

Online VAT Filing

(This guide needs to read in conjunction with the VAT user guide)

The system is recognised for the online filing of VAT returns and EC sales lists

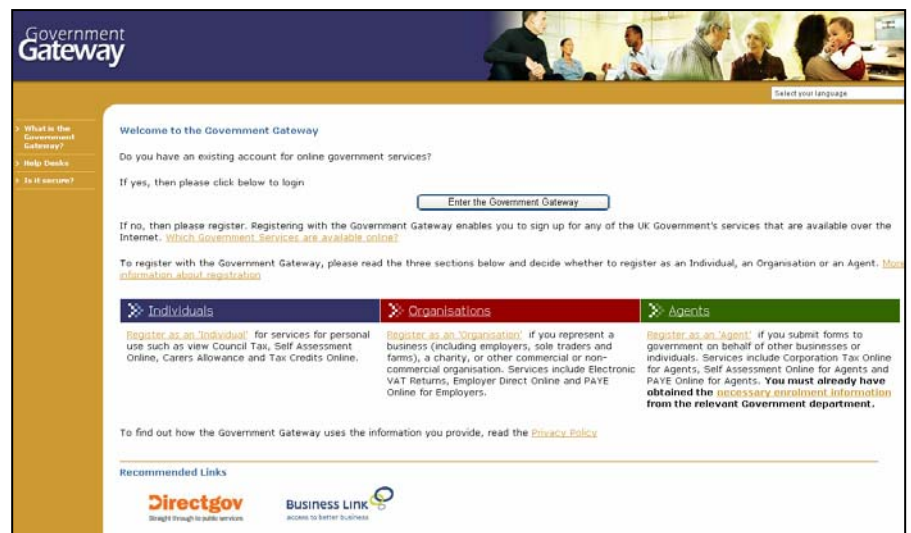
We recommend that if you are unsure about any aspect of completing a VAT return, please consult your professional advisor.

If you make zero rated supplies to VAT registered businesses in the European Union, then at the same time as making a VAT100 return it is also necessary to file an EC Sales List (VAT101) which shows the VAT registration numbers of the businesses you have supplied to and the turnover. An online filing process exists for this, the process description of which is given below.

Online VAT100 filing - the process in summary

To be done outside of the system – must be done well in advance of filing

- ◆ Register with HM Revenue and Customs for online filing and obtain an ID and select a password. Registration can be completed at the Government Gateway for electronic submission of returns:
www.gateway.gov.uk
- ◆ Activate the service by using the Activation PIN which is sent to you by the Revenue within seven days of registering.



Inside the System

- ◆ In the first instance of online VAT filing, the system needs to be initiated for online VAT filing. Do this by clicking the **Use Online VAT Filing** box on the VAT configuration screen and confirming the postcode of the address shown on the VAT registration certificate.

VAT → CONFIGURE VAT

- ◆ Ensure that all data is complete, the details of all transaction for the VAT period have been entered and are correct.
- ◆ Collect Sender ID and password and enter in the **Government Gateway Credentials** screen

