Applying Reduced VAT Rates

July 2020 Guide for iikoWeb Users (Basic Plan)

In response to the Chancellor of the Exchequers announcement of a reduced 5% VAT rate from Wednesday 15th of July on Eat In and Takeaway Food, along with Accommodation and Tourist Attractions transactional items, we have produced a guide for iiko customers to implement this update.

Updated VAT guidance on products affected can be found here:

https://www.gov.uk/guidance/food-products-and-vat-notice-70114

This guide has been prepared for iiko users who have access to iikoWeb.

Setting up the new reduced VAT Rates

Sit back and relax – iiko has done the first part for you. There are two new reduced VAT Rates in your iikoWeb application.

- VAT Reduced (5%)
- VAT F Reduced (a reduced VAT rate that changes for eat-in and takeaway orders)

You can use VAT Reduced to replace Standard Rate VAT.

You can use VAT F Reduced to replace VAT F.

VAT F and VAT F Reduced categories switch the VAT rate to 0% for Takeaway orders.

Assigning items to the new VAT categories

The new categories have been added at 20%. This will allow you to start to allocate the items you need to change now before the actual rate change on 15th July.

Any products you change to the new setting prior to that date will automatically update the till and still record at 20%.

Overnight and before you start trading on the morning of the 15th July, we will run an automatic process to change the rates to 5%.

This allows you time to set-up your changes on Menu Items before the 15th without affecting your current VAT scheme.

Changing the VAT link to the reduced rate on Menu Items, Modifiers and Products in iikoWeb

Log into your iikoWeb and from the console select Menu & Prices
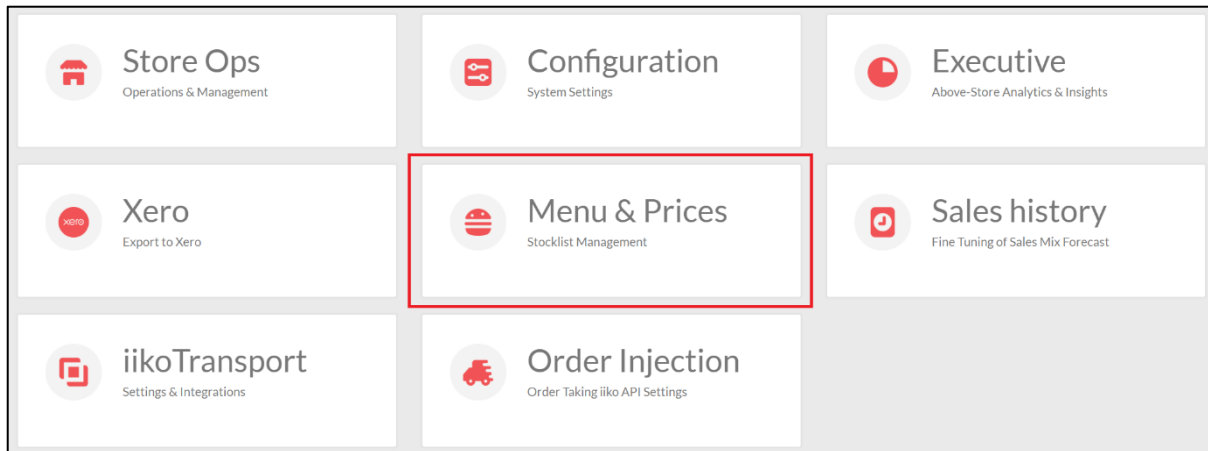
Navigate to DISHES and then select the first grouping where you would like to start amending the TAX Category on the Items.
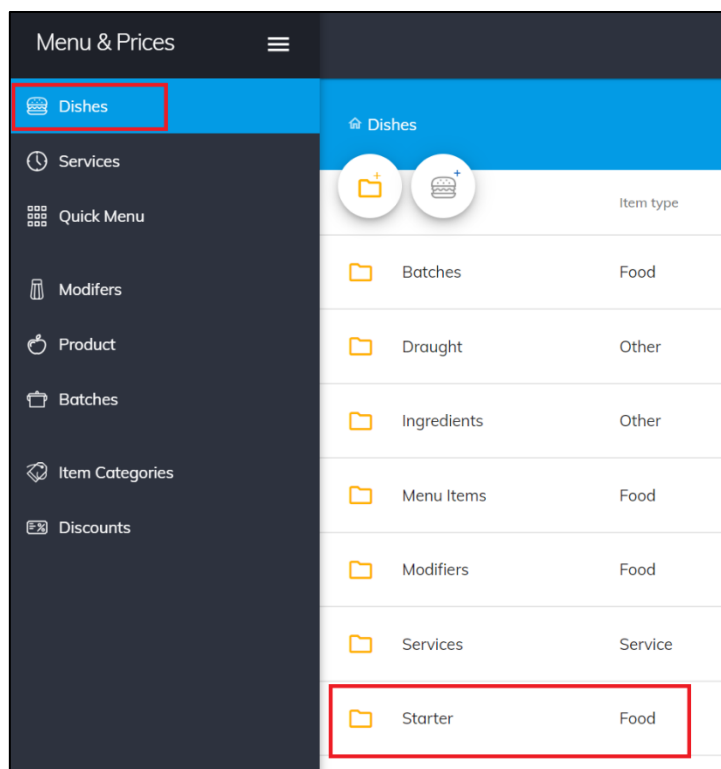
From the list of the Dishes (Items) in the Grouping you can see the current TAX Category set against the Dish. If you wish to change the Tax Category press the [pencil] symbol at the end of the row to edit.

