

## **Reporting your EU sales using the EC Sales List (ESL)**

If you're a VAT-registered business in the UK that supplies goods (and, from 1 January 2010, certain services) to a VAT-registered customer in another European Union (EU) country, you'll have to tell HM Revenue & Customs (HMRC) about the supplies.

You need to complete an EC Sales List (ESL) showing details of each of your customers in the EU and the value (in sterling) of the supplies you've made to them in the period. If you haven't made any supplies (or issued any credit notes) you don't need to submit an ESL.

### **EC Sales Lists - the basics**

All VAT-registered businesses in the UK must provide HMRC with details of goods and services supplied to a VAT-registered customer in another EU country.

You submit the details on what's known as an ESL.

This contains details of:

- your customer
- the relevant country code
- the value of the goods and/or services

### **Who should complete an EC Sales List?**

You'll need to complete an ESL if you've done any of these:

- Filled in Box 8 of your VAT Return - HMRC will automatically send you an ESL to complete.
- Supplied any goods to a VAT-registered business in another EU country. This applies even if you didn't invoice for them - unless they count as samples under the VAT rules.
- Moved any of your own goods to a VAT-registered branch, office or subsidiary company that you own in another EU country.
- Given a VAT-registered customer in another EU country a credit note for goods - even if you didn't supply them with any goods in this period.
- Sold goods to a VAT-registered customer in another EU country (outside the UK) but didn't actually handle the items. You arranged for your supplier, who's located in one EU country, to send the goods directly to your customer. This is known as triangulation (see below for more information).
- Supplied services to a VAT-registered EU businesses, where the place of supply is the customer's country and the supply is subject to the reverse charge in your that country (see below for more information).

### **Who can complete a simplified ESL?**

If a business only makes a low level of supply of goods to VAT-registered customers in another EU country it may not need to fill in the full ESL. You can contact HMRC and ask for permission to submit a simplified annual ESL, if all of these are true:

- The value of your total taxable turnover in a year isn't more than the VAT registration threshold plus £25,500. This amount is currently £93,500.

- Your supplies to customers in other EU countries aren't more than £11,000 a year.
- Your sales don't include New Means of Transport.

If HMRC agrees that you can use the simplified ESL it means that you:

- never need to fill in the actual value of your supplies to each customer - instead you enter a nominal value of £1
- only have to complete the form once a year - you agree with HMRC when you're going to send it in.

### **How to submit your EC Sales List**

There are several different ways that you can complete and submit your ESL. You can choose any of the following methods:

- ESL Online service (ECSL) online form - this is similar to the paper ESL but you complete it online instead.
- ECSL 'bulk upload' feature. You'll need to submit your data using either a CSV (Comma Separated Variable) or XML (Extensible Markup Language) file. The bulk upload feature is particularly useful for businesses that have lots of EU customers.
- ECSL via an XML Channel, tailored to larger businesses and agent organisations willing to invest in messaging software.
- Paper ESL, form VAT 101 'EC Sales List' - and form VAT 101A 'EC Sales List Continuation Sheet'.
- Using UN-EDIFACT format submissions.

If you are already a registered user of HMRC Online Services, you can log in to submit your ESL online.

### **The benefits of submitting your ESL online**

There are several benefits if you decide to submit your ESL online, such as:

- It can save you time and trouble because your data is checked automatically and certain errors are highlighted for you.
- You can look at previous ESLs that you've submitted online before.
- It's faster and more secure than sending your ESL in the post.
- You get a dated acknowledgement of the data you've submitted.
- You might be able to create the file directly from your accounting software package. This cuts down on the time needed to enter the information - and can also reduce errors when the data is being keyed in.
- You will have an extra seven days to submit your ESL compared with paper forms.

### **Using the ESL Online service (ECSL)**

You'll need to enrol for the ESL Online service (ECSL) if you want to submit your ESL in any of these ways:

- using the online form

- using the bulk upload feature for CSV or XML files
- using the XML Channel (tailored to larger traders and agent organisations willing to invest in messaging software)
- using UN-EDIFACT

You'll need to enrol for ESL Online Service (ECSL) even if you're already registered to use VAT Online services.

### When to submit your EC Sales List

<b>How often do you need to submit your ESL?</b>			
<b>Your business is supplying:</b>	<b>Your customer is:</b>	<b>The value of your supplies to those customers:</b>	<b>You need to submit EC Sales Lists every:</b>
<b>Goods</b>	a VAT-registered business in another EU country	is <b>over</b> the threshold of <b>£70,000</b> in the current or four previous quarters	month
<b>Goods</b>	a VAT-registered business in another EU country	is <b>under</b> the threshold of <b>£70,000</b> in the current or four previous quarters	quarter
<b>Services that are subject to the reverse charge in the customer's country</b>	a VAT registered business in another EU country	N/A	quarter (but you can choose to submit them every month)
<b>Goods and services</b> and you are required to submit monthly lists for your goods	a VAT-registered business in another EU country	N/A	<ul style="list-style-type: none"> <li>• month (for all supplies), or</li> <li>• month (for goods) and quarter (for services)</li> </ul>

### Annual ESLs

If you make annual VAT Returns you can contact HMRC to apply for approval to submit your ESL once a year provided you meet all of the following conditions:

- your total annual taxable turnover does not exceed £145,000
- the annual value of your supplies to other EU countries is not more than £11,000
- your sales don't include New Means of Transport

### **Deadlines for submitting your ESL**

From 1 January 2010 you must submit your ESLs to HMRC:

- for online submissions - within 21 days from the end of the reporting period
- for paper ESLs - within 14 days from the end of the reporting period

If you send the ESL in late, you may have to pay a penalty.