

Amendments to invoices. VATA s. 17(3) to (3B), (9) and (11)

67.—(1) Where, subsequent to the issue of an invoice by a person to another person in accordance with section 66 (1), the consideration as stated in that invoice is increased or reduced, or a discount is allowed, whichever of the following provisions is appropriate shall have effect:

(a) if the consideration is increased, the person shall issue to that other person another invoice in such form and containing such particulars as may be specified by regulations in respect of the increase;

(b) if the consideration is reduced or a discount is allowed—

(i) the person shall issue to that other person a document (in this Act referred to as a “credit note”) containing particulars of the reduction or discount in such form and containing such other particulars as may be specified by regulations, and

(ii) if that other person is an accountable person, the amount which the accountable person may deduct under Chapter 1 of Part 8 shall, in accordance with regulations, be reduced by the amount of tax shown on that credit note.

(2) Where a person who is entitled to receive a credit note under subsection (1)(b) from another person issues to that other person, before the date on which a credit note is issued by that other person, a document (in this subsection referred to as a “debit note”) in such form and containing such particulars as may be specified by regulations, then, for the purposes of this Act—

(a) the person who issues the debit note shall, if the person to whom it is issued accepts it, be deemed to have received from the person by whom the note was accepted a credit note containing the particulars set out in that debit note, and

(b) the person to whom the debit note is issued shall, if he or she accepts it, be deemed to have issued to the person from whom the debit note was received a credit note containing the particulars set out in that debit note.

(3) Notwithstanding subsection (5) and section 69 (1), where a person issues an invoice in accordance with section 66 (1) which indicates a rate of tax and subsequent to the issue of that invoice it is established that a lower rate of tax applied, then—

(a) the amount of consideration stated on that invoice shall be deemed to have been reduced to nil,

(b) subsection (1)(b) shall have effect, and

(c) following the issue of a credit note in accordance with subsection (1)(b), the person shall issue another invoice in accordance with this Act and regulations.

(4) Where, subsequent to the issue of an invoice by a person to another person in accordance with section 66 (1) in respect of an amount received by way of a deposit, and section 74 (4) applies, then—

(a) the amount of the consideration stated on that invoice is deemed to be reduced to nil,

(b) the person shall issue to that other person a document to be treated as if it were a credit note containing particulars of the reduction in such form and containing such other particulars as would be required to be included in that document if that document were a credit note, and

(c) if that other person is an accountable person, the amount which that other person may deduct under Chapter 1 of Part 8 shall be reduced by the amount of tax shown on the document as if that document were a credit note.

(5) Notwithstanding subsection (1) but subject to subsection (6), where, subsequent to the issue to a registered person of an invoice in accordance with section 66 (1), the consideration stated in that invoice is reduced or a discount is allowed in such circumstances that, by agreement between the persons concerned, the amount of tax stated in the invoice is unaltered, then—

(a) paragraph (b) of subsection (1) shall not apply in relation to the person by whom the invoice was issued,

(b) the reduction or discount concerned shall not be taken into account in computing the liability to tax of the person making the reduction or allowing the discount,

(c) section 69 (1) shall not apply, and

(d) the amount which the person in whose favour the reduction or discount is made or allowed may deduct in respect of the relevant transaction under Chapter 1 of Part 8 shall not be reduced.

(6) Subsection (5) shall not apply in any case where—

(a) subsection (4) applies, or

(b) the person who issued the invoice referred to in subsection (5) was, at the time of its issue, a person authorised, in accordance with section 80 (1), to determine that person's tax liability in respect of supplies of the kind in question by reference to the amount of moneys received.