Release information: Opera 3 (2.80.00), Pegasus Web Xchange (PWX) (2.20.00) and Scheduler (2.20.50)

This release includes functional improvements to support Postponed VAT Accounting, updates for Making Tax Digital – Fraud Prevention Headers, a technological and functional uplift to PWX and some general maintenance for Opera 3. For a full list of corrected defects please go to the Infor Support Portal: https://support.infor.com/allogin/allogin.aspx

Postponed VAT Accounting

On 1 January 2021 the transition period with the European Union (EU) will end and the United Kingdom (UK) will operate a full, external border which means that controls will be placed on the movement of goods between Great Britain (GB) and the EU.

Postponed VAT Accounting (PVA) is also being introduced from 1 January 2021 for all imports of goods. This means that UK VAT registered traders will be able to account for the import VAT on goods imported into the UK on their VAT returns and pay and recover import VAT on the same VAT return. This measure will apply to goods imported from all countries, both EU and non-EU.

When PVA is in use, import VAT will now (for the first time) be accounted for on the VAT Return and not handled/paid separately at the point the goods are imported into the UK.

Specifically, PVA will:

- Allow VAT registered traders to account for import VAT on their VAT return for goods imported from anywhere in the world (i.e. from both non-EU and EU countries).
- Maintain the current cash flow position for goods imported from the EU (currently acquisitions).
- Provide a cash flow benefit for traders importing goods from non-EU countries who currently must pay import VAT at (or soon after crossing) the UK border.

In most cases, traders can choose whether to use PVA. They can choose when to start using PVA, and can use it for some declarations, but not others. Traders will also need to consider how they account for and pay VAT on imported goods. Traders will then have up to six months to complete customs declarations. While tariffs will be

payable where due on relevant goods, payments can be deferred until the customs declaration has been made.

From 1 January 2021 to 30 June 2021, under the staged approach to import controls, there are some instances where the use of PVA is mandatory. Traders who import standard (non-controlled) goods from the EU to GB can:

a) Use existing customs processes to complete a standard customs declaration at the point of entry to the GB; or
b) Use Simplified Declaration Procedures (if authorised to do so); or
c) Use Deferred Declarations: they can defer the declaration for up to six months from the point of import. They must keep records of the goods to make the declaration at a later date.

Traders using (b) or (c) must use PVA. Traders using (a) can use PVA if they wish.
If goods are initially declared into a custom's special procedure (e.g. customs warehouse), PVA can be used when the goods are declared into free circulation from the special procedure.

PVA can be used for excise goods when they are released for home consumption. This includes when goods are released from an excise warehouse after being in duty suspense since the point of import. Non-VAT registered traders cannot use PVA and continue to pay their import VAT as they do now when they make a customs declaration. VAT Collection on imported goods below £135 will move away from the time of import.

PVA for Opera 3

Opera's VAT Return Adjustments capabilities has been extended to meet the necessary requirements to adjust the VAT return for Opera 3.

Opera 3 users will continue to use the same kind of VAT codes as they currently use at present, then use Opera's existing VAT Return Adjustment facility to adjust any import VAT related figures on the VAT Return as required.

The way in which PVA will operate (in particular the fact that the business's online Import Statement for the month will not be made available by HMRC until after the end of that month), the user will at times have to estimate the import VAT related figures on the VAT Return, and hence amend those figures by use of VAT adjustments, and then, make good again as needed when they have received their online statement from HMRC (again, by use of VAT adjustments).

Users can also create new VAT codes specifically for PVA import and exports, if desired, to help with reporting on those VAT codes. However, Opera 3 will still enforce the current restrictions/capability of VAT codes based on existing EU and non-EU rules (i.e. in terms of which boxes on the VAT Return get updated by associated postings).

The various VAT reports (including, where EC VAT is in use, the EC VAT Reconciliation report) will assist the user in the reconciliation of the estimated and actual figures for import VAT for a specific VAT period.