Within the Dish press on the dropdown for the Tax Category.
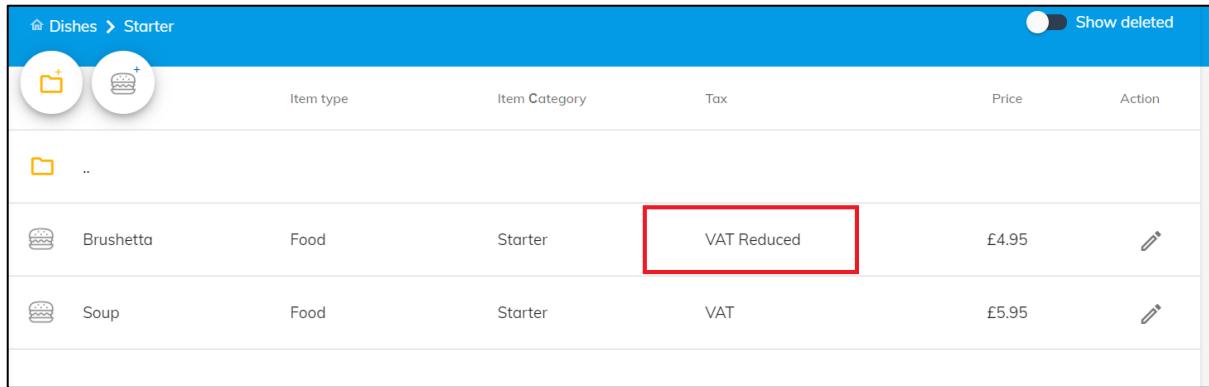
And choose the applicable VAT Reduced Rate.


Press Save and on returning to the list of dishes within the grouping you will see that the TAX has been updated.

|	Item type	Item Category	Tax	Price	Action
..					
Brushetta	Food	Starter	VAT Reduced	£4.95	✏️
Soup	Food	Starter	VAT	£5.95	✏️

Repeat the process of changing the Tax for other dishes within the Group and then other Groupings. You can get back to a list of the other groups by pressing on Dishes.
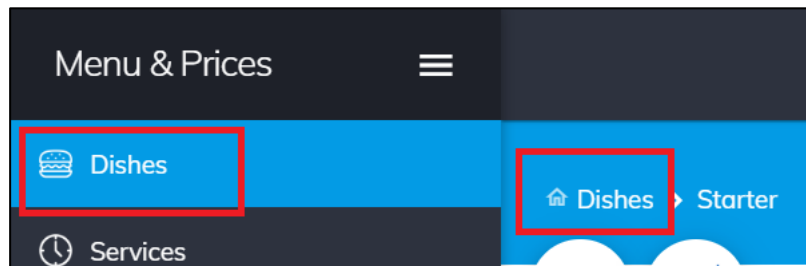
If you are also selling Products and/or Modfiers at the POS Terminal and these have TAX which needs to be changed to the Reduced Rate, then they can be accessed in the same way as Dishes, but by choosing either Products or Modifiers from the navigation menu on the left of the screen.
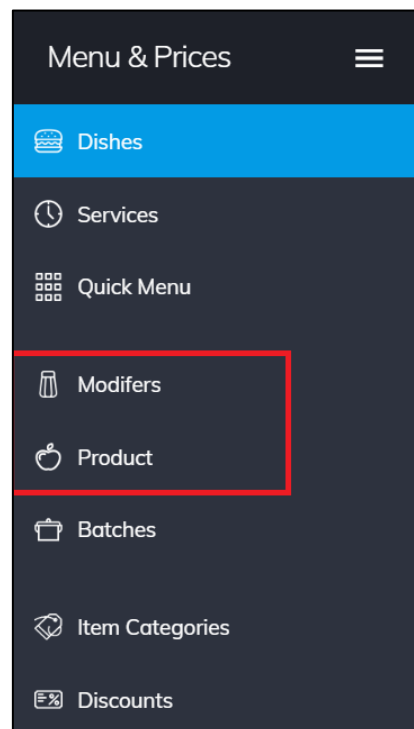
What happens next?

Your amendments will be reflected in your iikoFront Terminal(s)

You can continue to trade as normal and overnight between Tuesday 14th July and the morning of Wednesday 15th July we will automatically change the reduced VAT rates to 5%, but due to the Menu items changes you have made in advance everything will be ready in advance.