



# GOLDBLATT McGUIGAN

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## ROI VAT STANDARD RATE CHANGE DECREASE FROM 21.5% TO 21%

**1 JANUARY 2010**

In accordance with the December 2009 ROI Budget, the ROI standard VAT rate shall decrease from **21.5% to 21% with effect from 1 January 2010**. Various key matters in respect of this change are summarised below (applicable to those types of supplies subject to the ROI standard VAT rate).

### Time of Supply – General Rule

The time of supply rules determine when a supply is made for ROI VAT purposes and thereby the ROI VAT rate applicable to a supply where there is a change in VAT rate.

For supplies of goods or services to **ROI VAT registered persons** (i.e. where an ROI VAT invoice is required to be issued), ROI VAT is chargeable at the ROI VAT rate in force on the date the ROI VAT invoice is issued or the 15th day following the month of supply, whichever is earlier.

For supplies of goods made to **ROI unregistered persons**, the tax point is the date ownership is transferred to the customer. For supplies of services made to unregistered persons, the tax point is the date the service is supplied.

### Cash Accounting

Where cash is received on or after 1 January 2010 which relates to a supply made prior to 1 January 2010, ROI VAT shall be accountable at 21.5% if that supply was, under normal rules, subject to the 21.5% rate. Otherwise, ROI VAT shall be chargeable at 21%.

### Credit Notes

The ROI VAT rate applicable to a credit note issued to an ROI VAT registered customer is that which applied at the time the original ROI VAT invoice was issued.

### Payments Received in Advance of Supply

The tax point for payments received in advance of a supply of goods or services is the date payment is received. However, the ROI VAT rate applicable to the advance payment shall be the rate applicable on the date the corresponding ROI VAT invoice is issued.

Where the supplier operates ROI cash accounting, ROI VAT shall be accountable at 21.5% if payment is received before 1 January 2010 and 21% if received on or after 1 January 2010.

### Supplies Spanning 1 January 2010

Where a contract for the supply of goods or services is entered into before 1 January 2010 and is not completed until after 1 January 2010, the supplier may account for ROI VAT at 21% where an ROI VAT invoice is issued or payment received after 1 January 2010.

**For further details or to discuss your individual circumstances in detail, please contact:**

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