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Yes, VAT is definitely going back up to **17.5% as of 1 January 2010**. Some small concessions are available to pubs and clubs partying until the early hours, but by 6.00am everyone will have to have switched from 15% to 17.5%.

Retailers will be allowed to add the extra VAT at the tills for 28 days, but after that, they have to re-price their stock prices to be inclusive of 17.5%.

The **Flat Rate scheme** percentages have been adjusted to reflect the increase – but beware, it is not a simple 2.5% increase. Many rates have been adjusted and increased to a higher rate than before the drop in rate last year.

Don't forget the changes in the **EU Cross-border supply of services** come into effect 1 January 2010. The rules are complicated, so please speak to us if you think your business may be affected by these changes.

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