account for and pay output tax of £X to HMRC
- As the UK customer we will pay O/T of £X to HMRC.

Alternatively, any of the following would also be acceptable, provided that the amount of tax is shown elsewhere on the invoice (but not in the box for total output tax charged):

- VAT Act 1994 Section 55A applies
- S55A VATA 94 applies
- We will account for the VAT to HMRC
- Reverse charge supply – we will pay the VAT to HMRC
- As the Customer: we will pay VAT to HMRC
- As the UK customer we will pay VAT to HMRC.

## **12 I use an accounting scheme – how does all this affect me?**

### **12.1 Flat Rate Scheme**

Supplies to which the reverse charge applies are excluded from the Flat Rate Scheme. Any such supplies received and made should be accounted for under the reverse charge provisions.

### **12.2 Cash accounting scheme**

Businesses using the cash accounting scheme should exclude sales and purchases to which the reverse charge applies from the scheme. These supplies should be accounted for under the reverse charge provisions. However, if a business purchases goods to which the reverse charge applies and sells them on so that it does not (eg under the de minimis rules or because the sale is to a non-business customer), then the onward sale should be dealt with under the cash accounting scheme.

### **12.3 Annual accounting scheme**

The annual accounting scheme is unaffected by the reverse charge and can be used in the normal way with reverse charge supplies being accounted for within the scheme.

### **12.4 Margin scheme for second-hand goods, works of art, antiques and collectors items.**

The margin scheme is one which businesses can elect to use for the sale of eligible goods. If you use it for eligible second-hand mobile phones and computer chips the reverse charge does not apply and the VAT payable is calculated under the scheme rules.

## **13 Specific cases**

### **13.1 Charities and local authorities**

These types of organisation may purchase goods to which the reverse charge applies which will be used partly for business purposes and partly for non-business purposes. In such cases, the reverse charge applies: the customer should account for output tax under the reverse charge procedure and apply the appropriate restriction to the deduction of the resulting input VAT.

### **13.2 Health Service and Government Departments**

Where supplies of goods subject to the reverse charge are made to the NHS and Government Departments for any element of business purpose then the reverse charge applies as normal. The customer should account for the VAT and restrict the recovery of the input tax as appropriate. The NHS and Government departments can obtain further advice through their usual contacts in HMRC.

## **14 Reverse Charge Sales Lists**

### **14.1 General**

If you make supplies to which the reverse charge has applied (reverse charge sales) you must notify HMRC and submit regular statements (Reverse Charge Sales Lists – RCSLs) using the RCSL system. *Your accounts software application may have the facility to export the required data, in the required format, for you. Alternatively you will have the option to key the required information into a web page.*

The RCSL system, including notifications, is web-based and accessed through the HMRC website: [www.hmrc.gov.uk](http://www.hmrc.gov.uk). *The system will be available from 13 June 2007.* If you do not already use an HRMC on-line service, you will first need to register for the Government Gateway. Guidance on how to register is available at <http://www.gateway.gov.uk/>

#### **14.2 How does the RCSL system work?**

The RCSL system is menu driven and provides help for each option. *All aspects will require completion electronically.*

#### **14.3 Notification**

You must tell us of the date on which you first make a reverse charge sale. You must also give us the name and telephone number of a contact. If you then cease to make such supplies you must tell us of the date on which you ceased to do so. However, if you subsequently again make reverse charge sales you must notify us of the date you recommenced, and again provide contact details.

In each case you must tell us within 30 days of the event.

#### **14.4 RCSL**

You will have to submit an RCSL for each of your VAT return periods; that is, if you submit:

- monthly VAT returns you must submit monthly RCSLs, or
- quarterly VAT returns you must submit quarterly RCSLs for the same stagger as your VAT returns; or
- annual VAT returns you must submit an annual RCSL for the same 12 months as your VAT return; or
- non-standard VAT return periods you must submit RCSL for those same periods.

*The due date for submission of RCSLs is the same as that for your VAT return.*

#### **14.5 What information must I submit?**

For each customer to whom you have made reverse charge sales you must tell us:

- the UK VAT registration of the customer, and
- for each calendar month in the period, the total net value of reverse sales to that customer, and

This means, for example, that if you are to submit a quarterly RCSL for April, May and June you must tell us, for each customer, three values – one each for April, May and June. If you have made reverse charge sales to a customer for one or more months in the period but not every month you must record “0” value for the month(s) in which you made no reverse charge sales.

Customer VAT number	June 2007	July 2007	August 2007
123456789	£ 10000	£ 0	£ 30000

You will only be able to make one such entry per customer per VAT period. This means that your data must be aggregated for each month and you will not be able to submit invoice or transaction level data.

You must also provide *your* contact name and telephone number.

#### **14.6 How must I submit my RCSL?**

You may either enter the information directly on-line or you can upload a comma separated values (csv) file. *Your accounts software application may have the facility to export the CSV file from your system. Please contact your software vendor for further clarification.* Details on the file specification are available on [www.hmrc.gov.uk](http://www.hmrc.gov.uk) under 'VAT'.

#### 14.7 What if I do not make any reverse charge sales in the period?

If you do not make any reverse charge sales in a particular VAT period you must submit a nil declaration. You do this by selecting the "nil declaration" option on the RCSL home page. *There is no facility to submit a nil CSV file.*

#### 14.8 Customer VAT number

You must submit the customer's UK nine-digit VAT registration number i.e. without "GB" suffix, branch identifier or TURN number. *If, exceptionally, you do not know your customer's VAT number at the time you submit your RCSL you should either:*

- *enter a 'dummy' VAT number, for example 111 1111 11 or, 222 2222 22 and submit with value data and on receipt of the customer's VAT number you should then amend the entry (this is HMRC's preferred option); or*
- *submit the RCSL excluding that customer and subsequently add the appropriate sales information once you have received the customer's VAT number.*

#### 14.9 How do I calculate the value?

You must aggregate the values of all the reverse charge sales for the customer in the month, including any adjustments. You declare the whole pound amount only, and you may either round to the nearest pound or truncate the pence. If, after adjustments, the value is "0" you must still submit the information. Likewise, if the total net value is negative you must submit the information with a leading negative sign, e.g. -100.

#### 14.10 What do I do if I have made a mistake?

If you have submitted your RCSL and then find you have made a mistake you will need to give us the correct information by amending your original submission. If you submitted your RCSL by completing the on-line list you will be able to add, delete or change lines on-line. If you submitted your RCSL by uploading a csv file you must resubmit your complete list with the necessary additions, deletions or changes, i.e. including all the lines that were correct in the original submission.

Mistake	Action
Customer omitted	Add customer VAT Number and the value of trade for each month in the period
Incorrect VAT number for customer	Change VAT number to correct VAT number
Incorrect value(s)	Change value(s) to correct value(s)
No RC sales made to customer in the period	Delete customer VAT number and values
Nil declaration made when RC sales made in period	Submit RCSL on-line or by uploading csv file

#### 15 Who can I contact for further information?

**Telephone:** If you have any queries about the information contained in this VAT Information Sheet please contact the HMRC National Advice Service on **0845 010 9000**.

The National Advice Service is available from Monday to Friday, 8am to 8pm (GMT) and will be able to answer both general queries and deal with enquiries relating to partial exemption and VAT liability.

**Email:** You can also email your enquiry to the National Advice Service: [Enquiries.estn@hmrc.gsi.gov.uk](mailto:Enquiries.estn@hmrc.gsi.gov.uk).

