NORTHERN IRELAND

NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH JANUARY 2021 CONTENT UPDATE #1

Introduction

The authority of Northern Ireland has been added to ONESOURCE Determination, including rates, product taxability, catch-all rules and calculations logic for the goods.

It is created in accordance with Taxation (Post-transition Period) Act 2020 to support the special VAT treatment of transactions involving Northern Ireland after the end of the transition period of the Brexit process, i.e. 31 December 2020.

As part of the agreement between the United Kingdom and European Union, from 1 January 2021 Northern Ireland will take up a dual status in terms of trade of goods. It will maintain alignment with the EU VAT rules for goods, including on goods moving to, from and within Northern Ireland. On the other hand, Northern Ireland will remain a part of the UK's VAT system.

PART I – UPDATES TO DETERMINATION

Zone

The authority of Northern Ireland has been attached to the country-level zone of NORTHERN IRELAND.

ZONE NAME	PARENT ZONE	ZONE LEVEL	SHORT	DEFAULT PRODUCT GROUP
NORTHERN IRELAND	EUROPEAN UNION	Country	XI	Harmonized



Registration Mask

The following registration mask was added in the authority of Northern Ireland:

REGISTRATION MASK

 $^XI\d\{9\}\$|^XI\d\{12\}\$|^XI[A-Z]\{2\}\d\{3\}\$|^EU$

Authority Options

The following authority options have been added in the authority of Northern Ireland:

OPTION NAME	CONDITION	VALUE	START DATE	END DATE
AT - Ancillary Transport Services Reverse Charge	Foreign Transaction	Registration Required	1/1/2021	N/A
Chain Transaction Transport	None	Ignore	1/1/2021	N/A
CL - Customer Location Reverse Charge	Foreign Transaction	Registration Required	1/1/2021	N/A
CR - Registration Requirement	Both	Registration Required	1/1/2021	N/A
DS - Default Services Reverse Charge	Foreign Transaction	Registration Required	1/1/2021	N/A
ER - Establishment None Required		No	1/1/2021	N/A
ES - Electronic Services Reverse Charge	Foreign Transaction	Registration Required	1/1/2021	N/A
Filing Groups Goods	None	Yes	1/1/2021	N/A
Filing Groups Ancillary Transport Services	None	Yes	1/1/2021	N/A



OPTION NAME	CONDITION	VALUE	START DATE	END DATE
Filing Groups Customer Location Service	None	Yes	1/1/2021	N/A
Filing Groups Default Services	None	Yes	1/1/2021	N/A
Filing Groups Electronic Services	None	Yes	1/1/2021	N/A
Filing Groups Physical Performance	None	Yes	1/1/2021	N/A
Filing Groups Supplied and Installed	None	Yes	1/1/2021	N/A
Filing Groups Transport Services	None	Yes	1/1/2021	N/A
Filing Groups Work on Goods	None	Yes	1/1/2021	N/A
GS - Goods Reverse Not Applicable Not Appl Charge		Not Applicable	1/1/2021	N/A
Intra-Company tax free sale - Goods	None	Yes	1/1/2021	N/A
Intra-Company tax free sale - Ancillary Transport Services		Yes	1/1/2021	N/A
Intra-Company tax free sale - Customer Location Service	None	Yes	1/1/2021	N/A
Intra-Company tax free sale - Default Service	None	Yes	1/1/2021	N/A



OPTION NAME	CONDITION	VALUE	START DATE	END DATE
Intra-Company tax free sale - Electronic Services	None	Yes	1/1/2021	N/A
Intra-Company tax free sale - Physical Performance	None	Yes	1/1/2021	N/A
Intra-Company tax free sale - Supplied and Installed	None	Yes	1/1/2021	N/A
Intra-Company tax free sale - Transport Service	None	Yes	1/1/2021	N/A
Intra-Company tax free sale - Work on Goods	None	Yes	1/1/2021	N/A
PP - Physical Performance Reverse Charge	Both	Dual Registration	1/1/2021	N/A
PRL - Parent Registration Lookup	None	Yes	1/1/2021	N/A
SI - Supplied and Installed Reverse Charge	Both	Both	1/1/2021	N/A
Turn Off Authority	None	No	1/1/2021	N/A
Triangulation Simplification	None Not Registered in Ship To		1/1/2021	N/A
TS - Transport Services Reverse Charge	Foreign Transaction	Registration Required	1/1/2021	N/A
UE - Used and Enjoyed	Both	None	1/1/2021	N/A
WG - Work on Goods Reverse Charge	Foreign Transaction	Registration Required	1/1/2021	N/A



