

# NORTHERN IRELAND

## NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH  
JANUARY 2021 CONTENT UPDATE #1

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### 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 CODE	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
<code>^X\ld{9}\$ ^X\ld{12}\$ ^X\l[A-Z]{2}\d{3}\$ ^EU</code>

## 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 Required	None	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 Charge	Not Applicable	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	None	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

Company Role: Seller

Tax Calculation Results

Scenario Domestic shipment 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: NORTHERN IRELAND	Northern Ireland	VAT	S	O		20%	20.00		
							20.00 USD		

Authority Messages:

Authority	RuleOrder	Message
Northern Ireland	10000	EUSG4: Output VAT in Ship From location.

Company Role: Buyer

Tax Calculation Results

Scenario Domestic shipment 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: NORTHERN IRELAND	Northern Ireland	VAT	S	I		20%	20.00		
							20.00 USD		

Authority Messages:

Authority	RuleOrder	Message
Northern Ireland	10000	EUBG13: Input 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

Company Role: Seller

Tax Calculation Results												
Scenario B2B shipment of Goods from Ireland to Northern Ireland:												
View Results: 1		Gross Amount: 100.00		Eff%: 0%								
Zone		Authority		Invoice Desc		Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: IRELAND		Ireland		Intra-Community Dispatch		ZC	O		0%	0.00		
										0.00 USD		
[-] Authority Messages:												
Authority		RuleOrder		Message								
Ireland		5003		EUSG7: Exempt ICS - Schedule 2, Para 1.(1) VATCA 2010								

Company Role: Buyer

Tax Calculation Results										
Scenario B2B shipment of Goods from Ireland to Northern Ireland:										
View Results: 1 ▾		Gross Amount: 100.00		Eff%: 0%						
Zone		Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: NORTHERN IRELAND		Northern Ireland	VAT	AC	O		20%	20.00		
Country: NORTHERN IRELAND		Northern Ireland	VAT	AC	I		20%	20.00		
								0.00 USD		
[-] Authority Messages:										
Authority		RuleOrder	Message							
Northern Ireland		10000	EUBG3: Acquisition VAT in Ship To location.							
Northern Ireland		10000	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

Company Role: Seller

Tax Calculation Results										
Scenario B2B shipment of Goods from Northern Ireland to Ireland:										
View Results: 1 ▾		Gross Amount: 100.00		Eff%: 0%						
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT	
Country: NORTHERN IRELAND	Northern Ireland	Intra-Community Dispatch	ZC	O		0%	0.00			
							0.00 USD			
[-] Authority Messages:										
Authority	RuleOrder	Message								
Northern Ireland	5003	EUSG7: Zero Rated IntraCommunity Dispatch VATA 1994 s 30 (8), s 40 and SI 1995 No 2518 Reg 134								

Company Role: Buyer

Tax Calculation Results

Scenario B2B shipment of Goods from Northern Ireland to Ireland:

View Results: 1

Gross Amount: 100.00

Eff%: 0%

Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: IRELAND	Ireland	VAT	AC	O		21%	21.00		
Country: IRELAND	Ireland	VAT	AC	I		21%	21.00		
							0.00 USD		

Authority Messages:

Authority	RuleOrder	Message
Ireland	10000	EUBG3: Acquisition VAT in Ship To location.
Ireland	10000	EUBG4: Recovery of acquisition VAT in Ship To Location.

## 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

Company Role: Seller

Tax Calculation Results										
Scenario B2C shipment of Goods from Northern Ireland to Ireland:										
View Results: <div>2</div>		Gross Amount: 100.00		Eff%: 20%						
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT	
Country: NORTHERN IRELAND	Northern Ireland	VAT	DS	O		20%	20.00			
							20.00 USD			
<div><div></div> Authority Messages:</div>										
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

Company Role: Seller

Tax Calculation Results										
Scenario B2B shipment of Goods from Northern Ireland to Russia:										
View Results: 1 ▾		Gross Amount: 100.00		Eff%: 0%						
Zone		Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: NORTHERN IRELAND		Northern Ireland	Zero Rated Export	ZE	O		0%	0.00		
								0.00 USD		
[-] Authority Messages:										
Authority		RuleOrder	Message							
Northern Ireland		5000	EUSG6: Zero Rated Export under VATA 1994 s. 30(6)							

Company Role: Buyer

Tax Calculation Results

Scenario B2B shipment of Goods from Northern Ireland to Russia:

View Results: 1

Gross Amount: 100.00

Eff%: 0%

Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: RUSSIA	Russia	VAT	IM	O		20%	20.00		
Country: RUSSIA	Russia	VAT	IM	I		20%	20.00		
							0.00 USD		

Authority Messages:

Authority	RuleOrder	Message
Russia	10000	GCBG2: Import VAT in Ship To Location.
Russia	10000	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

Company Role: Seller

Tax Calculation Results										
Scenario B2B shipment of Goods from Russia do Northern Ireland:										
View Results: 1		Gross Amount: 100.00		Eff%: 0%						
Zone		Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: RUSSIA		Russia	Zero Rated Export	ZE	O		0%	0.00		
								0.00 USD		
[-] Authority Messages:										
Authority		RuleOrder		Message						
Russia		5000.01		GCSG8: Zero-rated export in Ship From location.						

Company Role: Buyer

Tax Calculation Results

Scenario B2B shipment of Goods from Russia do Northern Ireland:

View Results:

1

Gross Amount: 100.00

Eff%: 0%

Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: NORTHERN IRELAND	Northern Ireland	VAT	IM	O		20%	20.00		
Country: NORTHERN IRELAND	Northern Ireland	VAT	IM	I		20%	20.00		
							0.00 USD		

Authority Messages:

Authority	RuleOrder	Message
Northern Ireland	10000	EUBG9: Import VAT in Ship To Location.
Northern Ireland	10000	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 Results

Scenario B2B shipment of Goods from Northern Ireland to United Kingdom:

View Results: 1

Gross Amount: 100.00

Eff%: 20%

Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: UNITED KINGDOM	United Kingdom	VAT	S	O		20%	20.00		
							20.00 USD		

[-] Authority Messages:

Authority	RuleOrder	Message
United Kingdom	10000	GCSG1: Standard output VAT in Ship To Location.

Company Role: Buyer

Tax Calculation Results

Scenario B2B shipment of Goods from Northern Ireland to United Kingdom:

View Results: 1

Gross Amount: 100.00

Eff%: 20%

Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: UNITED KINGDOM	United Kingdom	VAT	S	I		20%	20.00		
							20.00 USD		

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Authority Messages:

Authority	RuleOrder	Message
United Kingdom	10000	GCBG1: Standard input VAT in Ship To Location.

## CONCLUSION

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