



Changes to UK VAT rules

Following the United Kingdom's exit from the European Union, the UK Government introduced some important changes to VAT rules for importers and exporters.



VAT on imports under £135

Import VAT on goods entering Great Britain (England, Scotland and Wales) with a total value of £135 or less (excluding freight and insurance cost and any other identifiable taxes and charges) has been replaced by supply VAT which is charged by the seller at the time of sale and accounted for by the seller on their regular VAT return. There is no import VAT collected at the time of import.

The £135 limit applies to the total value of a consignment that is imported, not the separate value of individual items included in the consignment.

If you are an overseas seller and you send goods with a total of £135 or less directly to UK consumers (private individuals and non-VAT registered businesses) you must have a UK VAT registration number. In order to get this, you must establish a UK Government Gateway account – it's simple to apply and you will only need your email address.

You don't need a UK VAT registration number if you only sell to UK VAT registered businesses.

If this is the case, you must quote the buyers UK VAT number on the commercial invoice with a note "reverse charge: customer to account for VAT to HMRC".

You can check if the VAT number you were provided with is valid using this [link](#).

For shipments under £135 to Northern Ireland the same process as goods to GB (England, Scotland and Wales) should apply. The difference is that this is not supply VAT but remains import VAT, and is still the responsibility of the overseas seller to account for at time of sale. If NI buyer is VAT registered then the NI buyer's VAT number should be quoted on the commercial invoice with a note "reverse charge: customer to account for VAT to HMRC"

If your sales are facilitated by an Online Market Place, they will be responsible for accounting for VAT.

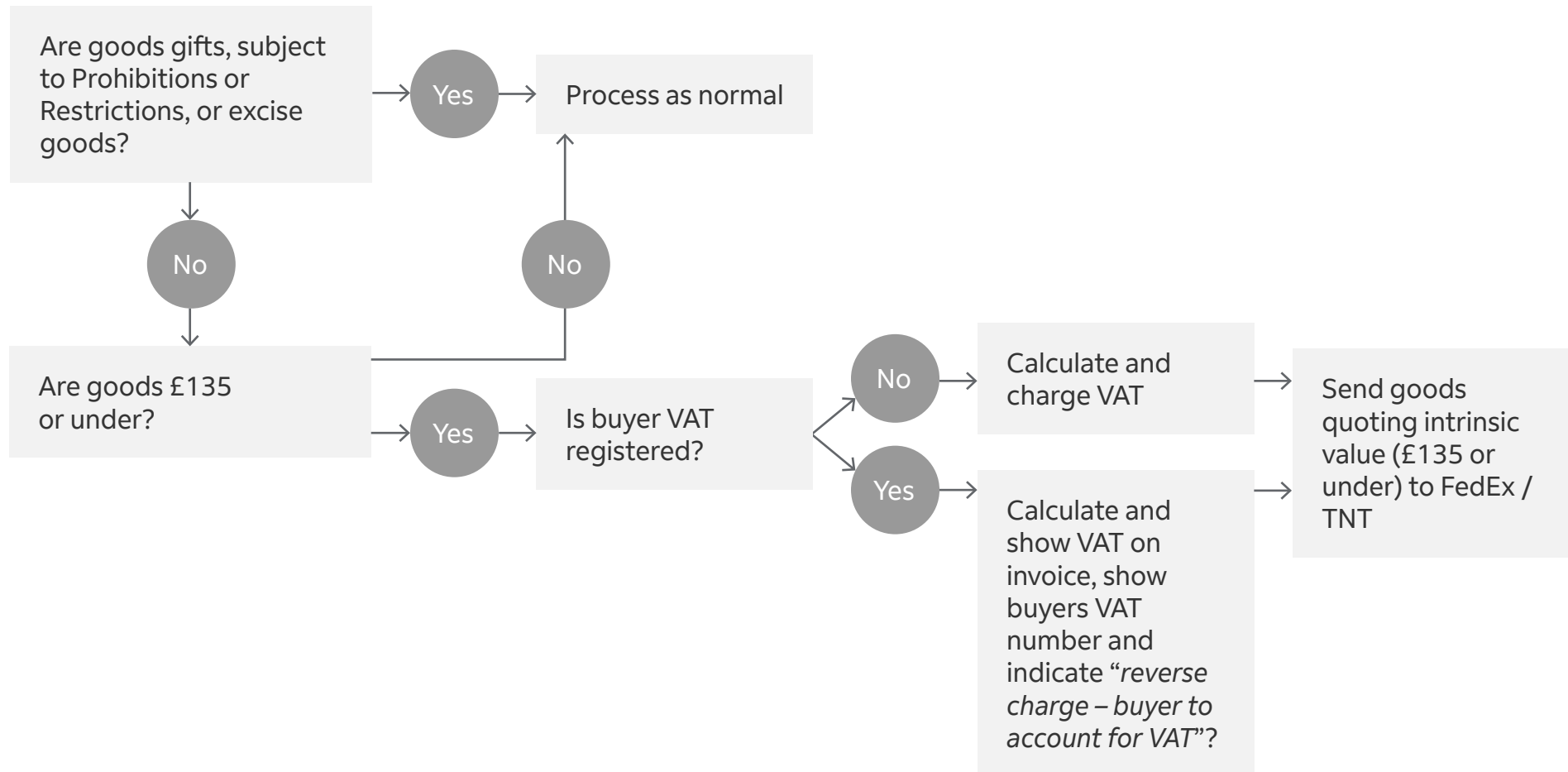
In order to charge VAT at the correct rate you must know the specific description of goods you are selling, and their UK VAT rates.

