



# Business Cloud Essentials

1.7.1

## Release Notes

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## INTRODUCTION

This document contains an overview of the new features, fixes and changes made to version 1.7.1 of Business Cloud Essentials. The key features and enhancements are:

- HMRC – Postponed VAT Accounting
- VAT Return Changes – Importing Services from the EU
- Support for Commercial Invoices for Exports

## FEATURES

### HMRC – POSTPONED VAT ACCOUNTING

From 1 January 2021, in accordance with the transition period following Brexit, the HMRC requirements for VAT registered businesses reporting postponed VAT accounting (PVA) on goods imported into the UK changes from reporting EU imports to reporting all UK Imports.

The following changes for completing the VAT Return in BCE have been applied:

From 1 January 2021, purchases of imported goods using VAT types 'EU Import' and 'Non EU Import' will update the following VAT Return fields:

- Box 7: Imported acquisition value
- Box 4: Reclaimed VAT value (Relative to Stock VAT rate)
- Box 1: Postponed VAT due

For purchases of imported goods up to and including 31 December 2020 using VAT type 'EU Import' will update the following VAT Return fields:

- Box 9: Imported acquisition value
  - Box 7: Imported acquisition values included with all domestic purchases
  - Box 4: Reclaimed VAT value (Relative to Stock VAT rate)
  - Box 2: Postponed VAT due
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## Northern Ireland Protocol

UK businesses resident in Northern Ireland are required to separate their EU imports from non EU imports. This is known as the Northern Ireland Protocol where the VAT Return reporting requirements are:

For purchases of all imported goods using VAT type 'EU Import' will continue to update the following VAT Return fields:

- Box 9: Imported acquisition value
- Box 7: Imported acquisition values included with all domestic purchases
- Box 4: Reclaimed VAT value (Relative to Stock VAT rate)
- Box 2: Postponed VAT due

From 1 January 2021, purchases of imported goods using VAT type 'Non EU Import' will update the following VAT Return fields:

- Box 7: Imported acquisition value
- Box 4: Reclaimed VAT value (Relative to Stock VAT rate)
- Box 1: Postponed VAT due

## Notes:

- These changes have been committed to the VAT reporting in BCE version v1.7.1. However, these may be subject to further changes depending on the final outcome of any Brexit deal as advised by HMRC.

For reference see:

<https://www.gov.uk/guidance/complete-your-vat-return-to-account-for-import-vat>

- Cash Accounting and Flat Rate VAT methods are not supported by the changes applied to PVA
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## IMPORTING SERVICES FROM THE EU

In BCE it is important to identify and separate goods from services when purchasing from the EU.

The reporting of imported service from the EU on the VAT Return requires specific entries to be completed on the VAT Return as directed by HMRC.

<https://www.gov.uk/guidance/vat-place-of-supply-of-services-notice-741a>

BCE users are likely to be using the consumable stock type to identify both goods and services for their own consumption when purchased within the UK. If consumable stock type items are purchased from the EU, it is not possible to identify whether the consumable stock items are of goods or service type. Therefore, in conjunction with the new PVA requirements from 1 January 2021, consumable items purchased from European suppliers using VAT type EU Import will be treated as goods.

If BCE users purchase services from the EU, then those stock items will need to be set up as a services stock type to conform to the following reporting requirements:

### **Purchase of Services from the EU**

The purchase of service type items has been modified to respect the reverse charge (tax shift) policy and report the following values on the VAT return:

- Box 7: Full value of the supply in box 7 (total value of purchases) The value of the Purchase invoice from the overseas supplier
  - Box 6: Full value of the supply in box 6 (total value of sales) This negates the value reported in box 7 but represents the reversed value
  - Box 1: Amount of output tax in box 1 (VAT due on sales) This negates the value reported in box 4 but represents the reversed value of VAT based on the VAT rate of the service item as setup in BCE
  - Box 4: Amount of input tax in box 4 (VAT reclaimed on purchases) This is the VAT value on the full supply VAT reported in box 7 based on the VAT rate of the service item as setup in BCE
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## SUPPORT FOR COMMERCIAL INVOICES FOR EXPORTS

To support the requirements for generating commercial invoices for exports the following changes have been made:

### **Registered Business - EORI Number**

A new field for EORI number - Economic Operator Registration and Identification has been introduced to the 'Tax & Payroll' tab in 'Company Settings'. This will accommodate the 12 digit number prefixed with the required country code.

