

## Norway Vat Code Return VOEC – 1<sup>st</sup> Jan 2020

Norway would like ecommerce businesses selling to Norway to sign up to VOEC so they can file a VAT return online and remit collected VAT directly to Norway.

You would have to register for VOEC and submit returns to Norway online via their portal. This will allow your goods to pass into Norway without VAT being added by customs.

Norway charges 25% Std Rated to Businesses or Consumers.

We presume:

- When a customer buys EG £100 item it would be  $\times 25\% = £125$
- These sales are part of your sales to be shown in Box 6 on your UK VAT return.  
You don't just want to show £100 on the UK VAT return but £125 in the example above.

We suggest the following:

- Create a Sales Tax Code for Norway "NO 25 Std Rated Sales".  
Add to Box 6 in VAT Return, this will display the net value. EG above £100
- Create a Nominal Code e.g. "2230 Norway VAT" and make the Tax Component use this. So all sales VAT will be posted to 2230. This is then the total value owed to Norway.
- When you do a bank payment to pay Norway the VAT owed it would be done from the 2230 nominal code and UK 9 None Taxable Purchases tax code keeping the balance owed correct.
- Create a nominal code "2231 Norway VAT Adjustments" so any vatable journals we do can go there. As default the net value will be shown in Box 6 but we need to also add the 25% in example above £25 as well. This means you will need to do a vatable journal. Taking it away from Output Tax to Output Goods.
- Change the Customer Class and Ship to Class template for Norway to default to the new tax code, so if you create new customers from Norway it will default in the tax codes.
- Update existing Norway customers and ship tos with the new tax code, so if they place further orders they get the new code.
- Create a report on the Norway Tax code, with date range and ledger month range, so you can do a Norway VOEC VAT return manually.
- Create a procedure for Norway VAT Return. EG
  - When doing UK VAT Return Check Box 6, NO 25 Std Rated Sales, for a VAT Value. If there is a value then do a vatable journal to move it from output tax to output goods using 2231.
  - When you want to do a Norway VAT return take the report for the date or ledger month range to get the totals for Net and Vat values.
  - When you pay the Norway VAT use Bank Payment UK 9 to 2230 to reduce balance owed.

The above is explained in more detail below:

Home Num Key 0

New Save and New Save Save and Close Undo Delete Refresh Help

List Detail

Details

Tax Detail Code: NO 25 Std Rated Sales  Active Country: United Kingdom

Tax Detail Description: NO 25 Std Rated Sales

Account Description: VAT Norway Tax ID Number: 1234567

Set Up

Tax Based On: Percent of Sales/Purchases Decimal RoundUp: 2

From Tax Component: Apply On: Extended Price

Compounded Total

Computation Rules

What percentage (%) of the Goods/Services is to be used to calculate Tax/VAT on? 100.000%

Is there a Minimum Taxable Amount? £ 0.00

Is there a Maximum Taxable Amount? £ 99,999,999.99

What percentage (%) is the Tax/VAT Rate on the Net Goods/Services? 25.000%

Is there a Minimum Tax Amount? £ 0.00

Is there a Maximum Tax Amount? £ 99,999,999.99

Ready

Create a Tax Component for Norway at 25%. NB I created a Nominal Account called 2230 so all the VAT elements will be posted there instead of 2200 the normal UK VAT Control account.

When you do the return you will need to pay the VAT collected.

Home Num Key 0

New Save and New Save Save and Close Undo Find Print View Journal Help

General

Bank Account Name: HSBC\_GRP\_Current Account IS Currency: GBP £ 1.00 Available Funds: £ 13,771.07