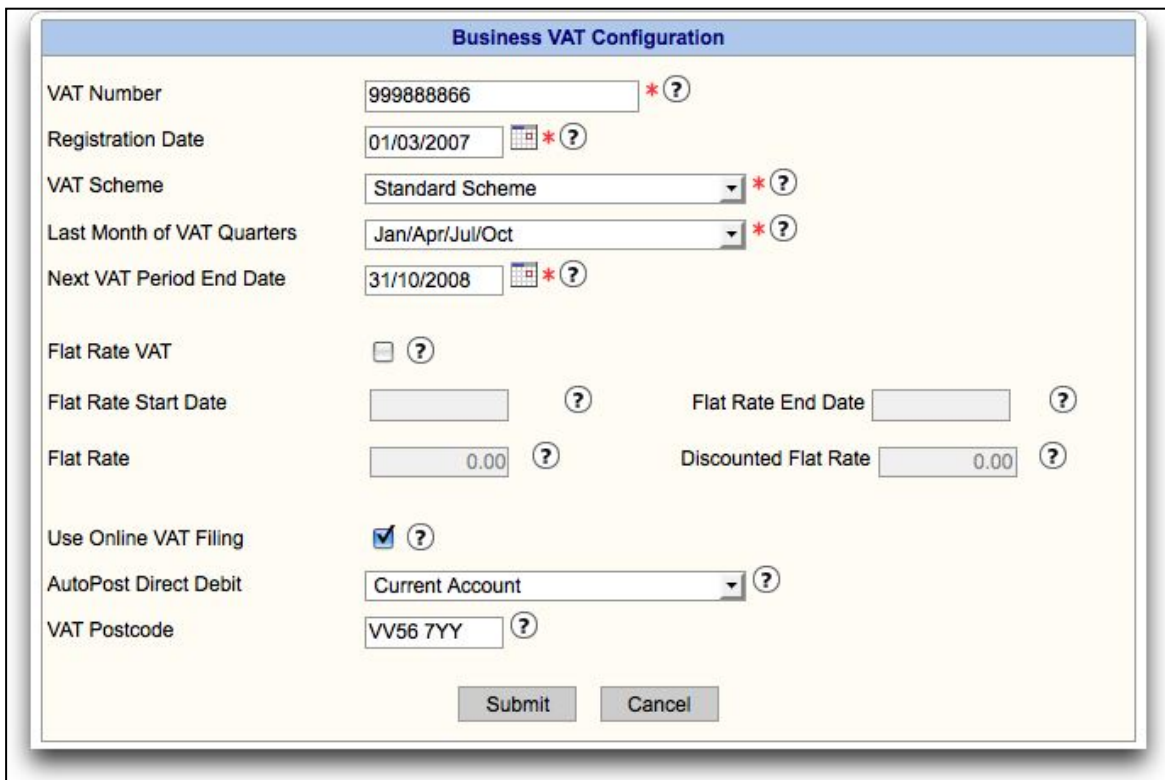
ENTITY NAME → GOVERNMENT GATWAY CREDENTIALS

- ◆ The filing process is initiated automatically once the VAT 100 return is accepted.
- ◆ Inspect the displayed information.
- ◆ Print out and file all reports.

Initiating the system for online VAT filing

The system is initiated for online VAT filing by clicking the **Use Online VAT** on the VAT configuration screen. HMRC normally expect that, in conjunction with online VAT return filing, payments be made by direct debit. If a bank account is selected in the **AutoPost Direct Debit** dropdown the system will post the direct debit to the account when it processes a success response from the Government Gateway. For payments the Gateway response includes a collection date. For repayments, however, responses do not include a date for the repayment; so the system will make a posting dated 10 days after the processing of the Gateway response. Finally confirm the **VAT Postcode** of the address shown on the VAT registration certificate. Click **Submit** to store.

VAT → CONFIGURE VAT



The screenshot shows a 'Business VAT Configuration' dialog box with the following fields and values:

Field	Value	Notes
VAT Number	999888866	* ?
Registration Date	01/03/2007	* ?
VAT Scheme	Standard Scheme	* ?
Last Month of VAT Quarters	Jan/Apr/Jul/Oct	* ?
Next VAT Period End Date	31/10/2008	* ?
Flat Rate VAT	<input type="checkbox"/>	? (unchecked)
Flat Rate Start Date		?
Flat Rate End Date		?
Flat Rate	0.00	?
Discounted Flat Rate	0.00	?
Use Online VAT Filing	<input checked="" type="checkbox"/>	? (checked)
AutoPost Direct Debit	Current Account	?
VAT Postcode	VV56 7YY	?

Buttons: Submit, Cancel

Completion of Data

Once a VAT return has been submitted and accepted at the Government Gateway it is not possible to make any changes via the system; so it is clearly beneficial to ensure that the details of all transactions for the VAT period have been entered accurately before moving to submitting a VAT return.

You can inspect the details of the VAT return by using the VAT Transaction reports for the period.

VAT → REPORTS → VAT TRANSACTIONS

Entering Sender ID and password

A sender ID and password provides the submitter with access to the Government Gateway for any relevant online filing activity for the current entity, not necessarily just VAT.

To avoid having to enter the details repeatedly, you store your Government Gateway credentials for the current business. When records for submission to the Government Gateway are generated by you, the system will copy your credentials onto the submission record.

The screen is accessed via the **ENTITY NAME** menu

ENTITY NAME → GOVERNMENT GATEWAY CREDENTIALS



Set Default Government Gateway Credentials

You can store your Government Gateway Credentials to use with this business when you create submissions to the Gateway.

The password is stored in LibertyAccounts using a one-way encryption method to maintain your privacy and security.

