UNITED KINGDOM TAX | E-INVOICING · VAT · BUDGET 2026

UK Budget 2026: e-invoicing from April 2029, marketplace VAT and a new Securities Transfer Tax

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The UK Budget on 28 October 2026 confirms prescribed electronic VAT invoices from April 2029 and opens a Digital Reporting consultation until 20 January 2027. Online marketplaces will collect VAT on UK business sales from October 2027, and a Securities Transfer Tax will replace Stamp Duty and SDRT from late 2027.

Country reference

- **Country:** United Kingdom
- **Authorities:** HM Treasury; HM Revenue and Customs (HMRC)
- **Topic:** Budget 2026 - VAT, e-invoicing, stamp taxes and payroll
- **Key date:** Budget published 28 October 2026; consultation closes 20 January 2027
- **Law:** Next Finance Bill and secondary legislation (Budget 2026 Overview of Tax Legislation and Rates)

What changed

On 7 October we said the e-invoicing roadmap was due at the Budget. The Budget now confirms the April 2029 start and opens the next consultation. It also changes how VAT is collected on platforms and how share transfers are taxed.

VAT and e-invoicing

- **E-invoicing:** prescribed electronic VAT invoices will be required from April 2029.
- **Digital Reporting:** a consultation on reporting invoice data to HMRC runs until 20 January 2027.
- **Online marketplaces:** from October 2027, platforms will collect VAT on sales by UK VAT-registered businesses and by other UK businesses with sales of at least £90,000 a year on that platform. The threshold and date will be set in secondary legislation in 2027.
- **Energy:** the VAT cut on electricity is extended to 1 July 2027.

Stamp taxes and payroll

- **Securities Transfer Tax:** to be introduced from late 2027 by commencement order, replacing Stamp Duty and Stamp Duty Reserve Tax on shares.
- **Benefits in kind:** mandatory payrolling of benefits in kind starts from 6 April 2027 for most benefits, with others from 6 April 2028.
- **Investment income:** rates on savings and property income rise to 24%, 44% and 49% from 6 April 2027.

What to do now

- Start an e-invoicing readiness review for UK entities: ERP, supplier and customer data, and invoice formats.
- Respond to the Digital Reporting consultation by 20 January 2027 if your group has views on scope or timing.
- Sellers on UK marketplaces: check how platform VAT collection will affect pricing, cash flow and returns.
- Treasury and legal teams: plan for share transfer processes under the new tax.
- Payroll: prepare benefit data for real-time reporting from April 2027.

Our take

The UK is now firmly on the same path as the UAE and Saudi Arabia on e-invoicing, with a longer run-in. Gulf groups building e-invoicing systems for 2027 should design them to cover the UK too. The digital reporting detail is still open, so watch the consultation.

Sources

- UK government: Budget 2026 - Overview of tax legislation and rates (OOTLAR), paras 1.24, 1.55, 1.58, 1.64 (28 October 2026)
- HM Treasury: Budget 2026: Breathing space for today, hope for the future (28 October 2026)

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