

# Transactions Spanning Change in VAT Rate

**Prepared for the SMMT by  
John Barnes, VAT Director  
Baker Tilly Tax and Accounting Limited**

**Sale of new / margin vehicles spanning change in VAT Rate**



**P = Payment received from customer**

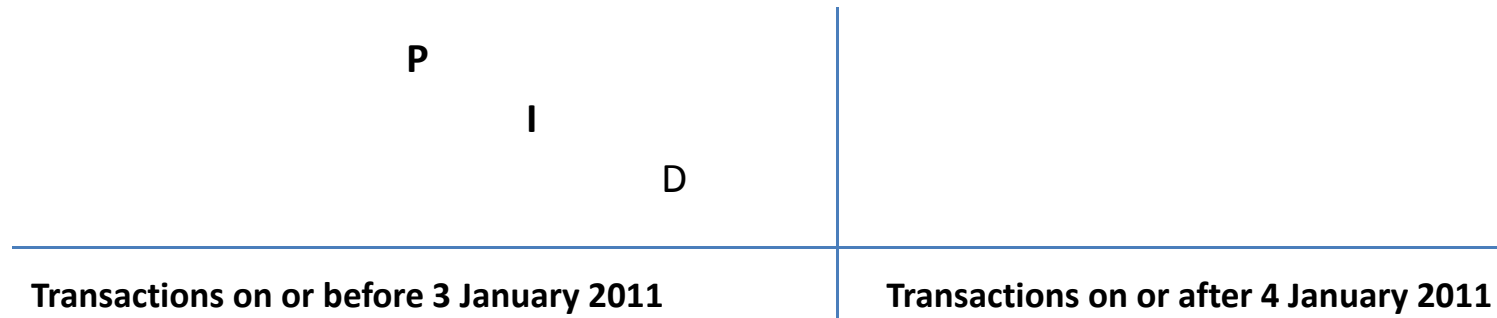
**I = Invoice issued to customer**

**D = Delivery / vehicle made available to customer**

**Where payment is received on, or before 3 January 2011, AND the vehicle is delivered to or made available to the customer on, or after 4 January 2011, VAT will be accounted for at 17.5% (7/47ths for margin supplies) on the payment received, OR,**

**Where an invoice is issued to the customer on, or before 3 January 2011, AND the vehicle is delivered to or made available to the customer on, or after 4 January 2011, VAT will be accounted for at 17.5% (7/47ths for margin supplies).**

**Sale of new / margin vehicles spanning change in VAT Rate**



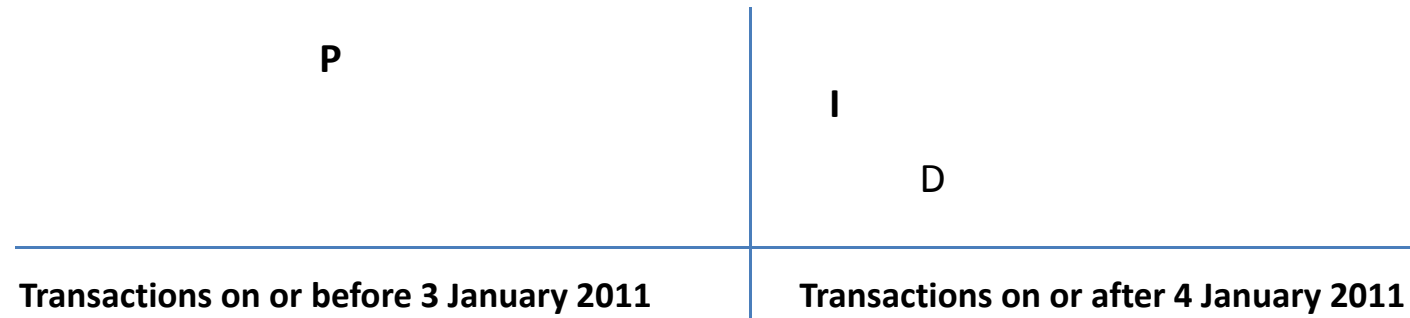
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**Where an invoice is issued to the customer on, or before 3 January 2011, VAT will be accounted for at 17.5% (7/47ths for margin supplies), OR,**

**Where the vehicle is delivered or made available to the customer on, or before 3 January 2011, VAT will be accounted for at 17.5% (7/47ths for margin supplies).**

**Sale of new / margin vehicles spanning change in VAT Rate**



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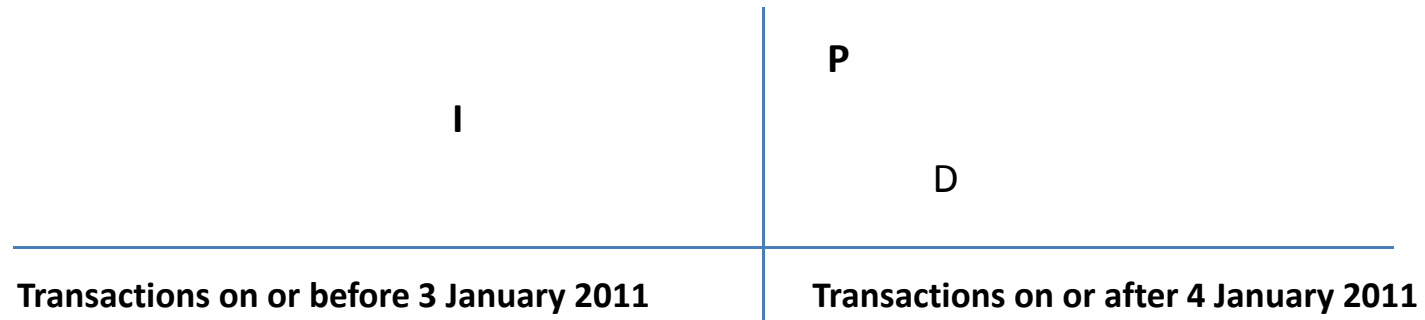
**Where payment is received on, or before 3 January 2011, AND an invoice is issued to the customer OR the vehicle is delivered to or made available to the customer, on, or after 4 January 2011, VAT will be accounted for at 17.5% (7/47ths for margin supplies) on the payment received.**

