

# UK VAT

*Last Updated: September 1, 2023*

## WHAT IS VAT?

VAT is the abbreviation of Value Added Tax. VAT is in general due when goods and/or services are sold. It applies to most goods and services that are bought and sold for use or consumption in the United Kingdom. It is a consumption tax because it is ultimately borne by the final consumer.

## WHO MUST PAY VAT?

Generally, VAT is invoiced by the supplier that is selling goods or services and collected from the customer. Subsequently, the supplier reports and remits the collected VAT to the tax authorities.

If you are a school or council customer, you should provide your VAT number to your customer success manager, email at [ar@seesaw.me](mailto:ar@seesaw.me) or add in the space provided on Seesaw's order form. If the VAT number is valid then no VAT will be charged on the supplies made to you by Seesaw. If you do not have a VAT number, then UK VAT will be charged on the supplies made to you by Seesaw.

## WILL SEESAW CHARGE UK VAT ON ITS SUPPLIES?

Effective from 1 October 2023 Seesaw will be registered for VAT in the UK.

Seesaw is established outside the UK. After careful consultation with our tax advisors, we have been advised that our offerings of subscription services (Seesaw for Schools and Seesaw Plus) should be subject to UK VAT in accordance with UK tax legislation. The rationale for this conclusion is that these services are considered to be electronically supplied services ('ESS') and as such have a UK place of supply whether they are made to business customers ('B2B') or private consumers ('B2C') in the UK.

Historically, we have treated our supplies under the general place of supply rules for UK VAT purposes (i.e., B2B supplies were subject to the reverse charge mechanism and B2C supplies were outside the scope of UK VAT). However as a result of the consultations that we have sought, a conclusion has been reached that our supplies of

subscription services should be treated as ESS and therefore our B2C supplies should have been subject to UK VAT at the standard rate.

The Isle of Man is treated as part of the territory of the UK for indirect tax purposes. On the basis that Seesaw is registered for VAT in the UK, Seesaw is required to collect and remit tax in the Isle of Man via Seesaw's UK VAT registration. Therefore, the term UK in this FAQ should be taken to include the Isle of Man.

## **WHAT THIS MEANS FOR OUR PREVIOUS SUPPLIES TO YOU**

Please note that in order to reduce the implications that this will have on our education partners, we will be amending our historical records to reflect the correct VAT treatment for the supplies made in the past, at no further charge to you.

## **WHAT IS A VAT ID NUMBER?**

A VAT identification number, or VAT registration number, is a unique number that identifies that a business is registered for VAT. Seesaw will not charge UK VAT to customers that have a valid UK VAT number.

A VAT number in the UK is a nine-digit number. Seesaw will validate customer VAT numbers to confirm they are valid. Seesaw reserves the right to request payment of VAT for any invoices issued by Seesaw without VAT where an invalid VAT number is provided by the customer to Seesaw.

## **DOES SEESAW HAVE A UK VAT ID NUMBER?**

Historically Seesaw did not have a VAT number. Seesaw has requested a UK VAT number from HM Revenue & Customs (HMRC) and the VAT number will be effective from 1 October 2023. The UK VAT collected on supplies will be paid by Seesaw to HMRC.

## **WHAT EXEMPTIONS ARE AVAILABLE AND HOW DOES A CUSTOMER NOTIFY SEESAW?**

Customers who provide a valid UK VAT number will not be charged VAT by Seesaw. Customers that provide a valid UK VAT number may be required to self-account for VAT via the reverse charge mechanism in the UK.

## **I BELONG TO A LOCAL AUTHORITY, WHERE CAN I FIND OUT IF THEY ARE REGISTERED?**

Based on our experience, we note that some education providers may not be VAT registered themselves, however, they may be captured under the VAT registration of the local authority that it is associated with. As such, where you believe that this may be the case, we recommend reaching out to your contact at the local authority to confirm this and obtain the VAT registration number where applicable.

## **HOW DO I ENTER MY VAT ID?**

There is space provided on the order form to submit your VAT registration number. You can also provide it your customer success manager or submit your VAT registration information to [ar@seesaw.me](mailto:ar@seesaw.me) referencing your Seesaw Quote number.

If submitting a PO, please include the VAT registration number on the PO.

## **WHAT HAPPENS IF I DO NOT HAVE A VAT ID?**

If an education partner is unable to provide a valid UK VAT number Seesaw will charge and collect UK VAT on its supplies.

It is very likely that schools in the UK has a VAT number if they have the following activities:

- Operating under local authority (e.g., community school, foundation school)
- Have business related activities like selling uniforms or other school supplies

## **HOW IS SEESAW DETERMINING WHICH CUSTOMERS UK VAT APPLIES TO?**

If you have not provided a valid UK VAT number, Seesaw will apply UK VAT where the 'Sold to' location is the UK. This information is subject to cross-referencing against other data to verify that the 'Sold to' country is accurate.

## **IS THERE A MINIMUM PURCHASE THRESHOLD BEFORE VAT IS APPLIED?**

No, VAT applies to all sales of Seesaw's services where a valid UK VAT number is not provided by the customer.

## **ARE THERE ANY OTHER EXEMPTIONS THAT APPLY IN THE UK?**

There are specific exemptions that can apply where supplies are made to NATO or other similar organizations based in the UK. These exemptions are uncommon. If you consider that this exemption may apply to you please provide details and evidence of this exemption to Seesaw at [ar@seesaw.me](mailto:ar@seesaw.me).

Are there any VAT obligations for me as a customer?