Rate Updates

The following rates have been added in the authority of Northern Ireland:

RATE CODE	RATE DESCRIPTION	RATE	START DATE
NL	Not Liable	0%	1/1/2021
RR	Reduced Rate	5%	1/1/2021
SR	Standard Rate	20%	1/1/2021
ZR	Zero Rate	0%	1/1/2021

Catch-all Rules

The following catch-all rules have been added in the authority of Northern Ireland:

RULE ORDER	RATE CODE	TAX TYPE	TAX CODE / EXEMPT REASON*	START DATE
5000	ZR	Zero Rate Export	N/A	1/1/2021
5001	NL	Not Liable	N/A	1/1/2021
5002	ZR	Zero Rate	N/A	1/1/2021
5003	ZR	European Community Dispatch	N/A	1/1/2021
5004	ZR	Triangulation	N/A	1/1/2021
5005	NL	EC Sales List Services	N/A	1/1/2021
5008.9998	RR	N/A	OVERRIDE_REDUCED1	1/1/2021
5008.9999	SR	N/A	OVERRIDE_STANDARD	1/1/2021



RULE ORDER	RATE CODE	TAX TYPE	TAX CODE / EXEMPT REASON*	START DATE
9970	RR	N/A	REDUCED	1/1/2021
9980	ZR	N/A	ZERO RATED	1/1/2021
9990	N/A	N/A	EXEMPT*	1/1/2021
10000	SR	N/A	N/A	1/1/2021



PART II – TAX RESULTS EXAMPLES

The authority of Northern Ireland was created to support proper VAT treatment of the goods transactions with EU Member States, i.e. Intra-Community Supplies/Acquisitions, Distance Sales and Chain Transactions, as well as Import and Export transactions with the rest of the countries (including Great Britain if expected by the customer).

For the purpose of using the new authority, NORTHERN IRELAND zone which is assigned with a Short Code of "XI" should be chosen as a country location.

However, in case of the transactions between Northern Ireland and Great Britain, on which the VAT should be accounted for by the seller as an output VAT, the UNITED KINGDOM zone should be chosen as a country location.

Below are the examples of tax results for post-Brexit transactions involving both Northern Ireland and United Kingdom authorities:



Test 1: B2B shipment of Goods in Northern Ireland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From Country	XI
Ship To Country	XI
Seller Registration	XI123456789
Buyer Registration	XI987654321

Tax Calculation Results										
Scenario Domestic sh	nipment of Goods in	Northern Ireland:								
View Results: 1 ✓		Gross Amount: 100.00 Eff%: 20%								
Zone		Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: NORT	HERN IRELAND	Northern Ireland	VAT	S	0		20%	20.00		
								20.00 USD		
 Authority Message 	S:									
Authority	RuleOrder	Message								
Northern Ireland	10000	EUSG4: Out	put VAT in Ship From	location.						

Tax Calculation Results										
Scenario Domestic s	shipment of Goods in	n Northern Ireland:								
View Results: 1 ▼ Zone		Gross Amount: 10	0.00 Eff%	: 20%						
		Authority	Invoice Desc	Туре	Dir	Fee	Rate	Tax Amt	TT	IT
Country: NOR	THERN IRELAND	Northern Ireland	VAT	S	I		20%	20.00		
								20.00 USD		
Authority Messag	es:									
Authority	RuleOrder	Message								
Northern Ireland	10000	EUBG13: In	put VAT in Ship From	location.						