Bank Name: HSBC

Detail

HSBC Cheque Date: 16/12/2020 Cheque Number: DD

PAY TO THE ORDER OF: Norway VAT Qt Amount: £ 25.00

Twenty Five United Kingdom Pounds And 00/100 Only

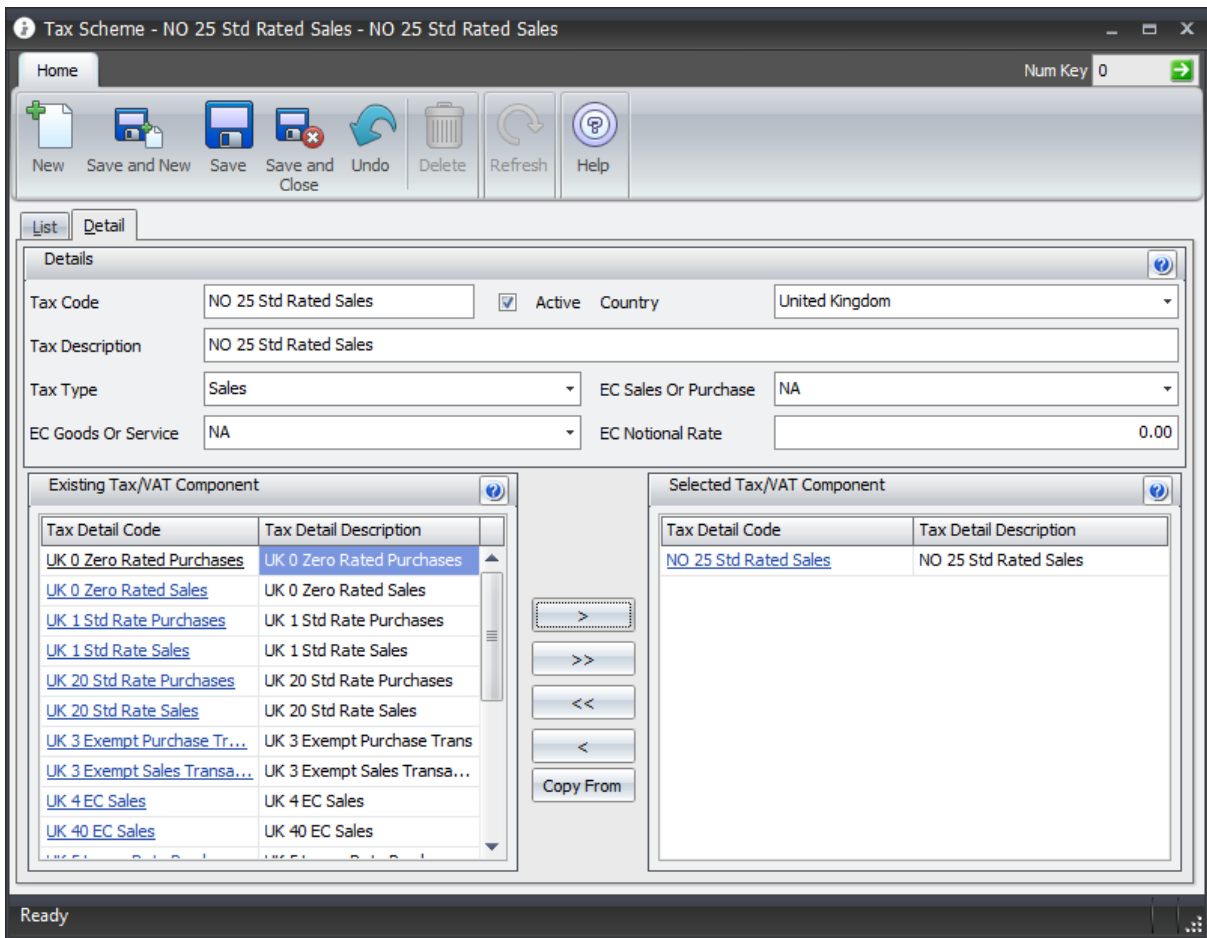
Address: Memo:

