

Procurement of goods and services by a public body

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Introduction

This guidance sets out the circumstances in which a public body is required to register and "self account" for the VAT due on certain goods or services procured by it.

'Public body' is a broad ranging term, and includes Government Departments, An Garda Síochána, the Defence Forces, local authorities including regional authorities and harbour authorities, the Health Services Executive, State sponsored bodies, public hospitals, enterprise boards and educational establishments, such as, Universities, Institutes of Technology, Education and Training Boards and schools.

For ease of reference, all of the above are collectively referred to as 'public bodies' for the purposes of this guidance.

1. Circumstances where a public body is obliged to register for VAT

With effect from 1st July 2010, a public body is obliged to register and account for VAT in the following circumstances:-

- where it acquires, or is likely to acquire, more than €41,000 worth of goods from other EU Member States (intra-Community acquisitions)
- where it is in receipt of a good which is supplied and installed/assembled (other than as a fixture) by a non-established supplier
- where it is in receipt, as a principal contractor, of construction services supplied by a sub-contractor. (See VAT Information on '[Reverse Charge Construction](#)')
- where it makes supplies of taxable goods and services whose value exceeds the [Registration threshold](#).

2. Receipt of services from outside the State

A public body that has been allocated a VAT number is required to provide its VAT number to service providers not established in Ireland and to account for VAT on the receipt of these services. A Public Body that is not required to register for VAT in this State is considered to be a non-taxable person. Where such a body is not required to account for VAT on services received from outside the State it may suffer VAT in the state from which the services are supplied.

3. Intra-community acquisitions of goods

A public body which is registered or required to register for VAT, is obliged to account for VAT at the appropriate rate in respect of its acquisitions of goods from suppliers in other EU Member States.

4. Importation of goods

Goods imported into the State by a public body from outside the European Union are subject to VAT at the point of entry, at the appropriate Irish VAT rate.

It should be noted however that VAT due on importations of goods through parcel post by a public body registered for VAT will not be payable at the time of importation where the value of each such consignment is €260 or less. The body importing the goods in these circumstances should ensure that its VAT number is quoted on the customs declaration form or Green Label on the packaging. A public body must self-account for VAT on such importations in box T1 of its VAT return for the taxable period in which it acquires the goods.

5. Accounting for VAT

Where a Public Body is required to account for VAT on services or goods received, VAT becomes due on the 15th day of the month following the month during which the intra-Community acquisition of goods or the receipt of services takes place. The VAT rate applicable is the Irish VAT rate that applies to the supply of the same goods or services in Ireland. The intra-Community acquisition of certain works of art, collectors' items and antiques is an exception. VAT is generally chargeable on the invoiced amount in the case of goods and services from suppliers in other EU Member States. In the case of imports, VAT is payable on the value of the goods for customs purposes.

6. Rate of VAT

Public Procurement guidelines require a public body to assess tenders for the supply of goods or services on a VAT-exclusive basis. Assessing tenders on a VAT-exclusive basis ensures that all tenders are assessed uniformly regardless of where the tenderer is located.

The correct rate of VAT appropriate to most supplies of goods or services can be ascertained by consulting the VAT Rates database. In case of doubt, you should contact your Revenue Branch.

7. Rate of exchange

A public body that acquires goods or services from an EU Member State which is not part of the Eurozone should use the rate of exchange applicable when the tax becomes due, which is normally on the fifteenth day of the month following the acquisition. The rate of exchange can be determined on a calendar month basis under the monthly rates of exchange system for customs valuation purposes. Your Revenue Branch should be informed if this method is used.

8. Entitlement to recover VAT

A public body that is registered for VAT solely in respect of accounting for VAT on received goods or services is not entitled to recover the VAT incurred on such goods or services.

Where, a public body is required to register and account for VAT on supplies of taxable goods or services made by it, it will be entitled to a VAT credit for VAT incurred on goods or services received by it for its taxable supplies.

9. VAT number

A VAT number will be issued to a public body where the circumstances described above apply. The public body should apply to its Revenue Branch for a VAT number. The public body should account for VAT due under this VAT reference number. A Nil return should be filed for any taxable period in which there is no VAT to be accounted for. A public body may apply to its Revenue Branch to have its VAT number cancelled where it ceases to acquire non-Irish goods or services.

10. Intrastat

A public body that acquires more than €500,000 worth of goods per annum from other Member States is required to make a monthly statistical return in respect of those acquisitions. Details of this requirement are contained in the [VIES and Intrastat Traders Manual](#).