HMRC - VATPOSS02000 - Place Of Supply Of Services: 2010 Changes

The 1st January 2010 saw the implementation of the Place of Supply of Services Directive which formed part of the EC VAT Package (Directive 2008/08/EC). This resulted in substantial changes to the place of supply of services rules. Amongst these changes was a new basic rule (the ‘general rule’) and a reduction in the number of exceptions.

Further changes are due to come into effect in 2011 (services supplied where performed), 2013 (long term hire of means of transport), and 2015 (broadcasting, telecommunications, and electronically supplied services).

This guidance is written for the rules effective from 1 January 2010. The later changes will be incorporated as they come into effect.

The rules before 1 January 2010 are explained in VAT Notice 741.

Other changes included in the VAT Package were:

A requirement to complete EC Sales Lists for services

Changes to the time of supply rules for reverse charge services

Changes to the 8th Directive refund mechanism

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