

**Important Notice:**

We recommend you backup your data directory before implementing the VAT change. Also that all sales and purchase postings are updated before proceeding.

**Change the VAT rate in Line 100**

To change the standard rate of VAT you will need to do the following:

- Accounting System Manager
- System Parameters
- Vat Rates
- Select the standard rate tax code and select
- Then edit the vat rate field and enter the rate of 17.5%

You should edit the EC Standard purchase ledger (PL)Code (Purchases, Goods an related Services ) to 17.5%

**To credit an invoice at the old rate**

There may be occasions when you need to credit invoices at the old vat rate. If you need to do this, you should create a new tax code at the old rate of VAT. You can do this as follows:

- Accounting System Manager
- System Parameters
- Vat Rates
- Move down to locate an empty field and enter in a relevant tax code number and description
- Tick the option for include in vat return
- Enter rate of 15%
- Ensure relevant Input/ Output Nominal Codes and also relevant cost centres

Please note that the EC purchase flag should not be selected.

**Entering Late Suppliers Invoices/ Supplier Purchase Orders**

1. If you receive an invoice from a supplier that you need to enter at the old rate of VAT, you must manually amend the VAT amount. To do this simply over type the VAT amount with the correct value on the Invoice/ Order entry screen.

2. If you receive an order from a supplier that you need to enter at the old rate of VAT. Ensure when entering the order that you select the relevant tax rate.