Govt. Gateway Sender ID

Govt. Gateway Password

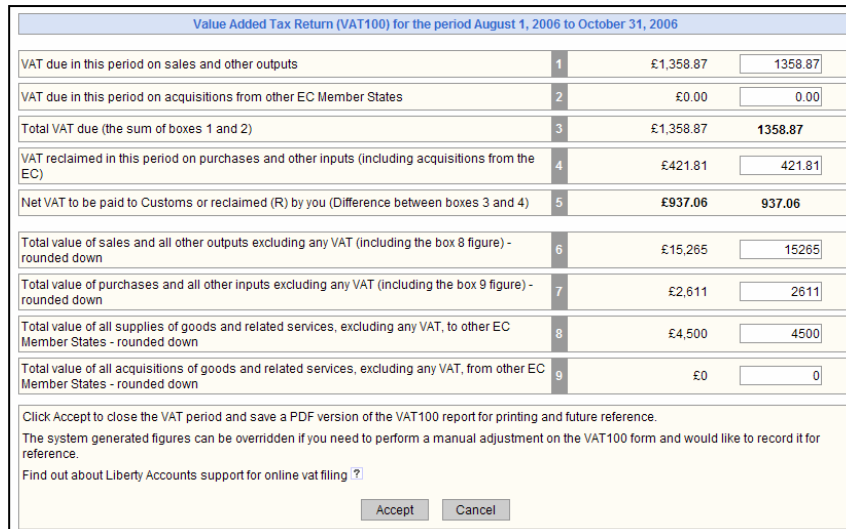
Confirm Govt. Gateway Password

The password is stored using a one-way encryption method so your password cannot be viewed by anyone else. To clear your credentials simply submit the form with no data.

The Filing Process

When the particular VAT period is finished and the VAT data has been inspected and is complete, accepting the VAT100 form commences the online filing process. The VAT 100 form is accessed and accepted via the **VAT** menu.

VAT → VAT RETURN (VAT100) → ACCEPT



Value Added Tax Return (VAT100) for the period August 1, 2006 to October 31, 2006

VAT due in this period on sales and other outputs	1	£1,358.87	1358.87
VAT due in this period on acquisitions from other EC Member States	2	£0.00	0.00
Total VAT due (the sum of boxes 1 and 2)	3	£1,358.87	1358.87
VAT reclaimed in this period on purchases and other inputs (including acquisitions from the EC)	4	£421.81	421.81
Net VAT to be paid to Customs or reclaimed (R) by you (Difference between boxes 3 and 4)	5	£937.06	937.06
Total value of sales and all other outputs excluding any VAT (including the box 8 figure) - rounded down	6	£15,265	15265
Total value of purchases and all other inputs excluding any VAT (including the box 9 figure) - rounded down	7	£2,611	2611
Total value of all supplies of goods and related services, excluding any VAT, to other EC Member States - rounded down	8	£4,500	4500
Total value of all acquisitions of goods and related services, excluding any VAT, from other EC Member States - rounded down	9	£0	0

Click Accept to close the VAT period and save a PDF version of the VAT100 report for printing and future reference.

The system generated figures can be overridden if you need to perform a manual adjustment on the VAT100 form and would like to record it for reference.

Find out about Liberty Accounts support for online vat filing ?

The acceptance then places the return in a queue in the system.

Value Added Tax Return (VAT100) Saved Reports		
VIEW	For the period August 1, 2006 to October 31, 2006 - Queued	DEL

At this point clicking [DEL](#) will reverse the complete process and reset the system to its status prior to accepting the VAT100.

[VIEW](#) Provides a VAT 100 report, in pdf format, to be printed and stored.

Whilst the system retains copies of previous reports that can be viewed and printed at any time it is **STRONGLY** recommended a copy is printed at this time.

IMPORTANT INFORMATION FOR DEADLINES

The queued return is submitted by the system to the Government Gateway. Submissions are made at each odd hour on the hour so 11:00, 13:00 etc. continuously.

The system then polls for return messages from the Government Gateway and posts them to the submitting entity at each even hour on the hour 12:00, 14:00 etc.

Status and Messages

The details of the status and any messages can be viewed at the systems Government Gateway menu item, via the **VAT** menu.

VAT → GOVERNMENT GATEWAY → VAT100

The status and response screen is displayed.

Response	Period	Status ?	Submitter ?
VIEW	10-2006	Failed - Remote Validation	Taylor, Paul

Clicking [VIEW](#) will show any messages.

If the submission fails see below.

Online Filing Feedback

This return was submitted by Taylor, Paul (user: paul).
When this return is sent to the Government Gateway it will include a request that an email notification of the success or failure of the return be sent to paul@oakacorn.com which is the email address on the user profile.

Error response processed at: Thu Dec 07 15:21:07 GMT 2006

GovtalkError:RaisedBy - Gateway
GovtalkError:Number - 1046
GovtalkError:Type - fatal
GovtalkError:Text - Authentication Failure. The supplied user credentials failed validation for the requested service.

