VAT Receipts & Invoices: What HMRC Accepts (And Why It Matters for Everyone)

Whether you're self-employed or running a business — **VAT-registered or not** — understanding what counts as a valid VAT receipt is essential. Why? Because:

1. It ensures accurate recordkeeping
2. It supports expense claims
3. It keeps you compliant under **Making Tax Digital (MTD)**

Types of VAT Invoices

- **There are 3 main types:**
    1. Full VAT Invoice – used for supplies to VAT-registered customers.
    2. Simplified VAT Invoice – used for retail sales under £250 (including VAT).
    3. Modified VAT Invoice – used for retail sales over £250 (can show VAT-inclusive prices).

1. A Full VAT Invoice must contain the following details:

a. Unique invoice number
b. Seller's name, address and VAT registration number
c. Invoice date
d. Tax point (if different from invoice date)
e. Customer's name and address
f. Description of goods or services supplied
g. Quantity of goods or extent of services
h. Unit price (excluding VAT)
i. Rate of VAT charged (e.g., 20%, 5%)
j. Total amount excluding VAT
k. Total amount of VAT
l. Total amount including VAT

2. A Simplified VAT Invoice (for sales under £250) must contain the following details:

a. Seller's name, address, VAT number
b. Invoice date
c. Description of goods/services
d. Total payable including VAT
e. VAT rate(s) charged OR a statement that VAT is included

Note: This type is often used in shops, cafes, or small service transactions.

3. A modified VAT Invoice (Used in retail sales over £250), allows prices to be shown inclusive of VAT, but must include

a. All items from a full VAT invoice
b. Total amount including VAT for each item
c. VAT-inclusive unit prices (in addition to net/VAT breakdown

What HMRC Will Accept as a VAT Receipt?

For self-employed/self-assessment or businesses, HMRC will accept the following as VAT receipts **if they include** the required information:

- Paper or digital copies (PDFs, photos, scans)
- Till receipts (if they meet simplified invoice rules)
- Invoices from online platforms (Amazon, eBay, etc.), if the supplier is VAT-registered and the invoice includes required details
- Subscription receipts (e.g. software) that include VAT registration number

What HMRC Will Not Accept?

- Receipts/invoices without a VAT number (unless it's from a non-VAT registered business)
- Handwritten notes without full details
- Bank statements alone (not a substitute for a VAT receipt)
- Pro forma invoices (not valid for VAT reclaim)
- Order Confirmations
- Quotations

Why It Matters — Even If You're Not VAT Registered:

Under **Making Tax Digital (MTD)**, nearly all self-employed individuals and businesses must:

- Keep **digital accounting records**
- Submit income and expense data through **compatible software**

Acceptable VAT receipts help maintain accurate, claim-ready records — crucial for **expenses, bookkeeping, and audits**.