

Does your VAT 56B Authorisation Certificate require renewal by 31 October 2018?

As the holder of a VAT 56B Authorisation Certificate (VAT 56B), you will no doubt be aware that you are entitled to receive qualifying goods and services at the zero rate of VAT, regardless of the actual rate of VAT applicable to the good or service in question. This factsheet acts as a refresher to ensure that you are gaining the most from your VAT 56B, yet not availing of the zero rate of VAT where it would not be appropriate to do so.

Qualifying goods and services

The zero rating procedure applies to all goods and services (ie qualifying goods and services), with some exceptions. The goods and services that are excluded from the zero-rating procedure include:

- the supply or hire of any passenger motor vehicle;
- the supply of petrol; and
- the provision of food, drink, accommodation (other than qualifying accommodation in connection with attendance at a qualifying conference), entertainment or other personal services.

Invoices from suppliers

A copy of the VAT 56B issued by Revenue must be sent to all your suppliers in the State. Upon receipt of the VAT 56B, the supplier must zero rate all qualifying supplies from the effective date of the authorisation, and quote the authorisation number on all VAT invoices issued to you in respect of such supplies.

If a supplier incorrectly charges you VAT on a qualifying supply, you are not entitled to claim this VAT as a deduction when completing your VAT return. Instead, you should request that the original invoice is cancelled by a credit note and a correct invoice is issued by the supplier.

Ensuring the validity of the VAT 56B

A VAT 56B is issued for a period of time as determined by Revenue. This may range from one year to three years, renewable in October. It is only possible to receive qualifying goods and services at the zero rate of VAT where the VAT 56B has not expired and is still valid. If the VAT 56B has expired, the supplier will charge you VAT as normal on the supply. Unfortunately the authorisation is not automatically renewed and there is no guarantee that Revenue will renew a VAT 56B. Advice should therefore be sought to ensure the VAT 56B will be successfully renewed.

Contact

Should you have any concerns regarding renewing your VAT 56B certificate or indeed any other VAT issue, please do not hesitate to contact us to discuss.

Jarlath O'Keefe

Partner, Head of Indirect Taxes
T +353 (0)1 680 5817
E jarlath.okeefe@ie.gt.com

Janette Maxwell

Associate Director, Tax
T +353 (0)1 680 5779
E janette.maxwell@ie.gt.com

Offices in Dublin, Belfast, Cork, Galway, Kildare, Limerick and Longford.

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