

Xero Domestic Reverse Charge Setup Instructions

Please note that the following settings can only be edited with users who have the “Standard” or “Adviser” roles on Xero. If you cannot follow the instructions fully as certain options or settings do not appear for you, then please contact one of the team who will be able to set this up for you.

Firstly, please login to Xero as you would normally. Once you are logged in, you should be able to see a top bar with four options, just to the right of your organisation’s name. Of these, click on the “Accounting” drop down and then click on “Advanced”, this will take you to the advanced settings section of Xero.

Next, under the right-hand column titled “Advanced settings” click on the “Tax rates” option. Now you will see a list of all the available tax rates currently setup on your Xero account, just above this list will be two buttons, click on the blue “Add Domestic Reverse Charge Tax Rates” button. A pop-up should now open detailing the four new tax rates that will be added to your Xero, to finalise adding the new tax rates simply click on the green “Add Domestic Reverse Charge Tax Rates” button.

The new tax rates have now been added to your Xero and are ready for you to use. When you create a new sales or purchase invoice on Xero that is subject to the domestic reverse charge please ensure that you select the new domestic reverse charge tax rate that is appropriate.

For help and guidance on what sales and purchases will be subject to the domestic reverse charge, please see our recent letter and article on our website and if you have any queries or other issues then please contact one of the team.