

Kinetic Country Specific Functionality (CSF) United Kingdom

Epicor manufacturing software puts more power at your fingertips, so work can happen when it needs to, wherever you are, on any device.

Payment Formats

The United Kingdom CSF package supports several payment formats for domestic and international payments.

SEPA – Single Euro Payment Area

The objective of SEPA is to help ensure that payments within Europe are as simple and efficient as those that occur within a single country. The SEPA payments use the Euro currency. Almost all European countries support the SEPA payment format, even those where the domestic currency is not Euro.

SCT - SEPA Credit Transfer

The unified SEPA Credit Transfer payment method replaces the previously used local payment systems denominated in Euro in Europe, both for domestic and cross-border payments.

SDD - SEPA Direct Debit

The SEPA Direct Debit is a pull-based payment method that allows a business to directly withdraw the payment from its customers bank account, for which a mandate needs to be signed by the customer. The debtor and the issuer of the invoice must each have an account with a Payment Service Provider (PSP) located in the SEPA area.

Others

Other payment formats such as BACS and others for various UK banks are available under Industry Extension package which will require additional licensing.

Electronic Tax Reporting (MTD)

Making Tax Digital (MTD) requires businesses to submit their key financial accounting data to Her Majesty's Revenue and Customs (HMRC) periodically.

Kinetic provides an application accredited by the HMRC to communicate the required data to the HMRC via REST APIs. It includes submission of tax declarations and viewing tax obligations, liabilities, payments and previously submitted tax returns. The MTD functionality uses tax box definitions for data collection.

The Group Tax Reporting feature is available in Kinetic 10.2.600 and later versions. With this feature, the companies sharing the same VAT Registration Number (VRN) will be able to submit their tax declarations as a single entity.



Benefits

UK MTD compliance

SEPA payments

Intrastat reporting

Construction Industry Scheme (CIS) support

Automate the configuration required to meet mandatory local requirements

Streamline transaction processing

Enable users to operate in their local language

Support global expansion through flexible and robust capabilities that do not require additional software

Reduce end-user training and total cost of ownership with consistent interface look and feel



Reports

Intrastat

Intrastat is the system used for collecting statistics on the trade and movement of goods between the member states of the EU. Organizations that are VAT-registered and trade in goods with other EU member states are required to provide details of these transactions in formats including CSV, XML or IDEP.

EC Sales List

The EC (European Commission) Sales Lists are used to report the VAT on sales between the countries in the EU. The EC Sales List contains information on sales and transfers of goods and services to VAT registered businesses in other EU countries.

EC Sales are reported by the calendar period and done on an accrual basis; therefore, the report is usually filed monthly or quarterly.

The report contains trading party information, total value of goods and services supplied in the book currency, and country code of the trading party.

Construction Industry Scheme (CIS)

Under the Construction Industry Scheme (CIS), contractors deduct an amount from the payments to a subcontractor and transfer it to the HMRC.

The CIS feature in the UK CSF package allows to:

- identify a supplier as a subcontractor
- validate the supplier CIS certificate number and expiry date in purchase orders and supplier invoices
- generate monthly payments and deduction reports for subcontractors
- generate monthly report export files on all payments made to the subcontractors and submit them to HMRC.

Note that there will be changes to the CIS rules starting from 1 October 2020.

Domestic Reverse Charge

Starting from 1 October 2020, there will be changes in the CIS rules for some construction and building services.

With this change, the supplier (i.e. subcontractor) will have to identify if their customer (i.e. contractor) is the end user (or final customer in the chain) or not.



If the recipient of the service is not the end user, but is VAT registered and the payment is subject to CIS rules, then reverse charge should apply; otherwise normal VAT rules should apply.

Therefore, subcontractors should ask their customers if they are the end user. The customer will have to inform the supplier that they are end users and that VAT should be charged in the normal way instead of being subject to the reverse charge.

The invoices with reverse charge should show the VAT rate, VAT amount and reverse charge reason.

Visit the HMRC site ([link](#)) to see the full list of services included and excluded in the Domestic Reverse Charge scheme.

Compatibility

- Kinetic 10.2 later versions

Quick Facts

- Capital: London
- Currency: British Pound (Sterling)
- Tax Body: HMRC
- Indirect Tax Regime: Value Added Tax (VAT)

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