

**EU VAT update - Irish increase the standard VAT rate from 21% to 21.5%**

In accordance with the new Finance Bill, published in the last few days, the standard rate of Irish VAT will increase from 21% to 21.5% with effect from 1 December 2008.

This means that any Irish VAT invoices raised on or after 1 December 2008 to VAT-registered clients should charge the new higher VAT rate of 21.5%.

Where an invoice is raised on or after 1 December 2008 to a client that is not VAT-registered, but the work being invoiced was actually provided before 1 December 2008, then VAT should be charged at a rate of 21%. This applies to clients that are not VAT registered only.

Credit notes and debit notes issued after 1 December 2008 to adjust for invoices raised/services provided before 1 December 2008 should reflect the VAT rate in force when the original invoice was raised/service was supplied.

The lower VAT rate of 13.5% remains unchanged.