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

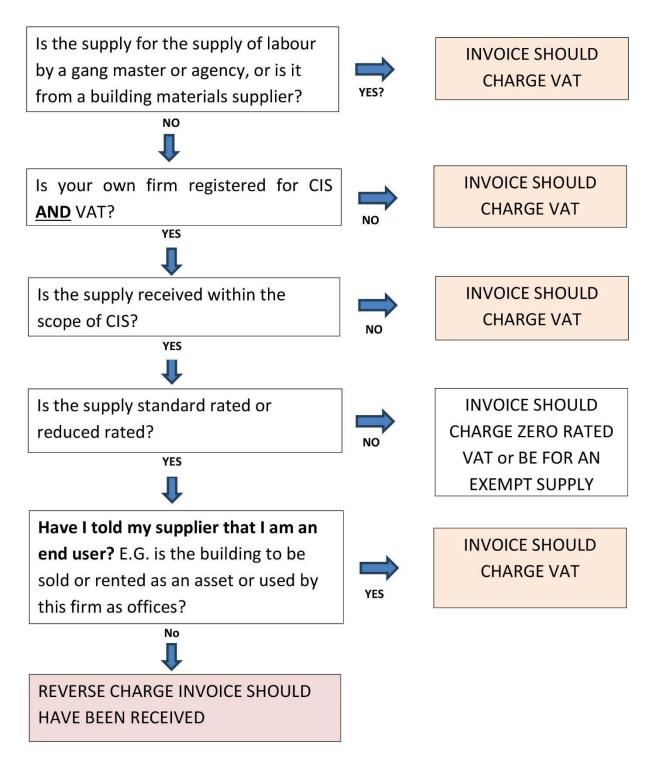Are you invoicing for the supply of labour only as a gang master or employment business or are you invoicing for materials only?

YES? → NORMAL VAT RULES APPLY CHARGE VAT

NO ↓

Is any part of the supplies you are making to the customer within the scope of CIS?

NO → NORMAL VAT RULES APPLY CHARGE VAT

YES ↓

Is the supply standard rated or reduced rated?

NO → NORMAL VAT RULES APPLY BUT THE SUPPLY IS ZERO RATED SO NO VAT CHARGED

YES ↓

Is your customer VAT registered?

NO → NORMAL VAT RULES APPLY CHARGE VAT

YES ↓

Is your customer registered for CIS?

NO → NORMAL VAT RULES APPLY CHARGE VAT

YES ↓

Has your customer provided confirmation that it is an end user?

YES → NORMAL VAT RULES APPLY CHARGE VAT

No ↓

REVERSE CHARGE THE SUPPLY

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 ↓

Is the supply received within the scope of CIS? **NO** →	INVOICE SHOULD CHARGE VAT

YES ↓

Is the supply standard rated or reduced rated? **NO** →	INVOICE SHOULD CHARGE ZERO RATED VAT or BE FOR AN EXEMPT SUPPLY

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? **YES** →	INVOICE SHOULD CHARGE VAT

No ↓

REVERSE CHARGE INVOICE SHOULD HAVE BEEN RECEIVED

For more information visit the FIS Reverse Charge VAT Toolkit