

CHANGES TO VAT INVOICE RULES

Thank you for the opportunity to comment on the Technical Note published 31 May 2012.

The Optical Confederation represents optical professionals, retailers, manufacturers and distributors in the UK. Many of these are EU as well as UK-based, while others do business across the EU as well as in the UK.

In the main, we welcome the changes proposed for simplifying VAT invoice rules. In general we welcome any moves towards a consistent set of rules uniformly applied across the EU which make things simpler and remove uncertainties for businesses.

We are particularly pleased that the rules being introduced reflect the current UK VAT invoice rules so the changes here will be minimal. We congratulate the government on their foresight and this business-friendly success.

Equal treatment of paper and electronic invoices

We welcome the fact that, under the proposed changes, paper and electronic invoices will now be treated equally.

Continuation of non-requirement to issue a VAT invoice for exempt supplies

We welcome the government's decision that there will continue to be no requirement to issue a VAT invoice for an exempt supply made within the UK.

Simplified VAT invoice up to £250.00

We support the current arrangements allowing retailers to use a less detailed invoice where the total value of the supply does not exceed £250 in value. We agree that this reduces the burden on business whilst still providing the customer with sufficient VAT information for their purposes.

Further we welcome the widening of these arrangements to allow for a more general use of simplified invoices by VAT registered businesses making supplies in the UK to a taxable person where the value of a supply does not exceed £250.00.

Reference on an invoice to explain the treatment of the supply

Whilst we welcome simplification and harmonisation, we do have concerns that removing the possibility of referring to relevant EU and UK legislation will mean suppliers will have to be familiar with terms for "exempt", "reverse charge", "self-billing" "margin scheme: x" etc in a range of languages some of which will be in cyrillic script, for example. We would prefer if possible to keep the reference to the relevant EU legislation.

If that is not possible, our proposal to overcome this problem is that HMRC and other tax authorities across the EU should all have on their webpage a simple look-up list of each of

these terms in each of the EU languages. This should be accessible online when required but, if necessary, suppliers could also download copies for use in their day-to-day business.

Time limit for issuing a VAT invoice for an EU cross-border supply

We regret the tightening from 30 to 15 days of the time limits for issuing a VAT invoice but believe that requiring the invoice to be issued by the 15th day of the month following that in which the goods are removed or the services performed, is a workable compromise.

We look forward to receiving the final technical note following consultation and for supporting HMRC by communicating this to our members.

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