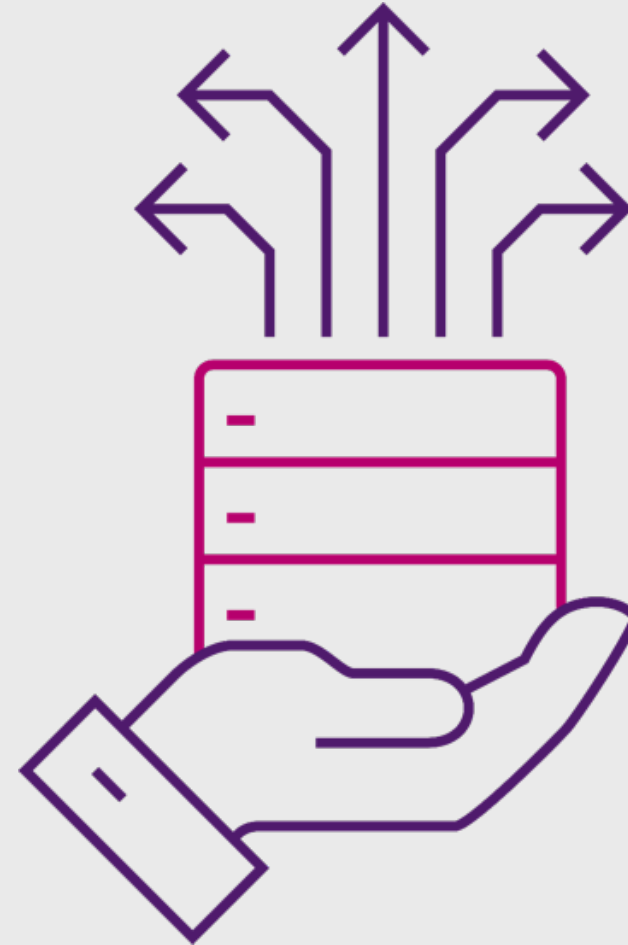


UK

Construction Industry Scheme (CIS)

Invoices – VAT (Tax Rate)



UK Construction Industry Scheme (CIS) Invoices



- It's the supplier's responsibility to inform Mitie if you are Registered for Construction Industry Scheme with HMRC. You must email vendormasterdata@mitie.com and notify them your company is registered for CIS giving them your Unique Tax Reference (UTR). They will update your Mitie supplier record accordingly.
- We have dedicated guides on how to submit CIS and non-CIS invoices for CSP and SAN methods. These can be found on <http://www.mitiesuppliers.com/>
- It is your responsibility (the supplier) to indicate when your invoice relates to a project that is In Scope for CIS and value of labour cost of the invoice lines is provided, (Gross Status with HMRC, please complete the labour field for the full value of the supply).
- You must indicate the Tax Rate by selecting “Reverse Charge” and populate Tax Reference legal statement's by selecting one of the 2 CIS Tax reference options.

The screenshot displays a web-based invoice form. At the top, a blue header bar contains a menu icon. Below this, a table lists invoice items. The first item is 'CIS UAT TEST SCRIPT 19 ITEM' with a price of 1,000.00. Below the table, there are several input fields: 'PO Line' (G10000000772-1), 'Contract' (a dropdown menu), 'Supplier part number' (a text field), and 'Commodity' (Landscaping Manual Tools £ X, with a note 'Commodity Default Applied'). Further down, there are fields for 'UNSPSC' (a dropdown menu) and 'Credit Line' (None, with a link icon). A red rectangular box highlights the 'CIS related cost?' and 'CIS Labour Cost' sections. The 'CIS related cost?' dropdown is set to 'In Scope', with a note: 'Select whether this invoice line is In Scope for Construction Industry Scheme deductions.' The 'CIS Labour Cost' field contains the value '500', with a note: 'Enter the value of CIS Labour Costs on this line.'

Type	Description	Price
1	CIS UAT TEST SCRIPT 19 ITEM	1,000.00

PO Line: G10000000772-1

Contract: [Dropdown]

Supplier part number: [Text Field]

Commodity: Landscaping Manual Tools £ X
Commodity Default Applied

UNSPSC: [Dropdown]

Credit Line: None

CIS related cost?
In Scope
Select whether this invoice line is In Scope for Construction Industry Scheme deductions.

CIS Labour Cost
500
Enter the value of CIS Labour Costs on this line.

UK Requirements for CIS related Invoices

- **CIS Registered suppliers - CIS Related Cost?** – select In Scope for supplies that relate to a project that is within the scope of the CIS scheme (In Scope)
- **CIS Labour Cost Box** - It is the responsibility of the supplier to indicate the CIS labour cost of the project (see the options below),
 - **Non-Gross Status** - you must provide the Labour Cost for the Invoice Line i.e. (Net cost less Materials = CIS Labour Cost).
 - **Non-Gross Status Materials only** - If the invoice line is materials only and no labour cost involved, enter 0.01
 - **Gross Status with HMRC** - please complete the labour cost field for the full value of the supply for the Invoice Line i.e. (Labour cost plus Materials = CIS Labour Cost)

CIS related cost?

Select

In Scope (In Scope)

Out of Scope (Out of Scope)

CIS Labour Cost

100.00

Enter the value of CIS Labour Costs on this line.

CIS Labour Cost

0.01

Enter the value of CIS Labour Costs on this line.

CIS Labour Cost

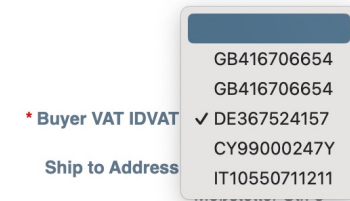
100.00

Enter the value of CIS Labour Costs on this line.

