

axis diplomat 2020 Modules

Multiple VAT Registrations

Overview

Manage VAT for businesses registered in multiple EC countries.

With the increase in cross-border retail sales (sometimes referred to as Distance Sales), typically driven by successful eCommerce websites, many businesses now find that they must be registered for VAT in a number of European countries.

Businesses selling goods to consumers in individual EC countries where the value of those sales exceed the VAT registration thresholds for those countries must be registered for VAT in those countries.

This module provides the functionality to handle those multiple VAT registrations across multiple countries.

Record Details of Each VAT Registration

The system allows you to record the details of each of your VAT registrations, as well as the differing VAT Rates that apply to that registration.

This example illustrates the Multiple VAT Registrations for a company primarily registered for VAT in the UK with additional registrations in France and Italy.

It also shows the maintenance of the list of VAT rates for each country.

Generally, VAT rates for the default VAT registration will be applied to all sales unless the customer is a consumer and the Country Code of the customer's delivery address matches a different active VAT registration, in which case the VAT rates for that VAT registration will be used.

In the example shown here, distance sales to EC member states other than France or Italy will be subject to VAT using the UK VAT Registration but any sales being delivered to France or Italy will use those respective VAT registrations.

Maintain VAT Registration Details

File Help

VAT Registration Details

| Country | EC Country | Description |
|----------------|----------------|----------------|
| United Kingdom | United Kingdom | United Kingdom |
| France | France | France |
| Italy | Italy | Italy |

Maintain VAT Registration

VAT Registration Details

Country: France

EC Country: FR - France

Description: France

Registration number:

Registration effective date: 13/09/2016

VAT liability account: 92 VAT Liability

Active:

VAT Codes

| Code | Rate | Default Code |
|------|--------|--------------|
| 10 | 00.00% | |
| 11 | 20.00% | ✓ |
| 12 | 05.50% | |
| 13 | 02.10% | |

Add VAT Code Amend VAT Code

VAT Groups

This module also introduces the concept of VAT Groups. VAT Groups are used to control the VAT rates applied to individual stock items instead of taking the VAT rate from the Sales Group.

VAT Groups are required because a product may have different VAT status in different countries - for example, books are zero-rated in the UK but may be standard-rated in some other countries and reduced rate in others.

This illustration, for example, shows the creation of a VAT Group called "Gardening Books" - items in this VAT Group are then charged at 0% except in France (where they are charged at 20%) and Italy (where they are charged at 22%).

Individual stock items are then assigned to the appropriate VAT Group to ensure that the correct VAT rate is applied for sales under each registration:

| Registration Descripti... | VAT Code |
|---------------------------|-------------|
| United Kingdom | 2 - 0.00% |
| France | 11 - 20.00% |
| Italy | 21 - 22.00% |

| Registration Descripti... | VAT Code |
|---------------------------|-------------|
| United Kingdom | 2 - 0.00% |
| France | 11 - 20.00% |
| Italy | 21 - 22.00% |

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