BULLETIN NUMBER GT568, 11 NOVEMBER 1992

EC VAT changes

Since the earlier bulletins (GS59 and GT556) on EC VAT changes, Customs and Excise has issued further details on its requirements and run a seminar specifically for software houses. This has led to a further clarification and expansion of our ideas.

This bulletin supersedes and/or repeats bulletins GS59 and GT556. Please ensure that personnel within your organisation who have received either of those bulletins receive this bulletin also.

SUMMARY OF CHANGES ANNOUNCED

Throughout 1992, a number of changes have been announced by Customs and Excise to pave the way for the introduction of the single market from 1st January 1993.

Most businesses have been sent circulars and we now believe that the proposals are final. In summary the changes are:

1. VAT on acquisitions from other EC member states must be calculated when the purchase invoice is received and recorded on the VAT return. If you are registered for VAT, this means you simultaneously charge yourself VAT and reclaim it; it has no financial effect.

2. Customers who cannot supply a valid VAT registration number from another EC member state must be invoiced at the standard rate for the country of origin.

3. Invoices for customers registered for VAT in other EC member states must clearly show their VAT registration number.

4. Taxable UK companies (with one or two limited exceptions) must submit an EC Sales List (ESL) within six weeks of the end of each calendar quarter. Large companies are encouraged to submit ESL's every month and within ten working days of the end of the month.

5. Companies whose Intra-EC arrivals or despatches exceed £135,000 per annum must also submit a Supplementary Statistical Declaration (SSD or often referred to as INTRASTAT) within 10 working days of the end of each calendar month. This replaces the customs documentation currently produced.

CHANGE TO OUR POLICY SINCE EARLIER BULLETINS

The main change is that we will allow for item 5 (implementation of `INTRASTAT' statistics) collection. Global 2000 SOP and Global 3000 SOP and POP are being modified to capture and preserve the data required for the first statistical declaration which must be submitted by qualifying companies before 12th February 1993.

SUMMARY OF SOFTWARE AND LIKELY RELEASE DATES

GLOBAL & GLOBAL 2000 MODULES

Starting on the 11th of December we propose to release the following:-

SL V6.3 (Sales Ledger) °
OP V6.3 (Sales Order Processing) °
VC V6.3 (Invoicing) °
SN V6.3 (Sales Analysis) °
RE V6.3 (Sales Suite Recovery)
PL V7.1 (Purchase Ledger) °
PM V7.1 (Purchase Order Manager)
JC V1.4 (Job Costing)
PB V6.1 (BACS)
YA V6.3 (Sales Ledger Autoposting) °
AU V7.1 (Purchase Ledger Autoposting) °
PX V6.3 (Manufacturer) °

Purchase Order Processing will **not** be upgraded. POP is single currency and therefore its market is unlikely to intersect significantly with the market where items are bought from the EC.

Included in the Sales Ledger update is an increase in the size of customer address details. The first four address lines are being increased to thirty characters each. The telephone number is being increased to twenty characters and a fax number of twenty characters is being introduced.

Those marked ° will be delivered first - that is on 11th December we hope. The others will follow and will be delivered in the first week of the new year.

GLOBAL 3000 SOFTWARE

On the 18th of December we propose to release the following:-

ZD V4.1 (Debtors Ledger)
ZG V4.1 (General Ledger)
ZI V4.1 (Stock Control)
ZO V4.1 (Purchase Order Processing)
ZP V4.1 (Creditors Ledger)
ZS V4.1 (Sales Order Processing)

These modules will not only have the VAT changes, but also the look-and-feel of the ledgers will be consistent with the distribution software. Global 3000 Debtors and Creditors are being modified to handle settlement discount offered and expected in addition to settlement discount given and taken. Creditors Ledger is being modified to run with BACS and Debtors Ledger Statement Print and Aged Debt are being switched to Reporter format to allow tailoring by VARs.