Cancel

We recommend that you regularly review messages until you are sure that the full return has been made.

The status will be one of the following:

Government Gateway Submission Status

Indication of the current status which will be one of the following:

- Pending
- Queued
- Recalled
- Polling
- Failed - Local Validation
- Failed - Remote Validation
- Submitted
- Failed - Max Tries

Pending: Indicates that an item exists in the system but has not been "sent" by the user. Typically an item is generated at the request of the user. Once it has been generated the user will need to review and possibly add to the automatically generated details of the submission. In all cases the user will at least need to add their authentication credentials as provided by the Government Gateway before they can successfully submit to the Gateway.

Queued: Indicates that an item has successfully passed local validation in the system and is now in a queue waiting to be sent to the Government Gateway. Queued items are normally processed each odd hour on the hour e.g. 11:00, 13:00 etc

Recalled: Indicates that an item has been recalled from the Gateway queue. An item can be recalled from the queue at any time before it has been sent to the Government Gateway. It is also possible to recall an item if it has failed remote validation and a change is required before resubmission. e.g. incorrect Gateway password.

Polling: Indicates that an item has been sent to the Government Gateway and the system is currently polling the Gateway at each even hour on the hour (12:00, 14:00 etc) to check the status of the submission.

Failed - Local Validation: Indicates an item has failed local validation. The system uses its best endeavors to validate data before trying to send it to the Government Gateway. An item with this status will need to be changed before it can be successfully queued for the Gateway.

Failed - Remote Validation: Indicates that an item has failed validation in the Government Gateway system. An item in this state can be deleted or recalled for any necessary changes to be made prior to resubmission.

Submitted: Indicates that an item has been acknowledged as a successful submission by the Government Gateway.

Failed - Max Tries: Indicates that the system has given up trying to send an item to the Government Gateway. If you have an item at this status you should contact Liberty Accounts support.

Failure of a Submission

- ◆ If the submission fails, take note of the message which describes the nature of the failure.
- ◆ Delete the failed report so that the system is reset and corrections may be made

VAT → REPORTS →VIEW SAVED VAT RETURN REPORTS→  The relevant report

- ◆ Make the corrections as necessary and repeat the acceptance process described above.

Print copies of reports

It is good practice to print copies of reports and store them

VAT → REPORTS →VIEW SAVED VAT RETURN REPORTS→ 

EC Sales List (VAT101)

If you are UK VAT registered trader that makes zero rated supplies to a registered trader in another member state, then an EC sales list (VAT101) is required. For online filing, the EC sales list created by the system will only include those invoices to Customers who have a VAT number indicated as validated and a Country which is a EU member state. Financial penalties may be imposed if returns are not made.

You will need, from each registered trader you deal with, a valid VAT number in the correct format of the relevant member state. You can download from the HMRC web site a file called “EC Country Codes and Customer VAT number formats” if you need to check the format.

You are advised to consult your advisor if you are in doubt.

The VAT number is entered in the Customer details, see **Customer Maintenance** user guide for more information.

LISTS → CUSTOMERS → ADD CUSTOMER or **LIST CUSTOMER** and **SELECT**

EC Sales Lists (V101) are normally filed on a calendar quarter basis as follows:

1 Jan - 31 Mar	Qtr. 1
1 Apr - 30 Jun	Qtr. 2
1 Jul - 30 Sep	Qtr. 3
1 Oct - 31 Dec	Qtr. 4

However monthly filing can be used under certain circumstances.

The online filing system defaults to calendar quarter filing, but the cycle can be changed to monthly in VAT configuration.

The Filing Process

- ◆ Ensure you are happy that all transactions and customer information has been entered for the relevant quarter period.
- ◆ Start the process by going to the **VAT EC Sales List (VAT101)** under the **VAT** menu.
- ◆ A report showing the system generated figures is then displayed. If necessary you can amend Country and VAT number details (If you do this it will also change the details held for

VAT 101 EC Sales List - New Submission					
Customer	Country	VAT Number	Amount	Transaction Indicator ?	Exclude ?
Belgium Customer	Belgium	BE123456789	1950	B2B Services	<input type="checkbox"/>
French Customer	France	FR123456789	9500	B2B Goods	<input type="checkbox"/>
French Customer	France	FR123456789	600	Triangulated Goods	<input type="checkbox"/>
French Customer	France	FR123456789	1300	B2B Services	<input type="checkbox"/>

NB. changes to country or VAT number will be applied to the relevant customer record.

