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Information Sheet 15/08/2015

## **VAT Place of Supply**

### **Supply of Goods**

The normal place of supply of goods is where they start their journey to the customer. This means that for goods starting their journey in the UK if the incorrect rate of VAT is charged a liability will arise in the UK.

An export of goods from the UK has a place of supply in the UK so that UK VAT is chargeable. If the necessary conditions are met the VAT chargeable will be at 0% and the VAT status of the sale is zero rated.

### **Supply of Services**

There are seven types of supply of services which have special rules (see separate sheet).

#### ***B2B Services***

In other cases, if the customer is in business (or otherwise VAT-registered in a country of the EU, other than the UK), the place of supply is where the customer belongs. If the business customer is located in the EU it is their responsibility to account for the VAT using the reverse charge rules.

All such sales are outside the scope of UK VAT. They do not count towards the VAT registration threshold, nor count as turnover for flat-rate scheme purposes.

#### ***B2C Services***

Where a service, not on the excluded list, is supplied to a customer that is not in business, then the initial place of supply is where the supplier is located and UK VAT is chargeable, even though the customer is not located in the UK (see separate sheet).

This sheet is for information only and no action should be taken without a full discussion with us.