

Minutes of VAT Software Developer Forum

Somerset House, Strand, London

17th September 2009, 1.00 pm to 3.30 pm

Attendees

Richard Lawn (RL) – The Access Group
Kamlesh Rajyaguru (KR) - NetSuite UK
David Petty (DP) - PwC
Alan Wright (AW) - Liberty Accounts
Laurence Kiddle (LK) – Deloitte
Jamie Saul (JS) - Sage
Malcolm Ross (MR) - Sage
Mark Darnborough (MD) – Meridian
Andrew Verkovich (AV) – Meridian
Shailendra Singh Chokdayat (SC) – Meridian
Tom Macaulay (TM) – TMC Software
Mike Wilson (MW) – Evolved
Vicky Wilson (VW) – Evolved
Kye Etherton (KE) – National Bookkeepers
Tim Fouracre (TF) – Clearbooks
Jonathon Wardman (JW) – Clearbooks
Jack Fletcher (JF) - HMRC
Colin Scott-Morton (C S-M) - HMRC
Lindsay Foster (LF) - HMRC
Judith Pattison (JP) - HMRC
Lynne Caton (LC) - HMRC
Nigel Stockdale (NS) - HMRC
Jackie Lockwood (JL) - HMRC

1. Welcome and introductions

LC thanked everyone for attending and gave an overview of the aims of the meeting.

2. Action point from previous meeting

To look into the effect on developers of any slippage in the hard switchover date
Why is Base 64 encoding used for the IRMark. Could Base 32 alone be used? - Base 64 is the industry standard and HMRC use this to allow developers to use standards solutions.

Can HMRC provide a canonicaliser as part of artefacts? – The choice of canonicaliser is a commercial decision to be made by developers.

To provide Directives to LC for communication to developers - Directives were included with the previous minutes.

To ask, in the bulk email when publishing the techpack, for final date by which developers need to have all relevant information. Closed.

To email SQ for specifications for both VRN moduli. – These are available on request

To send SM a link to Schematron- The URL is: www.schematron.com

To look into accreditation – Ongoing

AW asked about recognition testing for the 193 final payment options.

NS stated that there was no test for this and advised that he was still investigating how the live system functioned.

AP 1– NS to provide clarification.

3. EC Sales List (ECSL) monthly declarations

LF gave an overview of ECSL monthly declarations. The key points are:

- The requirements for monthly and quarterly submissions with monthly declarations required for supply of goods above a certain threshold
- The new timelines for submissions with a deadline of 14 days for paper and 21 days electronically.
- Extension to include reverse charge services

LINKS TO BE PROVIDED by LF

4. VAT Mandation

JP gave an overview of VAT mandation, the key points being:

- The regulation was being laid before parliament in November
- There are 1.9 million VAT registered traders of which 0.9 million will be affected by the changes
- Outlined details of the communications that are being undertaken to promote VAT mandation.
- First VAT return to be subject to mandation will be in July 2010 which will cover the period of April, May and June 2010.
- Detailed the various methods of Electronic payments and highlighted that cheques will no longer be acceptable.
- In February 2010 a letter will be sent to all traders advising who is to be mandated.

5. Reintroduction of 17.5% VAT rate

JF gave an overview of the reintroduction of the 17.5% VAT rate, the key points being:

- That VAT will go back to 17.5% on 01/01/10 and recognised that the timing of this could cause issues for certain businesses. In response to this HMRC are looking at options for easement for certain business such as Pubs and Clubs where a change of rate at midnight on New Years eve could prove challenging.
- For areas of supply that straddled the period there are options to apportion the vat rate.
- Details of special accounting schemes can be found on the HMRC web site.
- Flat rate schemes should return to November 2008 level although the process of annual reviews could lead to changes.

6. EU VAT Refunds

CS-M gave an overview of EU VAT refunds, the key point being:

- From 01/01/10 VAT refund claims should be made via the host member state which will forward the claim onto the liable member state.

7. Communicating changes to mutual customers.

JF gave an overview of HMRC plans to communicate the changes to mutual customers, the key point being:

- There are two changes on 01/01/10 with a third on 01/04/10 which HMRC are attempting to communicate the changes together.
- A handout was provided detailing the planned communication activities along with timelines.

8. SDST Update

LC advised that the full range of testing for VAT was now available & developers were urged to start testing & apply for recognition

Rounding – SDST issued a communication on rounding which had caused some issues to be raised, in particular, by BASDA. The guidance has been re-examined & re-issued to BASDA for agreement. The updated guidance will be issued to all in due course.

Self Assessment are currently trailing a Frequently Asked Questions newsheet which was thought could be helpful for VAT & ECSL developers, SDST will look to introduce shortly if there is sufficient support.

9. Any other business

TM asked if there were any plans to introduce an XML channel for Intrastat reporting.

AP 2 - LF to look into this & advise LC.

AW asked if HMRC could publish the VAT recognition pages in HTML format rather than pdf – **AP 3 - NS agreed to take this forward.**

MW asked for clarification on the use on negative figures within the ASS balancing payment option. **AP 4 - NS to provide clarification.**

AW asked if HMRC could introduce a fast track process for live service issues.

LC gave an explanation of how fast track was working on other services & an assurance that we are looking to do the same for VAT but due to security measures it was not possible for developers to speak to the Online Services Helpdesk directly on behalf of their customers & this is not expected to change. Once the process has been agreed it will be published to all

10. Local Test Service (LTS)/Third Party Validation Service (TPVS) demonstration.

NS gave a demonstration of the test applications provided by HMRC for validating XML submissions against the relevant XML schema and business rules.

Minutes by Nigel Stockdale - SDS Team

Next Meeting – will be advised

Action Point Summary

Item no	Action Point	Owner	Action taken
1	To provide clarification on how the system responds to the 193 final payment option	NS	

2	Are there any plans to introduce an XML channel for Intrastat reporting	LF/LC	
3	Publish the VAT recognition pages in HTML format	NS	
4	Clarification on the use on negative figures within the ASS balancing payment option	NS	