Appendix 3 - Sending out the correct invoice? Normal or reverse charge?

Are you invoicing for the supply of labour only as a gang master or employment business or are you invoicing for materials only?

- NO
  - Is any part of the supplies you are making to the customer within the scope of CIS?
    - YES
      - Is the supply standard rated or reduced rated?
        - YES
          - Is your customer VAT registered?
            - YES
              - Has your customer provided confirmation that it is an end user?
                - NO
                  - REVERSE CHARGE THE SUPPLY
                - YES
                  - NORMAL VAT RULES APPLY CHARGE VAT
            - NO
              - NORMAL VAT RULES APPLY CHARGE VAT
        - NO
          - NORMAL VAT RULES APPLY CHARGE VAT
    - NO
      - NORMAL VAT RULES APPLY CHARGE VAT
  - YES
    - NORMAL VAT RULES APPLY BUT THE SUPPLY IS ZERO RATED SO NO VAT CHARGED

- YES
  - NORMAL VAT RULES APPLY CHARGE VAT

For more information visit the [FIS Reverse Charge VAT Toolkit](#)
Appendix 4 - Checking an incoming invoice

This chart is to help businesses receiving an invoice or an application for payment to check whether it is correct in charging VAT or reverse charging.

Is the supply for the supply of labour by a gang master or agency, or is it from a building materials supplier?  

YES?  

INVOICE SHOULD CHARGE VAT

NO

Is your own firm registered for CIS AND VAT?  

NO

INVOICE SHOULD CHARGE VAT

YES

INVOICE SHOULD CHARGE VAT

Is the supply received within the scope of CIS?  

No  

INVOICE SHOULD HAVE BEEN RECEIVED

YES  

INVOICE SHOULD CHARGE ZERO RATED VAT or BE FOR AN EXEMPT SUPPLY

Is the supply standard rated or reduced rated?  

NO

INVOICE SHOULD CHARGE VAT

YES

Have I told my supplier that I am an end user? E.G. is the building to be sold or rented as an asset or used by this firm as offices?  

No  

INVOICE SHOULD CHARGE VAT

YES

For more information visit the FIS Reverse Charge VAT Toolkit