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KEY POINTS

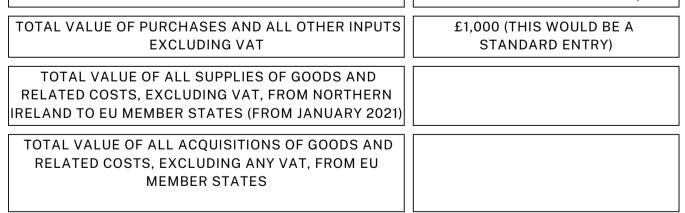
- Downloaded software is considered a "Service" by HMRC
- Software purchased from outside the UK will be considered an "Import", and will have no VAT on the invoice you receive from Autodesk.
- You will need to make entries on your VAT Return to reflect the value of these "Imported Services" – but there is ZERO impact on the VAT payable. It will be accounted for under what is known as the "Reverse Charge" mechanism (See section 5 of this section of the HMRC website: <u>https://www.gov.uk/guidance/vat-place-of-supply-of-services-notice-741a</u>)

Detailed example

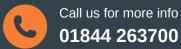
Note this example assumes a company which is 100% taxable and not partially exempt for VAT. Partially exempt businesses will need to make different adjustments.

Assume a Software Purchases of £1,000 from Autodesk Ireland. The "notional" VAT value at 20% will be £200, and this needs to be entered as both "input" and "output" VAT

VAT DUE IN THE PERIOD ON SALES AND OTHER OUTPUTS	£200
VAT DUE IN THE PERIOD ON ACQUISITIONS OF GOODS IN NORTHERN IRELAND FROM EU MEMBER STATES	
TOTAL VAT DUE	£200
VAT RECLAIMED IN THE PERIOD ON PURCHASES AND OTHER INPUTS (INCLUDING ACQUISITIONS FROM THE EU)	£200
NET VAT TO PAY TO HMRC OR RECLAIM	£0 (IE NO NET EXTRA VAT TO PAY)
TOTAL VALUE OF SALES AND ALL OTHER OUTPUTS EXCLUDING ANY VAT	£1,000 (EXTRA ENTRY, REQUIRED TO MATCH THE £200 IN BOX 1)



** Please note, this is intended as generalised advice, please refer to your accountants/financial advisers as appropriate, to confirm your specific VAT position **





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