

## VAT glossary (Source HMRC, Number of License to use: C2010002309)

These are some plain English definitions of common VAT terms that HMRC uses:

- **accounting period:** see tax period
- **acquisitions:** goods brought into the UK from other EU countries - (goods brought into the UK from outside of the EU are known as **imports**)
- **corporate body:** an incorporated body such as a limited company, limited liability partnership, friendly, industrial or provident society
- **distance sales:** where a business in one EU country sells and ships goods directly to consumers in another EU country, eg internet or mail-order sales
- **exports:** goods sent to a non-EU country
- **despatches:** goods sent to another EU country
- **imports:** goods brought into the EU from another country
- **Input Tax:** the VAT you pay on your purchases
- **Output Tax:** the VAT you charge on your sales
- **place of supply:** the country in which a supply of goods or services must be accounted for VAT purposes
- **self-billing:** your customer issues your VAT invoice and sends a copy to you with their payment
- **supply:** selling or otherwise providing goods or services, including barter and some free provision
- **supply of goods:** when exclusive ownership of goods passes from one person to another
- **taxable person:** any business entity that buys or sells goods or services and is required to be registered for VAT - this includes individuals, partnerships, companies, clubs, associations and charities
- **taxable supplies:** all goods and services sold or otherwise supplied by a taxable person which are liable to VAT at the standard, reduced or zero rate
- **taxable turnover:** the total value - excluding VAT - of the taxable supplies you make in the UK (excludes capital items like buildings, equipment, vehicles or exempt supplies)
- **tax period:** the period of time covered by your VAT Return, usually quarterly
- **tax point:** the date when VAT has to be accounted for - for goods, this is usually when you send the goods to a customer or when they take them away, for services, this is usually when the service is performed
- **time of supply:** see tax point