Submit Cancel

the customer). You can also exclude an item, if appropriate, by clicking the exclude box and preventing the data being transmitted to the gateway.

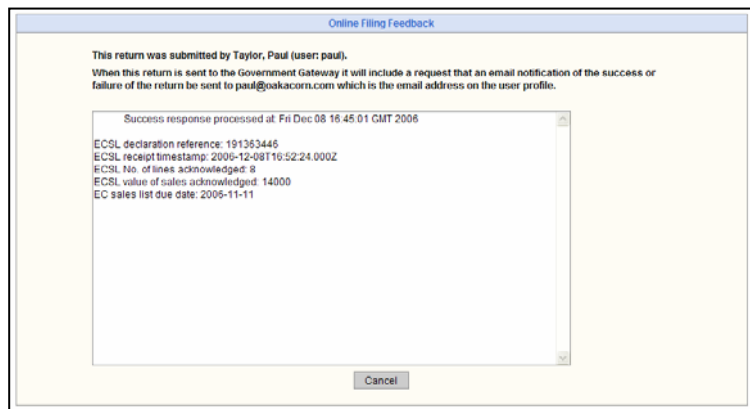
- ◆ Note that the default transaction indicator is set to B2B (business to business) which will be the most common. However use the dropdown to change to Triangulation if necessary. **If you are unsure as to the correct indicator to use we strongly advise you consult your advisor.**
- ◆ Clicking on Submit queues the return to the Government Gateway, in a similar manner to the VAT100 above.
- ◆ The details of the status and any messages can be viewed at the systems Government Gateway menu item, via the **VAT** menu.

VAT → GOVERNMENT GATEWAY → VAT EC SALES LIST

The status and response screen is displayed.

Response	Period	Status ?	Submitter ?
VIEW	20063	Submitted	Taylor, Paul

- ◆ Clicking on [VIEW](#) will display any messages form the Gateway. **It is important to do this regularly until you are sure that the full return has been made. Please see the comments on errors below.**



Important information about validation and errors on EC Sales Lists (VAT101)

The format of the Customer VAT number is validated by the system and it is not possible to proceed until the formats are correct. However the Government Gateway has algorithms to check the actual VAT number, these algorithms are not available to software developers so it is possible for a VAT number to be in the correct format but still be invalid when submitted at the gateway e.g. two figures transposed 35 should be 53.

In any submission if there are more than 30% errors the gateway rejects the whole submission. You will then need to make corrections and resubmit the whole report.

If there are errors, but less than 30%, the submission is accepted by the gateway and the errors reported in the messages. The example here demonstrates that 3 items have been successfully filed but there were errors.

The actual errors can be seen by returning to the VAT101 report, under the VAT menu.

Online Filing Feedback

This return was submitted by Taylor, Paul (user: paul).
When this return is sent to the Government Gateway it will include a request that an email notification of the success or failure of the return be sent to paul@oakacom.com which is the email address on the user profile.

Success response processed at: Fri Dec 08 17:28:14 GMT 2006

ECSL declaration reference: 191384018
ECSL receipt timestamp: 2006-12-08T17:26:41.000Z
ECSL No. of lines acknowledged: 3
ECSL value of sales acknowledged: 51600
EC sales list due date: 2006-11-11
ECSL submission item failed:
Please review and correct errors via Activities--EC Sales List and resubmit.

Cancel

VAT → VAT EC Sales List (VAT101)

VAT 101 EC Sales List - Rejected Submissions					
Customer	Country	VAT Number	Amount	Transaction Indicator ?	Exclude ?
Gateway Reported Error: VAT Registration Number Invalid For Specified Country					
Irish Commerce Centre	Ireland	3688047D	3960	B2B Goods	
Make corrections or exclude item here:	Ireland	3688047D	3960	B2B Goods	<input type="checkbox"/>
NB. changes to country or VAT number will be applied to the relevant customer record.					
<input type="button" value="Save"/> <input type="button" value="Resubmit"/> <input type="button" value="Cancel"/>					

Simply correct the error and resubmit. **Whist there are uncorrected errors the next report cannot be run.**

Please note that if you have a late transaction that has been missed, enter it in the normal way. Running the VAT101 again for the same calendar quarter will create a full report (including those items that have already been submitted). If this full report is submitted the Government Gateway will accumulate all figures to the previous report clearly overstating things for the calendar quarter. Therefore ensure that previous items are excluded before submitting. Alternatively report the late transaction using manual error correction form VAT101B (can be downloaded from the HMRC website) and posting.