



**Intra-EU Services - 2010
changes.
Operational User Guidance
for users of Access
Dimensions and Dimensions
Lite.**

Operational user guidance - changes to the treatment of Intra EU services

From 1st January 2010, there are a number of changes to the VAT treatment for the buying and selling of EU services across the EU. Details on the regulatory requirements and business impacts are contained in a separate document available at

http://www.theaccessgroup.com/media/132681/vat_changes_1st_january_2010.pdf .

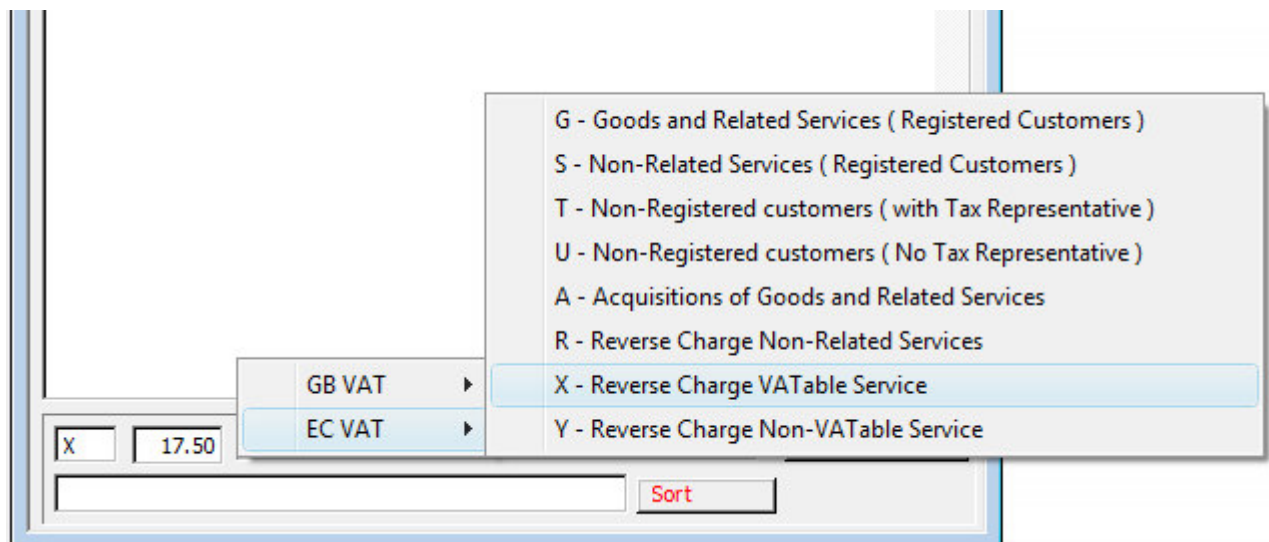
This Operational User Guide provides the practical guidance on how to handle the input of EU service data into Access software. The instructions within this document only apply to those users who have either had the benefit of a Service Pack, or version upgrade, to enable the features below. Although these instructions are written for users of Dimensions or Dimensions Lite, the instructions should assist users of Access Horizons as well. User should also refer to HMRC for definitive advice on the regulatory requirements.

The process below should be followed before commencing trading on 1st January 2010.

Setting the system up.

VAT Rates

Firstly we need to create 2 new VAT rates against which we will record the sale and purchase of services to other EU countries. To do this we go into System Control>>VAT >>VAT Rates. From this window we will need to Edit, and then add 2 new rates at the bottom of this list. You can select your own codes but we would recommend using codes X for taxable (@17.5%) and Y for non taxable (@0%). When you have input your codes and percentages you must flag them as being EC VAT codes, types X and Y, as shown below. These transactions will attract “Reverse Charge VAT” and will need to update different boxes on your VAT Return as well as being included in a new EC Sales list for services.



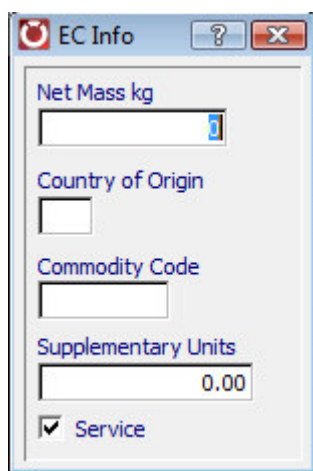
Identifying Services

We next need to indicate to the system, which of our Stock or Price records are real “services”. This is a process of setting a “flag” against either our stock records or price records. The process is similar for both record types. In the example below we are going to select a Price Record.

Select Sales Orders>>Price Records and choose a record that will relate to services appropriate to the EU. Edit the record and click on the EC Info icon as shown below :



Within this window you can now indicate that this record is a “Service” by ticking the new box at the bottom of the window (see below) :

A screenshot of a software dialog box titled "EC Info". The dialog box contains several input fields: "Net Mass kg" with a text box and a small icon; "Country of Origin" with a dropdown menu; "Commodity Code" with a text box; "Supplementary Units" with a text box containing "0.00". At the bottom, there is a checkbox labeled "Service" which is checked.

The same process can be applied to stock records that are being used to record service prices.

This concludes the setup although please refer to our accompanying guide on “Operational Guide to Submitting the new EC Sales List” for extracting and submitting the new EC Sales List for services.

Effect on Sales Orders, Purchase Orders, and Reports

The effect of the changes that we have made are as follows. The software will now :

- a). Automatically prompt for the new VAT Code X when selling or buying services from, or to, a VAT registered business in another EU state.
- b). Provide an option to overwrite the VAT code to Y if the supply is non-taxable.
- c). When purchasing services from the EU the software will account for both the Input tax and Output tax @ 17.5%. Please note that this VAT treatment is different from Acquisition Tax which updates different boxes on the VAT 100 return.
- d). Collate the data for the EC Sales List and the VAT 100 return
- e). For those users who use the standard (non-Crystal) version of the Access Sales Invoice the software will highlight the service values to the customer on the invoice. This is in order that they can apply Reverse Charge VAT correctly in their own country. If you use your own customised version of the Crystal Invoice design you will want to make similar changes within your own invoice template.