Submission Blockers and warnings will guide you to ensure you provide the correct information on your invoices.

- Suppliers must ensure that the correct Mitie Buyer VAT Id is selected when processing invoices. When supplies are being delivered to a UK site, the Mitie VAT ID will be GB416706654. When supplies are being delivered to a non-UK site, such as Germany, the Mitie VAT ID will be DE367524157
- Since there is no VAT regime in Gibraltar, please note the correct Mitie Buyer VAT ID is "GIBRALTAR".

(Screenshot only for reference you may not get all options listed)



- The invoice produced by Coupa is the Supplier's legal invoice, so it is important suppliers ensure that the correct Tax Rate is applied, and where required, an additional statement is included on the invoice for certain supplies that are not subject to VAT or require Mitie to self-account for UK VAT.
- Coupa is designed to capture supplies that are subject to differing VAT treatments. These are:
Domestic
Intra-EU
Cross-border (Non-EU / Rest of World).
- In many cases, suppliers are obliged to add a statement to invoices to explain why no VAT is being charged. Selecting the correct "Tax Rate" and start typing in "Tax Reference" to enable Suppliers to ensure this legal statement is included on affected invoices.
- In the UK the options for "Tax Rate" in the dropdown menu are:
20%, 5%, 0% (Zero-rated), Exempt, Out Of Scope, and Reverse Charge.
- Further guidance is provided for each type of supply, the associated Tax Rates, and additional legal statements required to be included on Coupa VAT invoices.

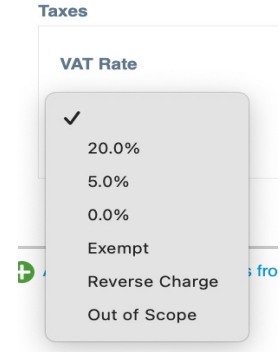
- Suppliers should take care with UK **domestic** supplies that are invoiced without any VAT – zero-rated, exempt, out of scope, and 0% domestic reverse charge are not the same thing.
- **Zero-rated supplies** – examples include basic foodstuffs, water and water-related supplies, construction of new dwellings, international transport services, passenger transport, printed matter such as physical books, magazines, brochures, newspapers, protective boots and helmets.
- **Exempt supplies** – examples include insurance and financial products and services, admission charges by public bodies, certain cultural bodies and charities, health services provided by registered professionals, public postal service (noting some postal services are 20%).
- **Out of Scope supplies** – examples include MOT testing, some toll bridges, council tax and fines.
- **0% domestic reverse charge** – this is an anti-fraud measure that applies to the construction sector. Supplies of goods and services made that relate to a project within the CIS regime are not subject to UK VAT at the usual 20% or 5% rates. The supplier must not charge VAT in the usual way to Mitie¹ companies and add a statement to the invoice to say that Mitie must self-account for the VAT to HMRC on the Supplier's behalf.
- Please see a link to the relevant HMRC guidance:

[VAT domestic reverse charge technical guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/vat-domestic-reverse-charge-technical-guide)

¹ Mitie companies are not “end-users for purposes of the VAT reverse charge on construction services, we will write to you to tell you if end-user status applies.

UK Invoice Tax Rate's

In the VAT Rate drop down select the relevant VAT – Options in the UK are 20%, 5.0%, 0.0% Exempt, Reverse Charge and Out of Scope



- **Zero 0.0%.** (if you're not VAT Registered or are providing zero rated domestic supplies, use 0.0% VAT)

- The tax reference box can be left blank

VAT Rate	VAT Amount	Tax Reference
0.0% ▼	0.00	

- **Exempt**

- The tax reference box can be left blank

VAT Rate	VAT Amount	Tax Reference
Exempt ▼	0.00	

- **Out of Scope**

- The tax reference box can be left blank

VAT Rate	VAT Amount	Tax Reference
Out of Scope ▼	0.00	

UK Invoice Tax Rate's

In the VAT Rate drop down select the relevant VAT – Options in the UK are 20%, 5.0%, 0.0% Exempt, Reverse Charge and Out of Scope

- **Reverse Charge** In the Tax Reference box type “C” and select one of the relevant legal statement's,
- **CIS suppliers** have 2 options shown below,
 - CS – 20% construction reverse charge - VAT: you must account for VAT at 20%
 - CR – 5% construction reverse charge - VAT: you must account for VAT at 5%

Taxes		
VAT Rate	VAT Amount	Tax Reference
Reverse ▼	0.00	C
<div><div>CR – 5% construction reverse charge - VAT: you must account for VAT at 5%</div><div>CS – 20% construction reverse charge - VAT: you must account for VAT at 20%</div></div>		

Note: You can only have one VAT rate per line (if PO is one line, you can only PO flip one invoice line, if you invoice 2 VAT rates you need 2 lines on the PO)
Always click calculate to check the invoice values before you submit as mistakes cannot be changed without a credit note and re-invoice.

UK VAT – Domestic UK Supplies

Tax Rate	Type of Supply	When you should use this VAT Code	Legal Statement
20%	Domestic	Domestic supply of goods / services subject to VAT at 20%	None
5%	Domestic	Domestic supply of goods / services subject to VAT at 5%	None
0%	Domestic	Domestic supply of goods / services subject to VAT at zero rated 0%	None
Exempt	Domestic	Domestic supply of goods / services subject to VAT exemption (not the same as zero rated)	None
Out of Scope	Domestic	Not a VATable transaction – no supply of goods or services has taken place. Examples of charges that are out of scope include wages, government charges and fines. Supplies	None
Reverse Charge	Domestic	Domestic reverse charge for certain construction supplies (that are within scope of CIS).	CR - 5% construction reverse charge – you must account for VAT at 5%. CS - 20% construction reverse charge – you must account for VAT at 20%.