**Where the payment represents a deposit only, the deposit will be subject to VAT at 17.5%, and the balance, when received on, or after 4 January 2011 subject to VAT at 20% (1/6th for margin supplies).**

**ABC Ltd**



**Sale of new / margin vehicles spanning change in VAT Rate**



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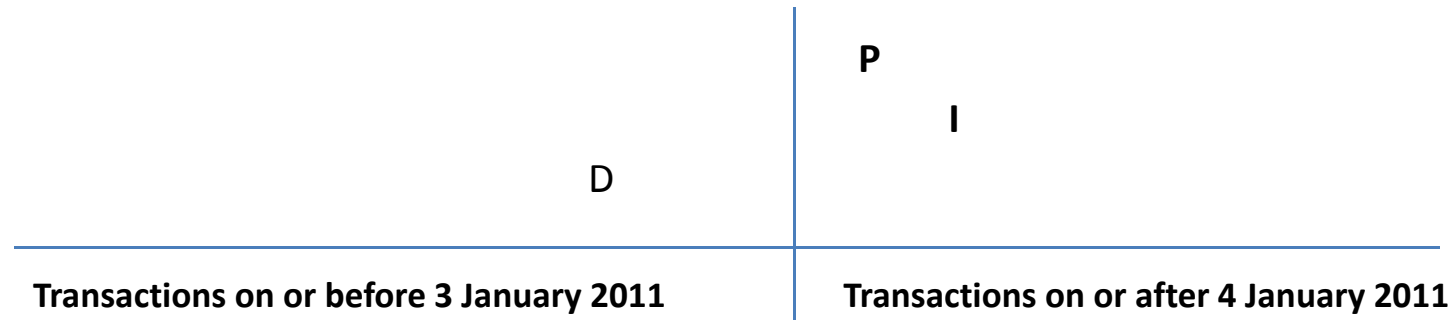
**D = Delivery / vehicle made available to customer**

**Where an invoice is issued to the customer on, or before 3 January 2011, AND the vehicle is paid for, OR delivered to or made available to the customer on, or after 4 January 2011 VAT will be accounted for at 17.5% (7/47ths for margin supplies).**

**ABC Ltd**



**Sale of new / margin vehicles spanning change in VAT Rate**



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**I = Invoice issued to customer**

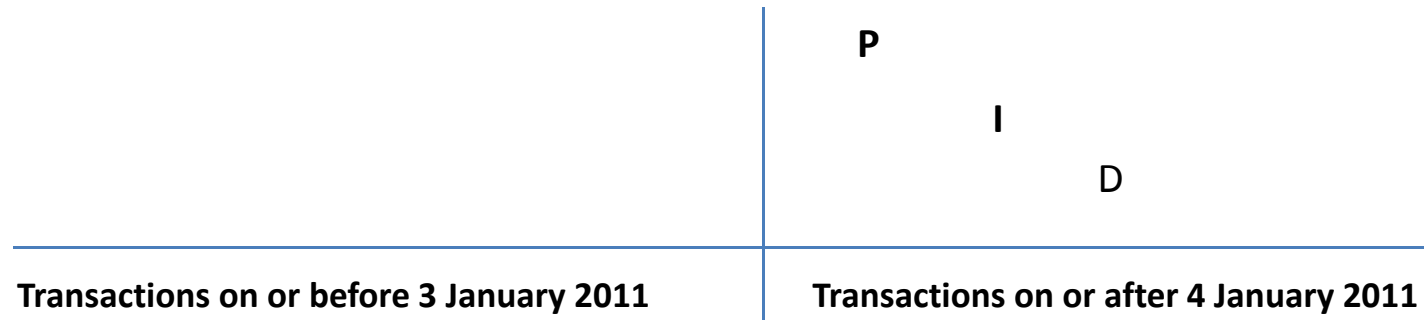
**D = Delivery / vehicle made available to customer**

**Where the vehicle is delivered to or made available to the customer on, or before 3 January 2011 AND payment is received OR an invoice issued to the customer on, or after 4 January 2011, VAT will be accounted for at 17.5% (7/47s for margin supplies).**

**ABC Ltd**



**Sale of new / margin vehicles spanning change in VAT Rate**



**P = Payment received from customer**

**I = Invoice issued to customer**

**D = Delivery / vehicle made available to customer**

**Where all transactions take place on, or after 4 January 2011, VAT must be accounted for at 20% (1/6th for margin supplies).**



## •Contact Details

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