

Correspondence received by the Authors' Licensing & Collecting Society from H M Custom and Excise dated 2nd March 1989

VAT Registration Number 440 4061 94

Self Billing: Notification of the Commissioners' Conditions

With reference to your request dated 6th December to adopt a self-billing system for VAT purposes in respect of payments made to authors.

The Commissioners are prepared to grant approval subject to your acceptance of all the following conditions:

1. Approval may be withdrawn, at anytime, if your need for self-billing ceases to exist, any irregularities occur, or any of the following further conditions are not observed.
2. Your authors must not issue tax invoices in respect of the transactions covered by your self-billing system.
3. You must NOT:
 - (a) issue self-billed tax invoices on behalf unregistered authors. If you do so any input tax deducted will be disallowed because you have no entitlement to it. If you have any reason to doubt the validity of the VAT registration number provided by your author you should ask your local VAT office to check it, before you issue the self-billed tax invoice; and
 - (b) issue documents to your authors, other than those required under 4(d) below. These are to be the only invoices issued in respect of the transactions covered by this agreement.
4. You must:
 - (a) keep and maintain an up-to-date list showing the names, addresses and VAT registration numbers of all your authors covered by the self-billing system;
 - (b) send a copy of that list to this office with your formal acceptance of these conditions;

- (c) provide Customs and Excise with an up-to-date list every 12 months;
 - (d) complete the self-billed 'tax invoice' showing the author's name, address and VAT registration number, together with all the normal details required on a tax invoice (paragraph 42 'The VAT Guide' refers).
 - (e) clearly mark each 'tax invoice' with the statement 'THE TAX SHOWN IS YOUR OUTPUT TAX DUE TO CUSTOMS AND EXCISE.'
 - (f) provide a copy of this agreement to all your authors covered by the self-billing system; and
 - (g) request your authors to notify you immediately if:-
 - (i) their VAT registration number is cancelled, or
 - (ii) they are issued with a new VAT number
5. You and your authors must comply with normal tax point rules in accordance with 'The VAT Guide' Chapter V.

Your written confirmation of acceptance of these conditions, together with the list required under 4(b) above, must be sent to this office within 28 days of the above date. You must also confirm, if you have not done so already, that all your authors to be covered by self-billing agree to this system. Unless otherwise agreed with Customs and Excise you are not authorised to adopt your self-billing system until confirmation of these conditions has been received.