Expenses

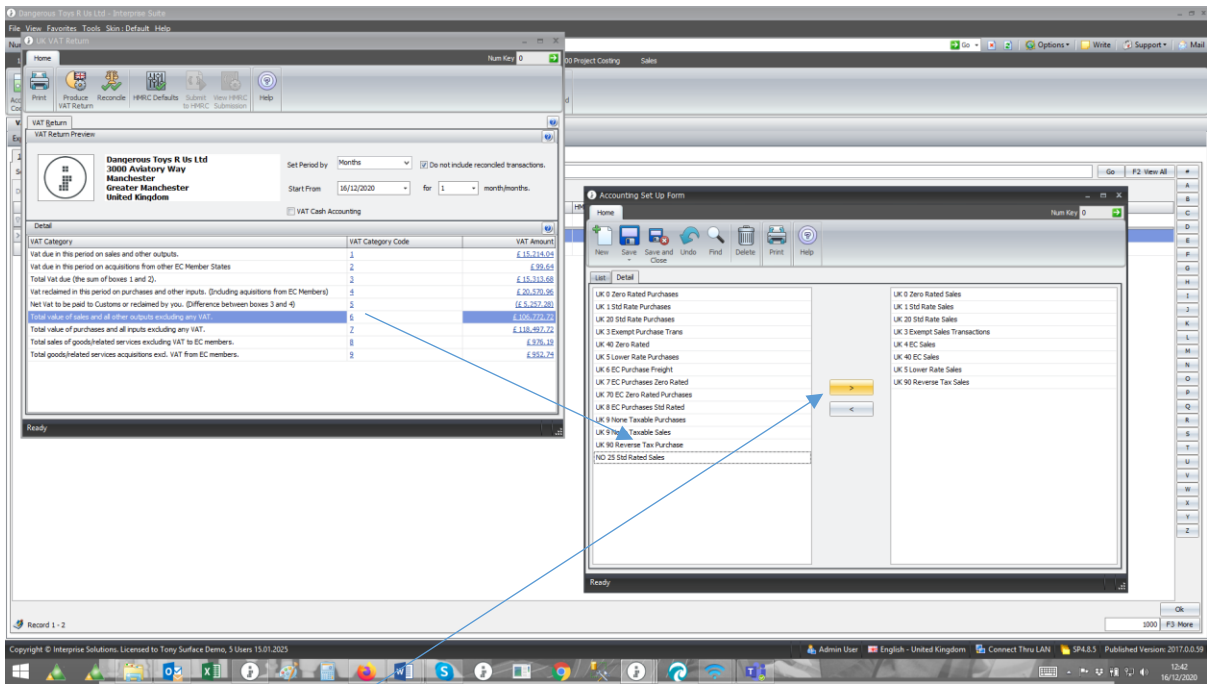
| AccountCode | AccountDescription | Amount  | Description | TaxCode                     | TaxAmountRate |
|-------------|--------------------|---------|-------------|-----------------------------|---------------|
| 2230        | VAT Norway         | £ 25.00 |             | UK 9 None Taxable Purchases | £ 0.00        |
|             |                    |         |             |                             |               |
|             |                    | £ 25.00 |             |                             | £ 0.00        |
|             |                    |         |             | Grand Total                 | £ 25.00       |

Ready

When we make payments to the Norway VAT authority we should do it as a bank payment against 2230 (and UK 9 None Taxable Purchases i.e. out of the scope of VAT) so you can always see the liability of VAT owed to Norway in this nominal code. This is how you should be paying HMRC for the UK VAT. This code should be put in the same area of the balance sheet as 2200 VAT Control.



The above is a Tax Scheme that uses the new component



This code would then be added to the VAT return Box 6. Do not add to Box 1.

The screenshot displays the Sage CRM interface. At the top, there are navigation tabs for various modules: CRM, Customer, Supplier, Inventory, Banking, Accounting, System Manager, and Asset Management. The main window is titled 'Sales Invoice - INV-000089 - Norway Company Ltd'. It shows invoice details such as Order Code (INV-000089), Invoice/Tax Date (16/12/2020), Customer PO, and Payment Term (Payment Due on Order). The currency is set to GBP.

Below the invoice details is a table of inventory items. The first item is '22\* SVGA Colour Monitor', which is linked to a sales order (SO) and has a tax code of 'NO 25 Std Rat...'. A blue arrow points from this tax code to the 'Items' section of the journal entry below.