If you have provided a valid UK VAT number no VAT will be charged to you. However, you may have a requirement to report the purchase of services through your VAT return via the reverse charge mechanism.

## **WHAT IF I HAVE A VAT ID AND FORGET TO PROVIDE A VAT NUMBER?**

If entered before the next invoice, Seesaw will not charge VAT on the next invoice or future invoices issued to you. If no VAT number is entered at the time the next invoice is issued, VAT will be charged until a valid UK VAT number is entered.

If a valid UK VAT number is entered and VAT has previously been charged on the invoices issued to you, then upon request by you, Seesaw may refund for any VAT included on invoices issued in the thirty days prior to a valid VAT number being provided. However, VAT will not be refunded on any invoices issued outside of this thirty-day period.

## **IF I HAVE ENTERED MY VAT NUMBER WILL SEESAW ISSUE ME AN INVOICE?**

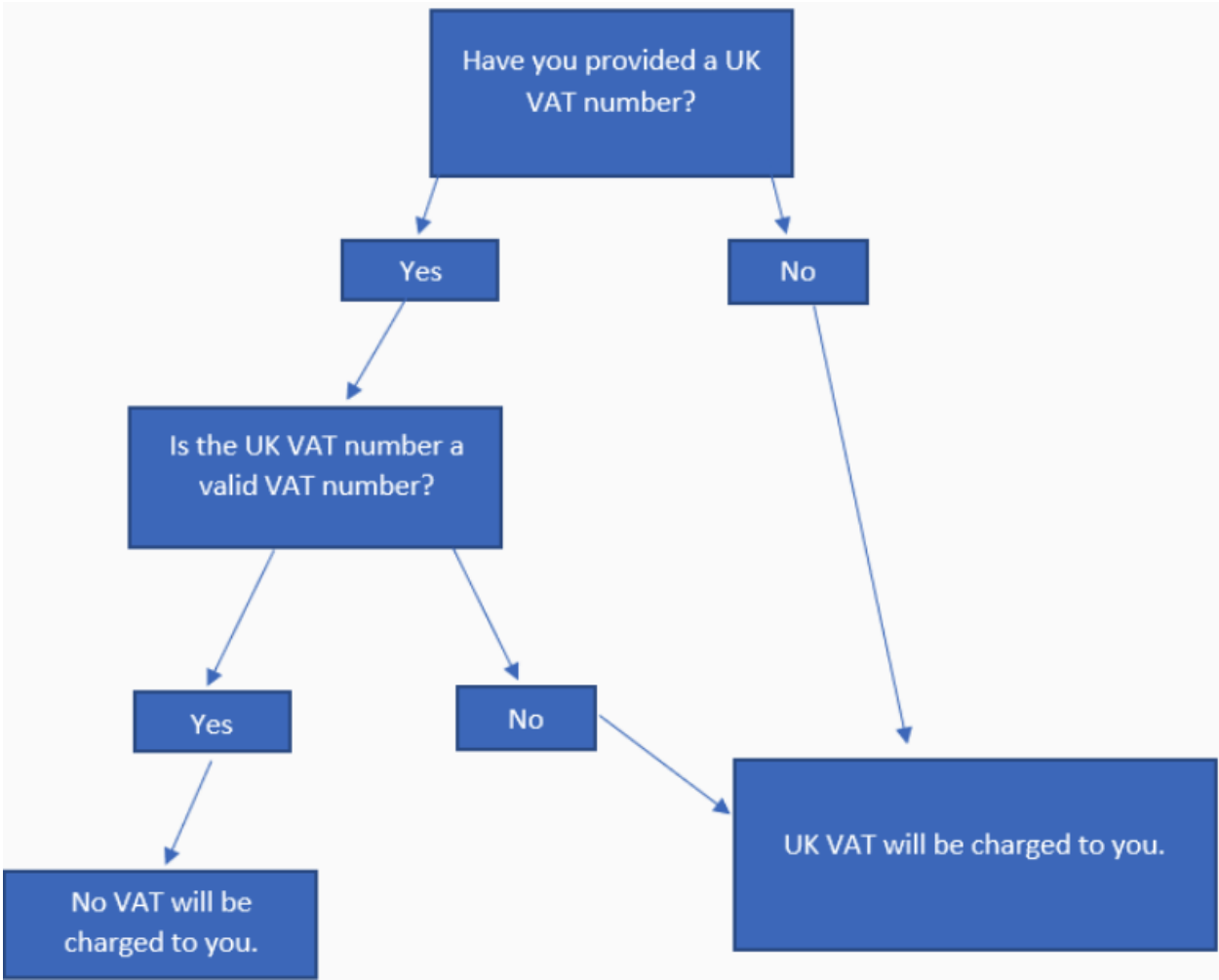
Yes, Seesaw will issue an invoice for all supplies made to schools and councils.

On the invoice you receive from Seesaw if you have entered your UK VAT number in your Seesaw account your invoice will show your VAT number, business name as well as other details specific to the supplies Seesaw makes to you.

# IF I DO NOT HAVE A VAT NUMBER WILL I GET AN INVOICE?

If you do not provide a VAT number, then UK VAT will be charged on the supplies made to you by Seesaw. This VAT will be shown on the invoice issued to you by Seesaw.

## DECISION TREE – WILL I BE CHARGED VAT?



## DISCLAIMER

Every customer is unique and so are their specific tax circumstances. The above stated information should not be considered as tax advice, but as a general overview of relevant tax rules. Seesaw cannot provide you with tax advice for your individual situation, and therefore we strongly recommend speaking with a professional tax advisor for tailored advice.