As soon as possible after the above, we will release the following:-

WD V4.1 (Debtors Ledger source)
WG V4.1 (General Ledger source)
WI V4.1 (Stock Control source)
WJ V4.1 (Source routines)
WO V4.1 (Purchase Order Processing source)
WP V4.1 (Creditors Ledger source)
WQ V4.1 (System Test)
WS V4.1 (Sales Order Processing source)
WW V4.1 (Documentation)
WX V4.1 (Development Tools)

These correspond to the above standard 3000 modules.

This then leaves us free to produce a 3000 module (Global 3000 Tax) to report on both 2000 and 3000 Intrastat data as soon as possible in early 1993.

Global 3000 Cash Manager will be delayed - our top priority for both 2000 and 3000 is the EC VAT & INTRASTAT work.

ACTIONS BY YOUR CUSTOMERS

Users involved in trade with other EC member states need to be aware of the following:-

·   They need to start collecting VAT registration numbers from all their EC customers. From 1st January 1993, VAT must be charged at normal rates on invoices to EC customers unless a valid VAT registration number for the customer is available to print on the invoice.

·   They need to find out whether or not they will be required to register for VAT in their customers' countries. Unfortunately, if they are based in one state and supply goods from a manufacturer in a second state directly to a customer in a third state (triangulation) they may well have to wait until after the EC Finance Ministers meet on 23rd November before they can tell for certain whether or not they will have to register in the third state.

·   They should check their EC suppliers have their VAT registration number and are ready to zero rate supplies from 1st January 1993. If they use personalised Purchase Order stationery, they should consider changing it to include their country code and registration number.

·   If your customers acquire goods from the EC, they need to add an `acquisitions' account to their chart of accounts to which normal tax on supplies of goods and related services from other EC member states can be billed automatically from 1st January 1993.

·   Customers who need to make Intrastat returns for January will have already been notified by Customs and Excise. However, all your customers should be aware that, if either their total arrivals from or (separately) their total dispatches to other EC member states exceeds £135,000 during the year, they must inform Customs and Excise immediately and will usually have to make an Intrastat return for the month following that in which they exceed the trade boundary.

·   British customers who are part of a group registration may need to add the three digit branch number to the standard VAT registration code, as group registrations are not recognised in other EC countries.

·   Details of change-over mechanisms for switching to the new procedures will be finalised by the finance meeting on 23rd November mentioned previously. If any changes arising from this meeting impact significantly on your customers, we will issue an information bulletin as soon as possible following ratification.

HOW YOU CAN PREPARE

We suggest you bear in mind the differences between Sales Suite version 6.0 and 6.2 (and therefore between 6.0 and 6.3). You should consider whether to upgrade selected version 6.0 users to version 6.2 now so that you minimise the upset caused by upgrading to version 6.3 in late December.

HELP WE CAN PROVIDE

Clearly we are very busy at the moment on these activities. Nevertheless there are certain other activities other than product development which we can do to help resellers and their customers.

Help we can provide in December and January

We expect that resellers will be very busy over the period from mid-December to early January installing the software. We have two tentative proposals to make life easier:

Seminar and training course; In association with Touche Ross, we will run a one-day combined seminar and training course on both December 1st and 2nd at our City office. These are aimed both at resellers and end users, and cover both general EC VAT issues and how Global software addresses them. Further details are being sent under separate cover, but we recommend you book early as places are limited and we anticipate heavy demand.

Bulletin board; We intend to rent or otherwise supply a bulletin board so that we can keep resellers in touch with all support issues about this software. If you have any recommendations on which bulletin board system we should use, please let Rick Robinson at our city office know of your recommendations.

On-site technical help; For a limited period during the installation phase, training staff may be available to make site visits with reseller staff to ease the installation of the new software. Rates, skills and availability will be published nearer the time.

Record layouts - likely changes

Copies of the latest 3000 dictionaries and 2000 Sales Ledger and Purchase Ledger copy libraries affected by the changes are available from today as the `Predicted Data Layouts' product. This is product code `PD' and the initial version is 1.0A. The software is available for the usual copy charge. We are 90% confident that these will be the final 3000 & 2000 Sales Ledger layouts, but only 80% confident about Purchase Ledger. Version 1.0B will be available as and if necessary to correct these layouts.

NB - these layouts have changed since bulletin GT556.