The 'Journal - GBRN-000538' window shows the following journal entry:

| Account | Account Description               | Debit    | Credit   | Detail Description   | Tax Type     | Tax Code              |
|---------|-----------------------------------|----------|----------|--|--------------|-----------------------|
| 2100    | Bank of Norway / Accounts Payable | £ 625.00 | £ 0.00   | 22* SVGA Colour Monitor  | Output Tax   | NO 25 Std Rated Sales |
| 2230    | VAT Norway                        | £ 0.00   | £ 300.00 | INV-000089/CLUST-000054/19* SVGA Colour Monitor (Qty:2.00 @ 150.00 (SP)) | Output Tax   | NO 25 Std Rated Sales |
| 2200    | VAT Norway                        | £ 0.00   | £ 25.00  | INV-000089/CLUST-000054/17* wheels (Qty: 25 Std Rated Sales/25.00%)      | Output Tax   | NO 25 Std Rated Sales |
| 4300    | Sales Type A - UK                 | £ 0.00   | £ 400.00 | INV-000089/CLUST-000054/19* SVGA Colour Monitor (Qty:2.00 @ 200.00 (SP)) | Output Goods | NO 25 Std Rated Sales |
| 5000    | Sales Type A - UK                 | £ 0.00   | £ 300.00 | INV-000089/CLUST-000054/17* wheels (Qty: 1.00 @ 300.00 (SP))             | Output Goods | NO 25 Std Rated Sales |
| 5800    | Confirmed Cost of Goods Sold      | £ 331.09 | £ 0.00   | INV-000089/CLUST-000054/19* SVGA Colour Monitor (Qty:2.00 @ 165.55 (CP)) | NA           | NA                    |
| 5900    | Confirmed Cost of Goods Sold      | £ 17.15  | £ 0.00   | INV-000089/CLUST-000054/17* wheels (Qty: 1.00 @ 17.15 (CP))              | NA           | NA                    |
| 3021    | Inventory Control Account         | £ 0.00   | £ 331.09 | INV-000089/CLUST-000054/19* SVGA Colour Monitor (Qty:2.00 @ 165.55 (CP)) | NA           | NA                    |
| 3021    | Inventory Control Account         | £ 0.00   | £ 17.15  | INV-000089/CLUST-000054/17* wheels (Qty:1.00 @ 17.15 (CP))               | NA           | NA                    |
| 3021    | Inventory Control Account         | £ 0.00   | £ 0.00   |  |              |                       |

