

VAT and internet sales

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It often helps when considering the VAT implications of buying and selling goods via the internet, to consider what is actually being supplied to the customer.

We have listed below some of the issues you will need to consider:

1. **Selling goods to EU non-registered VAT customers.** If you sell to this group and the goods you sell are VAT able, you simply charge UK VAT as usual. **But beware!** If the value of sales to a particular EU country exceeds their “distance selling limit” (either 30,000 or 100,000 euro’s) you may need to register your business for VAT in that country.
2. **Selling services to EU non-registered VAT customers.** If you sell services to EU non-business customers the distance selling rules do not apply. Sales of services are effectively zero rated to all customers outside the EU and to EU business customers. Services in this context include a license to use computer software, sale of copyright (inc. photographic images), and telephone services. If you need a full list please call.
3. **Selling books electronically.** Ordinarily sales of printed books are zero rated. If a book is sold in electronic format it is treated as a supply of services not goods and is therefore a VAT standard rated supply.
4. **Receiving or selling newsletters.** If you buy or sell a printed newsletter the supply is generally zero rated. If you send the same newsletter in electronic format it converts to a standard rated supply.

The above notes do not cover all situations. If you are involved in the purchase or sale of goods or services to non-UK customers and would like more information please give us a call.

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