

September 2008

Registration No:

Customer Name
Customer Address
Customer Address
Customer Address

VAT Reverse Charge - Impact on level of Direct Debit Payment

Dear Sir/Madam,

You will be aware that the operation of VAT in the construction industry changed from 1 September. Invoices to principal contractors from their subcontractors for construction services no longer include VAT and instead principal contractors charge themselves the VAT on supplies from sub contractors and include that VAT in their VAT return. Full details the VAT Reverse Charge are available on the Revenue website at: <http://www.revenue.ie/leaflets/construction-services-new-rules.pdf>.

As a customer who pays your VAT liability through the Direct Debit facility, it is essential that you now review the level of your monthly direct debit payments to ensure they are adequate in the light of your increased responsibility for payment of VAT direct to Revenue and to avoid future exposure to interest charges in the event of a shortfall in monthly payments. To be satisfied about the adequacy of the level of your direct debt payments into the future, I need you to confirm that the review I have mentioned has been undertaken by completion and return of the form attached. This form also enables you to notify Revenue of the revised amount of the monthly direct debit payment that you consider is appropriate in the light of that review. Where exceptionally an increase is not considered appropriate, you are asked to give the specific reason(s) on the attached form for that conclusion.

It is essential that the form attached is completed and returned to me as soon as possible and in any event by **[give 14 days from date of letter]** at the latest. This will provide adequate time to give effect to the revised level of direct debit payment from October onwards [the first direct debt payment reflecting the new VAT reverse charge mechanism]. Failure to undertake the review and return the attached form may result in Revenue having to review whether the direct debit facility can continue to be made available to you as a way of paying your VAT.

For any specific enquiries which you would like to make regarding your Direct Debit obligations on the introduction of the VAT Reverse Charge, please contact the Revenue Lo-call number at 1890 20 30 70.

Thanks for your cooperation.

Yours sincerely

Thomas Cleary
Direct Debit Unit

**Direct Debit Unit
Collector Generals Office
Sarsfield House
Limerick**

Please complete this form **and return to the above address (in the envelope provided)**,

VAT Reverse Charge
[C1/C3]

Registered Name **[please insert]**: _____

VAT Number **[please insert]**: _____

I have reviewed my/the company's VAT direct debit payments, taking into account the VAT Reverse Charge, which came into effect from 1st of September 2008.

I wish to increase my monthly VAT payments with effect from October 2008 to:
[please specify amount] € _____

If you deem that your current direct debit payment is sufficient to meet your annual VAT liability, taking account of the VAT Reverse Charge mechanism please give the specific reason(s) for that conclusion:

Signed (on behalf of Business/Company): _____

Date: _____