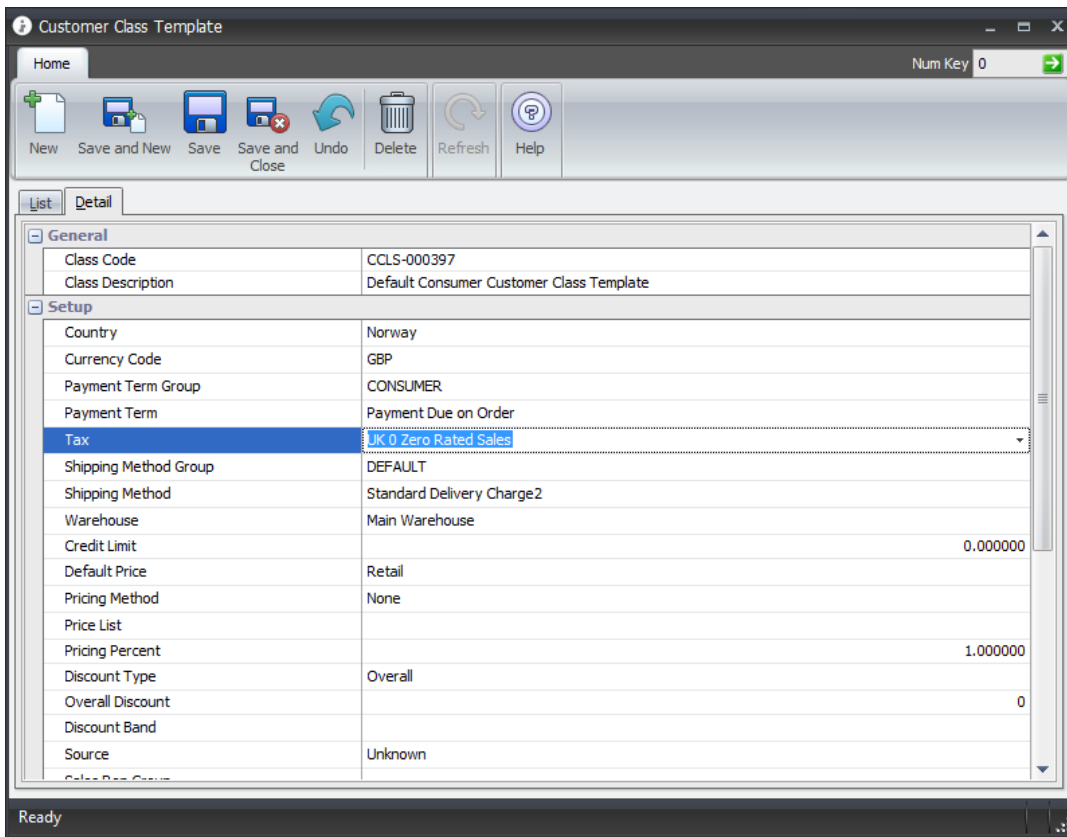
At the bottom right, a 'Summary' section shows the following totals:

|           |          |         |        |          |        |           |          |
|-----------|----------|---------|--------|----------|--------|-----------|----------|
| Sub Total | £ 500.00 | Freight | £ 0.00 | Other    | £ 0.00 | Sales Tax | £ 125.00 |
| Due Total | £ 625.00 | Credits | £ 0.00 | Payments | £ 0.00 | Balance   | £ 625.00 |

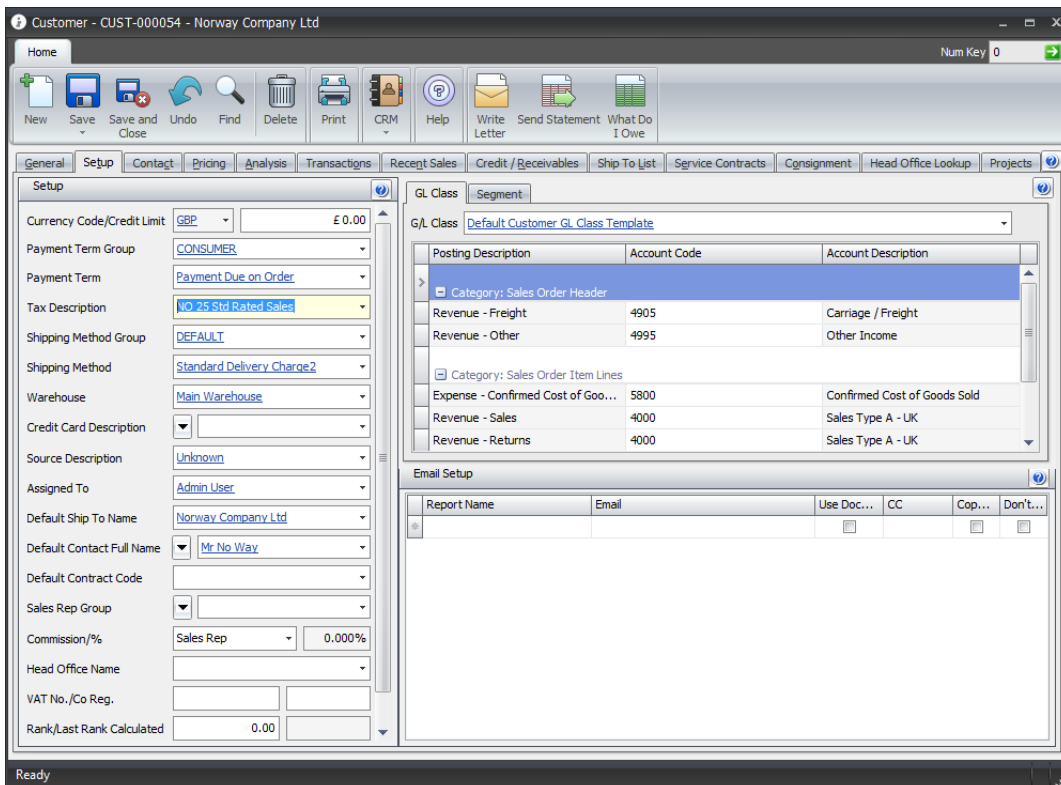
I created an example sales invoice. I kept it in GBP to keep it simple.