Test 2: B2B shipment of Goods from Ireland to Northern Ireland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From Country	Ireland
Ship To Country	Northern Ireland
Seller Registration	IE1234567A1
Buyer Registration	XI123456789

esults										
shipment of G	oods from Ire	eland to Northern	reland:							
ts: 1 🗸	Gross Amou	int: 100.00	Eff%: 0%							
Zone	Authority	Invoice Desc		Туре	Dir	Fee	Rate	Tax Amt	TT	IT
ry: IRELAND	Ireland	Intra-Communit	y Dispatch	ZC	0		0%	0.00		
								0.00 USD		
essages:										
RuleOrder	М	lessage								
5003	E	USG7: Exempt ICS	- Schedule 2, Para 1	L(1) VATCA	2010					
	Zone :ry: IRELAND essages: RuleOrder	Its: 1 Gross Amou Zone Authority Try: IRELAND Ireland essages: RuleOrder M	Its: 1 Gross Amount: 100.00 Zone Authority Invoice Desc Try: IRELAND Ireland Intra-Communit COMMUNICATION OF THE INCOMMUNITY IN THE INCOMMUNITY	Its: 1 Gross Amount: 100.00 Eff%: 0% Zone Authority Invoice Desc Try: IRELAND Ireland Intra-Community Dispatch essages: RuleOrder Message	Its: 1 Gross Amount: 100.00 Eff%: 0% Zone Authority Invoice Desc Type Ery: IRELAND Ireland Intra-Community Dispatch ZC ESSAGES: RuleOrder Message	Its: 1 Gross Amount: 100.00 Eff%: 0% Zone Authority Invoice Desc Type Dir Try: IRELAND Ireland Intra-Community Dispatch ZC O essages: RuleOrder Message	Its: 1 Gross Amount: 100.00 Eff%: 0% Zone Authority Invoice Desc Type Dir Fee Ery: IRELAND Ireland Intra-Community Dispatch ZC O essages: RuleOrder Message	Its: 1 Gross Amount: 100.00 Eff%: 0% Zone Authority Invoice Desc Type Dir Fee Rate Ery: IRELAND Ireland Intra-Community Dispatch ZC O 0% essages: RuleOrder Message	Its: I V Gross Amount: 100.00 Eff%: 0% Zone Authority Invoice Desc Type Dir Fee Rate Tax Amt Ery: IRELAND Ireland Intra-Community Dispatch ZC O 0% 0.00 COSSAGES: RuleOrder Message	Its: 1 Gross Amount: 100.00 Eff%: 0% Zone Authority Invoice Desc Type Dir Fee Rate Tax Amt TT Ery: IRELAND Ireland Intra-Community Dispatch ZC 0 0% 0.00 0.00 USD ESSAGES: RuleOrder Message

Tax Calculation Resu	lts									
Scenario B2B ship	ment of Goods from	n Ireland to Northern	Ireland:							
View Results: 1 ✓		Gross Amount: 100.00 Eff%		Eff%: 0%						
Zo	one	Authority	Invoice Desc	Туре	Dir	Fee	Rate	Tax Amt	TT	IT
Country: NO	Country: NORTHERN IRELAND		VAT	AC	0		20%	20.00		
Country: NO	ORTHERN IRELAND	Northern Ireland	VAT	AC	I		20%	20.00		
								0.00 USD		
 Authority Messa 	ages:									
Authority	RuleOrder	Message								
Northern Ireland	10000	EUBG3: Acquisition V	EUBG3: Acquisition VAT in Ship To location.							
Northern Ireland	10000	EUBG4: Recovery of	EUBG4: Recovery of acquisition VAT in Ship To Location.							



Test 3: B2B shipment of Goods from Northern Ireland to Ireland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From Country	Northern Ireland
Ship To Country	Ireland
Seller Registration	XI123456789
Buyer Registration	IE1234567A1