You must keep a record of goods you sell and ensure you have full information to apply the correct VAT treatment to them.

There are some exclusions from this scheme, and normal import VAT should apply to them:

- Excise goods
- Consumer to Consumer shipments (e.g. gifts)
- Shipments from Jersey and Guernsey that are covered by the Import VAT Accounting Scheme

Goods entering UK under £135 in value



Postponed VAT Accounting

Postponed Vat Accounting (PVA) is the scheme introduced by HM Treasury for all UK VAT registered traders and applies to imports with a commercial value greater than £135. PVA enables UK VAT registered importers to account for import VAT on their regular VAT return.

There are many benefits to using Postponed VAT Accounting which include:

- Maintaining uninterrupted cashflow;
- Reducing administrative burden;
- Preventing delays to imports.

Following the latest guidance from HMRC, FedEx will assume that all UK VAT registered importers want to take advantage of the PVA, unless we are instructed otherwise.

If you do not wish to use PVA, please ensure that you inform FedEx directly using the email address: pvaupdates@fedex.com – please include your company name, address and VAT / EORI number in the email.

More information regarding PVA can be found [here](#).

Completing your VAT return to account for import VAT

- You must register for Customs Declarations System (CDS) in order to view and download your monthly statements in PDF format. Click [here](#) to subscribe for the service.
- In order to register for CDS you need:
 - Government Gateway User ID and password;
 - GB EORI number;
 - Unique Taxpayer Reference;
 - National Insurance Number (if an individual or sole trader);
 - The business start date.
- Ensure you use an identical address to the one held on the UK Government database for your business.
- The first monthly PVA statements will be available in early February showing total import VAT postponed in January.
- Each member of a VAT group that imports goods will have a unique EORI number and should sign up for CDS to access their statement. The representative group member will have to collate the statements to complete the VAT return.
- Non-established taxable persons don't need a Unique Taxpayer Reference to sign- up for CDS.
- C79 Import certificates will still be produced if PVA is not selected on the customs declaration.



Low Value Consignment Relief

The current Low Value Consignment Relief scheme where goods under the value of £15 were not applicable for VAT has been removed. This means all shipments imported into the UK from any country in the world are now liable for VAT.