The SO uses the NO 25 tax code.

The 2230 Norway VAT Control account has been used instead of 2200.



Customer and Ship to Class Templates need the defaults for Norway changing to the new code so new customers get this code. We can use scripts to save time to do this.



Existing Customers and Ship Tos need to be updated to the new tax code. We can also use scripts for this.

**VAT Return Preview**

**Dangerous Toys R Us Ltd**  
 3000 Aviatory Way  
 Manchester  
 Greater Manchester  
 United Kingdom

Set Period by: Months  
 Start From: 16/12/2020 for 1 month/months.  
 VAT Cash Accounting

| VAT Category   | VAT Category Code | VAT Amount   |
|--|-------------------|--------------|
| Vat due in this period on sales and other outputs.   | 1                 | £ 15,356.54  |
| Vat due in this period on acquisitions from other EC Member States                                   | 2                 | £ 99.64      |
| Total Vat due (the sum of boxes 1 and 2).  | 3                 | £ 15,456.18  |
| Vat reclaimed in this period on purchases and other inputs. (Including acquisitions from EC Members) | 4                 | £ 20,320.96  |
| Net Vat to be paid to Customs or reclaimed by you. (Difference between boxes 3 and 4)                | 5                 | £ 5,114.78   |
| Total value of sales and all other outputs excluding any VAT.  | 6                 | £ 107,548.72 |
| Total value of purchases and all inputs excluding any VAT.   | 7                 | £ 118,497.73 |
| Total sales of goods/related services excluding VAT to EC members.                                   | 8                 | £ 976.19     |
| Total goods/related services acquisitions excl. VAT from EC members.                                 | 9                 | £ 952.74     |

**VAT Return Detail**

Code Description Goods Rate Tax Notional Rate Notional Tax

|   |                                |              |         |             |         |          |
|---|--------------------------------|--------------|---------|-------------|---------|----------|
| 6 | UK 1 Std Rate Sales            | £ 0.00       | 17.500% | £ 0.00      | 0.000%  | £ 0.00   |
| 6 | UK 3 Exempt Sales Transactions | £ 0.00       | 0.000%  | £ 0.00      | 0.000%  | £ 0.00   |
| 6 | UK 5 Lower Rate Sales          | £ 0.00       | 5.000%  | £ 0.00      | 0.000%  | £ 0.00   |
| 6 | UK 90 Reverse Tax Sales        | £ 0.00       | 0.000%  | £ 0.00      | 17.500% | £ 0.00   |
| 6 | NO 25 Std Rated Sales          | £ 570.00     | 25.000% | £ 142.50    | 0.000%  | £ 142.50 |
| 6 | UK 0 Zero Rated Sales          | £ 30,164.56  | 0.000%  | £ 0.00      | 0.000%  | £ 0.00   |
| 6 | UK 20 Std Rate Sales           | £ 75,831.97  | 20.000% | £ 15,166.39 | 0.000%  | £ 0.00   |
|   |                                | £ 107,548.72 |         | £ 15,356.54 |         | £ 0.00   |

When you are about to do a UK VAT return I would look at the values that make up Box 6. If you look at NO 25 Std Rated Sales in the example about you can see £570 Goods and £142.50 VAT.