ion Results									
B2B shipment of Goods	s from Northern	Ireland to Ireland:							
View Results: 1 🗸	ults: 1 V Gross Amount: 100.00		Eff%: 0%						
Zone	Authority	Invoice Desc	Туре	Dir	Fee	Rate	Tax Amt	TT	IT
Country: IRELAND	Ireland	VAT	AC	0		21%	21.00		
Country: IRELAND	Ireland	VAT	AC	I		21%	21.00		
							0.00 USD		
ity Messages:									
RuleOrder	Message								
10000	EUBG3: A	EUBG3: Acquisition VAT in Ship To location.							
10000	EUBG4: R	EUBG4: Recovery of acquisition VAT in Ship To Location.							
	View Results: 1 V Zone Country: IRELAND Country: IRELAND ty Messages: RuleOrder 10000	View Results: 1 V Gross Amoun Zone Authority Country: IRELAND Ireland Country: IRELAND Ireland Lety Messages: RuleOrder Message 10000 EUBG3: A	View Results: 1 Gross Amount: 100.00 Zone Authority Invoice Desc Country: IRELAND Ireland VAT Country: IRELAND Ireland VAT Country: IRELAND Ireland VAT Wessages: RuleOrder Message 10000 EUBG3: Acquisition VAT in Ship	Sab shipment of Goods from Northern Ireland to Ireland: View Results: 1	Signature of Goods from Northern Ireland to Ireland: View Results: 1 ✓ Gross Amount: 100.00 Eff%: 0% Zone Authority Invoice Desc Type Dir Country: IRELAND Ireland VAT AC O Country: IRELAND Ireland VAT AC I Ity Messages: RuleOrder Message 10000 EUBG3: Acquisition VAT in Ship To location.	Sab shipment of Goods from Northern Ireland to Ireland: View Results: 1	Sab shipment of Goods from Northern Ireland to Ireland: View Results: 1	Sab shipment of Goods from Northern Ireland to Ireland: View Results: 1	Sab shipment of Goods from Northern Ireland to Ireland: View Results: 1



Test 4: B2C shipment of Goods from Northern Ireland to Ireland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From Country	Northern Ireland
Ship To Country	Ireland
Seller Registration	XI123456789
Buyer Registration	null

Tax Calculation Results										
Scenario B2C shipm	ent of Goods from	Northern Ireland to	Ireland:							
View Results: 2 ✔		Gross Amount: 100.00 Eff%: 20%		: 20%						
Zone	2	Authority	Invoice Desc	Туре	Dir	Fee	Rate	Tax Amt	TT	IT
Country: NOR	THERN IRELAND	Northern Ireland	VAT	DS	0		20%	20.00		
								20.00 USD		
 Authority Messag 	es:									
Authority	RuleOrder	Message								
Northern Ireland	10000	EUBG37: Output VAT in Ship From location.								



Test 5: B2B shipment of Goods from Northern Ireland to Russia

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From Country	Northern Ireland
Ship To Country	Russia
Seller Registration	XI123456789
Buyer Registration	1234567890

s									
ment of Goods fro	m Northern Ireland	to Russia:							
	Gross Amount: 10	00.00 Eff%: 0	0%						
e	Authority	Invoice Desc	Туре	Dir	Fee	Rate	Tax Amt	TT	IT
THERN IRELAND	Northern Ireland	Zero Rated Export	ZE	0		0%	0.00		
							0.00 USD		
ges:									
RuleOrder	Message								
5000	EUSG6: Zero Rated Export under VATA 1994 s. 30(6)								
	e RTHERN IRELAND ges: RuleOrder	Gross Amount: 10 e Authority RTHERN IRELAND Northern Ireland ges: RuleOrder Message	Gross Amount: 100.00 Eff%: 0 e Authority Invoice Desc ETHERN IRELAND Northern Ireland Zero Rated Export ges: RuleOrder Message	Gross Amount: 100.00 Eff%: 0% e Authority Invoice Desc Type RTHERN IRELAND Northern Ireland Zero Rated Export ZE ges: RuleOrder Message	Gross Amount: 100.00 Eff%: 0% e Authority Invoice Desc Type Dir RTHERN IRELAND Northern Ireland Zero Rated Export ZE O ges: RuleOrder Message	Gross Amount: 100.00 Eff%: 0% e Authority Invoice Desc Type Dir Fee RTHERN IRELAND Northern Ireland Zero Rated Export ZE O ges: RuleOrder Message	Gross Amount: 100.00 Eff%: 0% e Authority Invoice Desc Type Dir Fee Rate RTHERN IRELAND Northern Ireland Zero Rated Export ZE O 0% ges: RuleOrder Message	Gross Amount: 100.00 Eff%: 0% e Authority Invoice Desc Type Dir Fee Rate Tax Amt THERN IRELAND Northern Ireland Zero Rated Export ZE O 0% 0.00 Ges: RuleOrder Message	Gross Amount: 100.00 Eff%: 0% e Authority Invoice Desc Type Dir Fee Rate Tax Amt TT THERN IRELAND Northern Ireland Zero Rated Export ZE O 0% 0.00 0.00 USD ges: RuleOrder Message