The VAT adjustments required relating to import VAT will vary depending upon whether customers use the Opera EC VAT module or not; e.g. where EC VAT is in use, and purchases from the EU are entered into Opera 3, the VAT Return will still be updated with values specific to the EU (acquisition tax for example) in which case the associated VAT adjustments required for PVA will also need to undo (make good) the VAT Return boxes specific to the EU purchases (i.e. Box 2 – VAT due on Acquisitions from EU, Box 9 – Total Value of All Acquisitions).

Where the EC VAT module is not already in use, then VAT adjustments will still be needed for PVA imports, e.g. to ensure VAT Return Box 1 – VAT due in this Period, Box 4 – VAT Reclaimed on Purchases, are corrected.

Changes introduced into Opera 3 to support PVA include:

Company Profiles – To move goods between the UK and the EU from 1 January 2021, businesses must obtain an Economic Operators Registration Identification number (EORI) from HMRC. Opera 3 Company Profiles form has been enhanced to include an EORI field for the business to record their EORI. That means this information can be included on various reports and documentation etc. produced by Opera 3 as/if required by the customer.

VAT Codes – Opera's VAT Code maintenance form has been enhanced to allow the user to specify whether a 'J type' VAT code specifically relates to PVA adjustments or not (i.e. a 'Use VAT code for PVA adjustments' flag). This flag will then allow PVA specific VAT report filtering.

VAT Adjustments – Previously VAT adjustments could only be posted from the MTD VAT Centre within Opera 3; changes have been made to make those 'J type' VAT adjustments available for use regardless of whether MTD is in use or not.

EC VAT Reports – For those customers who use the EC VAT module, when they continue using their existing VAT codes for EU purchases when PVA is introduced, the postings within Opera will still calculate and record acquisition tax on the VAT Return. Therefore to make it easier to see how much acquisition tax is recorded against the VAT transactions that make up the figures on the VAT Return, the EC VAT module's *VAT Reconciliation* report will have its Excel report variant extended so as to also include (as a separate column) each transaction's value of acquisition tax (i.e. the transactions on the VAT Return Box 2 – VAT due on Acquisitions).

VAT Reports – Various 'detailed' VAT reports have had their UI selection criteria enhanced to allow the reporting on just PVA related VAT adjustments; this will assist users in reconciling estimated and actual figures for import VAT. We have also taken the opportunity to include a VAT transaction's acquisition tax value in the Excel variant of the *Detailed VAT Values* report (i.e. as a new separate column).

Scheduler (2.20.50) Making Tax Digital (MTD) – Fraud Prevention Headers

This release also includes some refinements to the MTD Fraud Prevention Headers following feedback from HMRC. Therefore, all customers who are mandated for MTD should apply these changes at their earliest opportunity to remain compliant. The consequences of not applying this update may lead to the customer's VAT return failing submission sometime in the future when HMRC apply the full validation process to MTD Fraud Prevention Headers. For Opera 3 SQL SE the client DLL has been updated.

Pegasus Web Xchange (PWX)2.20.00

This is a technological and functional release of PWX to support large Payroll datasets. As such both the data extraction and upload routines have been completely rewritten to allow data to be uploaded to PWX in batches. The impact of these changes will see significant performance improvements, particularly in the upload process and in large datasets, where we expect customers to see a noticeable difference.

Other functional improvements include:

Settings webpage – This webpage has been enhanced to allow the user to set the batch size in terms of the number of employee records to be uploaded in a batch, and also an option to determine whether all PSS payslips will be uploaded during a resynchronization event.

Service History webpage – This webpage now includes two new options to allow the content of the event grid to be filtered – one to allow Timesheets workflow

events to be filtered out of the event grid, and one to allow Windows events to be filtered out.

Event detail webpage – This webpage has also been enhanced such that, where data has been uploaded in more than one batch, an *Event breakdown* tab will be displayed which, when selected, will display a new *Event breakdown* webpage. *The Event breakdown* webpage, or webpages if more than 25 batches, will provide a summary of the content of each batch, and will also allow the PWX user to drill-down into each batch and display details of the batch status (which will be most useful where a batch has failed to upload or generated an upload warning).