We should do a vatable journal to put the £142.50 into goods. When doing the journal make sure the Journal Date is within the VAT Qtr. Enter a Reference like VAT QTR NO 25.

The journal should look like this:

**Journal - [To be generated]**

Journal Date: 16/11/2017  
 Reference 1: QTR\_123  
 Journal Type: General Journal  
 Fiscal Year: 2017  
 Journal Template:   
 Reference 2:   
 Fiscal Period: November 2017

| Account | Account Description    | Debit    | Credit   | Detail Description | Tax Type     | Tax Code              |
|---------|------------------------|----------|----------|--------------------|--------------|-----------------------|
| 2231    | Norway VAT Adjustments | £ 142.50 | £ 0.00   |                    | Output Tax   | NO 25 Std Rated Sales |
| > 2231  | Norway VAT Adjustments | £ 0.00   | £ 142.50 |                    | Output Goods | NO 25 Std Rated Sales |
|         |                        | £ 0.00   | £ 0.00   |                    |              |                       |

The reason we use 2231 nominal code is to keep adjustments separate from the 2230 nominal code and make reporting easier.

**VAT Return Detail**

**VAT Return Header**

| Code | Description                    | Goods        | Rate    | Tax         | Notional Rate | Notional Tax |
|------|--------------------------------|--------------|---------|-------------|---------------|--------------|
| 6    | UK 1 Std Rate Sales            | £ 0.00       | 17.500% | £ 0.00      | 0.000%        | £ 0.00       |
| 6    | UK 3 Exempt Sales Transactions | £ 0.00       | 0.000%  | £ 0.00      | 0.000%        | £ 0.00       |
| 6    | UK 5 Lower Rate Sales          | £ 0.00       | 5.000%  | £ 0.00      | 0.000%        | £ 0.00       |
| 6    | UK 90 Reverse Tax Sales        | £ 0.00       | 0.000%  | £ 0.00      | 17.500%       | £ 0.00       |
| 6    | NO 25 Std Rated Sales          | £ 712.50     | 25.000% | £ 0.00      | 0.000%        | £ 0.00       |
| 6    | UK 0 Zero Rated Sales          | £ 30.164     | 0.000%  | £ 0.00      | 0.000%        | £ 0.00       |
| 6    | UK 20 Std Rate Sales           | £ 75,831.97  | 20.000% | £ 15,214.04 | 0.000%        | £ 0.00       |
|      |                                | £ 107,685.25 |         | £ 15,214.04 |               | £ 0.00       |

**Transaction Details**

| Journal Code | Period        | Transaction Date | Supplier           | Customer No | Debit    | Credit   | Tax Type     | Tax Code              |
|--------------|---------------|------------------|--------------------|-------------|----------|----------|--------------|-----------------------|
| GRN-000538   | UNSPECIFIED   | 16/12/2020       | Norway Company Ltd |             | £ 0.00   | £ 400.00 | Output Goods | NO 25 Std Rated Sales |
| GRN-000538   | UNSPECIFIED   | 16/12/2020       | Norway Company Ltd |             | £ 0.00   | £ 100.00 | Output Goods | NO 25 Std Rated Sales |
| GRN-000539   | UNSPECIFIED   | 16/12/2020       | Norway Company Ltd |             | £ 0.00   | £ 100.00 | Output Goods | NO 25 Std Rated Sales |
| GRN-000543   | UNSPECIFIED   | 16/12/2020       | Norway Company Ltd |             | £ 30.00  | £ 0.00   | Output Goods | NO 25 Std Rated Sales |
| GRN-000544   | PIR-000002-08 | 16/11/2017       |                    |             | £ 0.00   | £ 150.00 | Output Goods | NO 25 Std Rated Sales |
| GRN-000545   | PIR-000002-08 | 16/11/2017       |                    |             | £ 150.00 | £ 0.00   | Output Goods | NO 25 Std Rated Sales |
| GRN-000546   | PIR-000002-08 | 16/11/2017       |                    |             | £ 0.00   | £ 142.50 | Output Goods | NO 25 Std Rated Sales |
|              |               |                  |                    |             | £ 180.00 | £ 892.50 |              |                       |

Now you can see the VAT element has been reduced to 0 and the goods has gone up.