	ntion Results									
Scenario	B2B shipment of Good	is from Northern	Ireland to Russia:							
	View Results: 1 ✓	Gross Amount	:: 100.00 E	ff%: 0%						
	Zone	Authority	Invoice Desc	Туре	Dir	Fee	Rate	Tax Amt	TT	IT
	Country: RUSSIA	Russia	VAT	IM	0		20%	20.00		
	Country: RUSSIA	Russia	VAT	IM	I		20%	20.00		
								0.00 USD		
- Autho	rity Messages:									
Authority	RuleOrder	Message								
Russia	10000	GCBG	GCBG2: Import VAT in Ship To Location.							
Russia	10000	GCBG	GCBG3: Recovery of import VAT in Ship To Location.							



Test 6: B2B shipment of Goods from Russia do Northern Ireland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From Country	Russia
Ship To Country	Northern Ireland
Seller Registration	1234567890
Buyer Registration	XI123456789

Tax Calculati	ion Results										
Scenario E	32B shipment of Goo	ds from Russ	sia do Northern I	reland:							
Vi	iew Results: 1 ✓	Gross Amou	unt: 100.00	Eff%: 0%							
	Zone	Authority	Invoice Des	ic	Type	Dir	Fee	Rate	Tax Amt	TT	IT
	Country: RUSSIA	Russia	Zero Rated E	xport	ZE	0		0%	0.00		
									0.00 USD		
Authori	ty Messages:										
Authority	RuleOrder		Message								
Russia	5000.01		GCSG8: Zero-rated export in Ship From location.								

Tax Calculation Resu	ılts									
Scenario B2B ship	oment of Goods fro	m Russia do Northern	Ireland:							
View Results: 1 ✓		Gross Amount: 100.00		Eff%: 0%						
Z	one	Authority	Invoice Desc	Туре	Dir	Fee	Rate	Tax Amt	TT	IT
Country: N	Country: NORTHERN IRELAND		VAT	IM	0		20%	20.00		
Country: N	ORTHERN IRELAND	Northern Ireland	VAT	IM	I		20%	20.00		
								0.00 USD		
 Authority Mess 	ages:									
Authority	RuleOrder	Message								
Northern Ireland	10000	EUBG9: Import VAT in	EUBG9: Import VAT in Ship To Location.							
Northern Ireland	10000	EUBG10: Recovery of i	EUBG10: Recovery of import input VAT in Ship To location.							



Test 7: B2B shipment of Goods from Northern Ireland to United Kingdom (with Output VAT as expected result)

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From Country	United Kingdom
Ship To Country	United Kingdom
Seller Registration	XI123456789
Buyer Registration	GB123456789

Company Role: Seller

Tax Calculation Resul	ts								
Scenario B2B ships	ment of Goods from	Northern Ireland to	United Kingdom:						
View Results: 1 ▼ Zone		Gross Amount: 100.00 Eff		: 20%					
		Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT IT
Country: UNITED KINGDOM		United Kingdom	VAT	S	0		20%	20.00	
								20.00 US	D
Authority Messa	ges:								
Authority	RuleOrder	Message							
United Kingdom	10000	GCSG1: Standard output VAT in Ship To Location.							

View Results: 1 ✓ Zone		Gross Amount: 10	0.00 Eff%	Eff%: 20%					
		Authority	Invoice Desc	Туре	Dir	Fee	Rate	Tax Amt	TT I
Country: UNITED KINGDOM		United Kingdom	VAT	S	I		20%	20.00	
								20.00 USI)
☐ Authority Messa	iges:								
Authority	RuleOrder	Message							
United Kingdom	10000	GCBG1: Standard input VAT in Ship To Location.							



CONCLUSION

This guide explains changes made in ONESOURCE Indirect Tax Determination in connection with the authority of Northern Ireland. Please contact Customer Support with any additional questions.