### **Custom Documents - Stock Item Commodity Code**

The stock items commodity code is now available as a data field in custom documents to permit users to include the code on their export invoice templates.

### **Custom Documents – Stock Item Custom Fields**

Any custom fields created for stock items are now available as data fields in custom documents to permit users to include any required fields on their export invoice templates.



DEFECTS

JIRA ID	TITLE
<p><b>HBCE-4144</b></p> <p>Problem:</p> <p>Solution:</p>	<p><b>Account Balance – Outstanding Financial Documents</b></p> <p>When creating a credit with refund and selecting the option to ‘Don’t mark credit note as paid’ resulted in the credit note displayed as outstanding, but the refund did not show as it was marked as matched. This caused the customer/supplier account balance to not agree with the list of ‘Outstanding Financial Documents’.</p> <p>Modified credit and refunds to force the matching between both documents so that they do not appear on the list of ‘Outstanding Financial Documents’.</p> <p>The option to ‘Don’t mark credit note as paid’ has been removed. If unmatched credit notes and refunds are required, the credit note and refund should be created as separate documents.</p>
<p><b>HBCE-7648</b></p> <p>Problem:</p> <p>Solution:</p>	<p><b>Unable to select zero value sales invoices in Match Payments screen</b></p> <p>It was not possible to select zero value invoices from the Customer/Supplier matching screen for matching.</p> <p>Modified the system to permit zero value documents to be matched within a matching set.</p> <p><b>Note:</b> the matching set must include a receipt or credit with a value.</p>
<p><b>HBCE-7663</b></p> <p>Problem:</p> <p>Solution:</p>	<p><b>Unable to allocate pre v1.6.0 employee payments to payslips</b></p> <p>Unallocated payslips were found to be missing from the matching screen introduced in BCE 1.6.0.</p> <p>Recompile the history tables for employees to ensure unmatched entries are displayed on the matching screen.</p>
<p><b>HBCE-8053</b></p> <p>Problem:</p> <p>Solution:</p>	<p><b>Project Planned Inputs – Project Performance Report</b></p> <p>When creating a project with planned inputs, the project performance report was not reporting the the planned quantities or planned costs.</p> <p>Corrected the project performance report to include all stock types.</p>

<p><b>HBCE-8226</b></p> <p>Problem:</p> <p>Solution:</p>	<p><b>Customer/Supplier Accounts - Matching invoices in closed financial periods</b></p> <p>When matching payments or receipts to invoices belonging to closed financial periods an error was returned indicating the payment or receipt could not be created and leaving the entry on the matching screen.</p> <p>Corrected validation for accounting date on payments and receipts when matching documents.</p>
<p><b>HBCE-8395</b></p> <p>Problem:</p> <p>Solution:</p>	<p><b>Bank Account – Reconciling items in closed financial periods</b></p> <p>When attempting to reconcile items dated in a closed financial period, the value was reconciled but the items remained available from the 'Reconcile Statement for Bank Account' screen.</p> <p>Correction made to the document accounting date check and reconciled items belonging to closed financial periods are correctly removed from the reconciliation screen.</p>
<p><b>HBCE-8847</b></p> <p>Problem:</p> <p>Solution:</p>	<p><b>Payslips - RTI reporting incorrect tax figures</b></p> <p>The RTI xml report submitted to HMRC incorrectly excluded employee pension deductions in the total for the tagged 'FigurestoDate-TaxablePay' field. Employee payslips were found to be printing correctly.</p> <p>HMRC advise any corrections to past submissions can be applied by updating the values on the next FPS/RTI submission. The change included in this release will update the HMRC and correct the position in the next RTI xml submitted on the next payroll run.</p> <p>For further guidance on this process, please refer to: <a href="https://www.gov.uk/payroll-errors/correcting-your-fps-or-eps">https://www.gov.uk/payroll-errors/correcting-your-fps-or-eps</a></p>