
STATUTORY INSTRUMENTS

2019 No. 1048

The Value Added Tax (Amendment) Regulations 2019

Amendment of the Value Added Tax Regulations 1995

4. After regulation 15B insert—

“Changes in consideration: debit notes and credit notes

15C.—(1) This regulation applies to increases and decreases in consideration as described in regulation 24A.

(2) Where there is an increase in consideration, the supplier must, no later than the end of the period of 14 days beginning with the day on which the increase occurs, provide to the recipient of the supply a debit note as specified in paragraph (3).

(3) For the purposes of this regulation, a “debit note” is a document which includes the following particulars—

- (a) the identifying number of the document,
- (b) the date of issue of the document,
- (c) the name, address and registration number of the supplier,
- (d) the name and address of the recipient of the supply,
- (e) the identifying number and date of issue of the VAT invoice or invoices relating to the supply for which there is an increase in consideration,
- (f) a description sufficient to identify the goods or services supplied,
- (g) the amount of the increase in consideration excluding VAT,
- (h) the rate and the amount (expressed in sterling) of the VAT chargeable in respect of the increase in consideration.

(4) The requirement in paragraph (2) to provide a debit note does not apply in cases where, in relation to the increase in consideration, a document having the same purpose as a debit note has been provided by the supplier to the recipient of the supply before 1st September 2019.

(5) Where there is a decrease in consideration, the supplier must, no later than the end of the period of 14 days beginning with the day on which the decrease occurs, provide to the recipient of the supply a credit note as specified in paragraph (6).

(6) For the purposes of this regulation, a “credit note” is a document which includes the following particulars—

- (a) the identifying number of the document,
- (b) the date of issue of the document,
- (c) the name, address and registration number of the supplier,
- (d) the name and address of the recipient of the supply,
- (e) the identifying number and date of issue of the VAT invoice or invoices relating to the supply for which there is a decrease in consideration,

- (f) a description sufficient to identify the goods or services supplied,
- (g) the amount of the decrease in consideration excluding VAT,
- (h) the rate and the amount (expressed in sterling) of the VAT credited in respect of the decrease in consideration.

(7) The requirement in paragraph (5) to provide a credit note does not apply in cases where, in relation to the decrease in consideration, a document having the same purpose as a credit note has been provided by the supplier to the recipient of the supply before 1st September 2019.

(8) In cases where a supplier was not required by these regulations to provide a VAT invoice in relation to the original supply, the requirement in paragraph (2) to provide a debit note and the requirement in paragraph (5) to provide a credit note do not apply unless the recipient of the supply is a taxable person and requests a debit note or a credit note (as the case may be) from the supplier.

(9) Where a request described in paragraph (8) has been made—

- (a) the period specified in paragraph (2) or (5) (as the case may be) begins with the day on which the request is made; and
- (b) paragraph (3)(e) or (6)(e) (as the case may be) does not apply.

(10) In relation to any increase or decrease in consideration for supplies to which regulation 16A applies, paragraph (3)(a), (d) and (e) or (6)(a), (d) and (e) (as the case may be) does not apply.

(11) Where there is a decrease in consideration to which regulation 38ZA applies—

- (a) paragraphs (5) to (10) do not apply; and
- (b) if the final consumer requests an accounting document in relation to the decrease in consideration, the first supplier must, no later than the end of the period of 14 days beginning with the day on which the request is made, provide to the final consumer a document which includes the following particulars—
 - (i) the date of issue of the document,
 - (ii) the name, address and registration number of the person issuing the document,
 - (iii) a description sufficient to identify the goods supplied,
 - (iv) the amount of the decrease in consideration excluding VAT,
 - (v) the rate and the amount (expressed in sterling) of the VAT credited in respect of the decrease in consideration.

(12) Where the recipient of the supply or, in cases where it is applicable, the final consumer agrees, the documents described in paragraphs (3), (6) and (11)(b) may be provided in electronic format.

(13) For the purposes of this regulation—

- (a) an increase or decrease in consideration occurs at the time specified in regulation 24B; and
- (b) “final consumer” and “first supplier” have the meanings given by regulation 38ZA(2).

(14) The Commissioners may, in such cases as they think fit, dispense with or relax the requirements in this regulation in such manner as they think fit.”