The report we will use to do the Norway VAT return will list down all the Output Goods and Output Tax for the NO 25 Std Rated Sales tax code, ignoring any posted to nominal code 2231, the adjustments. If we allowed the adjustments we would owe nothing to Norway. You will be able to do a ledger or date range on the transactions. The list would be like the lists you get in the UK VAT reports. See below:

**VAT Return Report**

**Tax Code:** NO 25 Std Rated Sales  
**Tax Type:** Output Goods


| Journal Code | Period      | Date       | Entity Name        | Entity Code | Description  | Debit   | Credit  |
|--------------|-------------|------------|--------------------|-------------|--|---------|---------|
| GRN-000538   | UNSPECIFIED | 16/12/2020 | Norway Company Ltd | CUST-000054 | INV-000089/CUST-000054/1* SVGA Colour Monitor/Qty2.00 @ 200.00 | .00     | 400.00  |
| GRN-000538   | UNSPECIFIED | 16/12/2020 | Norway Company Ltd | CUST-000054 | INV-000089/CUST-000054/2* Wheels/Qty 1.00 @ 100.00 (SP)        | .00     | 100.00  |
| GRN-000539   | UNSPECIFIED | 16/12/2020 | Norway Company Ltd | CUST-000054 | INV-000089/CUST-000054/1* Wheels/Qty 1.00 @ 100.00 (SP)        | .00     | 100.00  |
|              |             |            |                    |             |  | Debit   | .00     |
|              |             |            |                    |             |  | Credit  | 600.00  |
|              |             |            |                    |             |  | Balance | -600.00 |

Date Printed: 16 December 2020 Page 1 of 33

Preview

File View Background

100%



**Dangerous Toys R Us Ltd**  
 3000 Aviator Way  
 Manchester Business Park  
 Manchester  
 Greater Manchester M22 5TG  
 United Kingdom  
 T 0845 032 7000 F 0845 032 8000  
 VAT Reg No. GB123 4567 89 Co. Reg. OC12345678

VAT Return Report

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Tax Code : **NO 25 Std Rated Sales**

Tax Type : Output Tax

| Journal Code | Period      | Date       | Entity Name        | Entity Code | Description   | Debit          | Credit         |
|--------------|-------------|------------|--------------------|-------------|---|----------------|----------------|
| G3RN-00538   | UNSPECIFIED | 16/12/2020 | Norway Company Ltd | CUST-000054 | INV-000000/CUST-000054/19" SVGA Colour Monitor/NO 25 Std Rated Sales/25.00% | .00            | 150.00         |
| G3RN-00538   | UNSPECIFIED | 16/12/2020 | Norway Company Ltd | CUST-000054 | INV-000000/CUST-000054/17" Wheels/NO 25 Std Rated Sales/25.00%              | .00            | 25.00          |
| G3RN-00538   | UNSPECIFIED | 16/12/2020 | Norway Company Ltd | CUST-000054 | INV-000000/CUST-000054/17" Wheels/NO 25 Std Rated Sales/25.00%              | .00            | 25.00          |
|              |             |            |                    |             |   | <b>Debit</b>   | <b>.00</b>     |
|              |             |            |                    |             |   | <b>Credit</b>  | <b>150.00</b>  |
|              |             |            |                    |             |   | <b>Balance</b> | <b>-150.00</b> |

Date Printed: 16 December 2020 Page 2 of 33

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**Dangerous Toys R Us Ltd**  
 3000 Aviator Way  
 Manchester Business Park  
 Manchester  
 Greater Manchester M22 5TG

VAT Return Report

Page 2 of 33 | 100%

The above allows you to be able to fill in the Norway VAT Return.