PURCHASE TAX CODES
(not to be used for University Subsidiaries)

PP Standard Rate (20%)
Purchase from a UK supplier on which the University is charged the standard rate VAT- eg. petrol/diesel, soft drinks, alcohol. Also use for foreign currency invoices with UK VAT.

PF Reduced Rate (5%)
Purchase of fuel for domestic use (gas, electricity, oil).

PH Reduced Rate (12.5%)
From 1 Oct 2021 to 31 Mar 2022 ONLY, UK hotel accommodation, hot take-away food, meals and soft drinks, but not alcohol, consumed in catering premises such as restaurants and cafes.

PO Outside the Scope of VAT (Nil)
Payments that are not made in return for goods or services received (e.g. prizes, grants, or awards paid to students, bursaries or stipends paid to students) and taxes (Council Tax or Business Rates, Motor Vehicle Licence Duty).

PY Purchases - Services - Non-UK - Standard Rate - Rev Charge
Purchases of services from non-UK suppliers that will be subject to reverse charge VAT (turn over for guidance)

PZ Zero Rated (0%)
Purchase of train tickets, flights, books, other printed matter, e-books and e-journals but where no additional database services supplied. Purchases from suppliers which are not registered for VAT. Proforma invoices. Purchases from non-UK suppliers not subject to reverse charge VAT.

PM Zero Rated Medical (0%)
See guidance note on the Finance department's website 'VAT and Zero Rating of Medical Related Goods' for list of eligible purchases. A VAT exemption certificate will be issued for the supplier. PLEASE NOTE-this code is NOT to be used for payments of grant funding to collaborators or training we received from eligible bodies. The normal VAT coding rules should be applied.

PA Zero Rated Advertising (0%)
Payments for advertising using media external to the University e.g. publications, adverts on websites of external organisations. A VAT exemption certificate will be issued for the supplier.

Please email the VAT team at 'vat@reading.ac.uk' if you need any further information For examples of when to apply codes PY and PZ please see overleaf

SALES TAX CODES
(not to be used for University Subsidiaries)

ST Standard Rate (20%)

SF Reduced Rate (5%)
Sales of fuels for domestic use only (gas, electricity, oil).

SH Reduced Rate (12.5%)
From 1 Oct 2021 to 31 March 2022 ONLY: UK hotel accommodation, hot take-away food, meals and soft drinks, but not alcohol, consumed in catering premises such as restaurants and cafes, certain charges by Museums. Please refer to ‘Guidance note on temporary reduced rate of VAT for accommodation and catering’ for further information.

SO Outside the Scope of VAT (Nil)
Grant income, donations (where nothing is provided to the donor in return), and fines.

SZ Zero Rated (0%)
Sales of books and printed matter (hard copies only) maps and topographical plans. Sales of goods to overseas customers, and sales of services to overseas businesses.

SX Exempt from VAT (Nil)
Educational supplies (course fees, short courses, summer school, some conferences/workshops), supply of goods and services to students that is ‘closely related’ to education, rental income, and fund raising events for charities.
## Guidelines for Reverse charge

<table>
<thead>
<tr>
<th>PY</th>
<th>Purchases of services from non UK supplier SUBJECT TO REVERSE CHARGE VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consultancy services</td>
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<td>Scientific testing</td>
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<td>Access to database services</td>
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<td></td>
<td>Hire of stand at recruitment fair</td>
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<td></td>
<td>Publication of article in a journal</td>
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<table>
<thead>
<tr>
<th>PZ</th>
<th>Purchases from non UK suppliers – NOT SUBJECT to Reverse Charge VAT</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Expenditure where VAT/GST or other sales tax has been charged e.g. hotel in USA</td>
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<tr>
<td></td>
<td>Examination services</td>
</tr>
<tr>
<td></td>
<td>Books including ebooks and ejournals, but not where database services are supplied</td>
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<tr>
<td></td>
<td>Admission to an educational event outside UK</td>
</tr>
<tr>
<td></td>
<td>Goods costing &gt; £135 purchased from overseas supplier – VAT would have been charged at port</td>
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</tbody>
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