

Welcome

Free Masterclass Series – Postponed VAT Accounting

1st July 2021

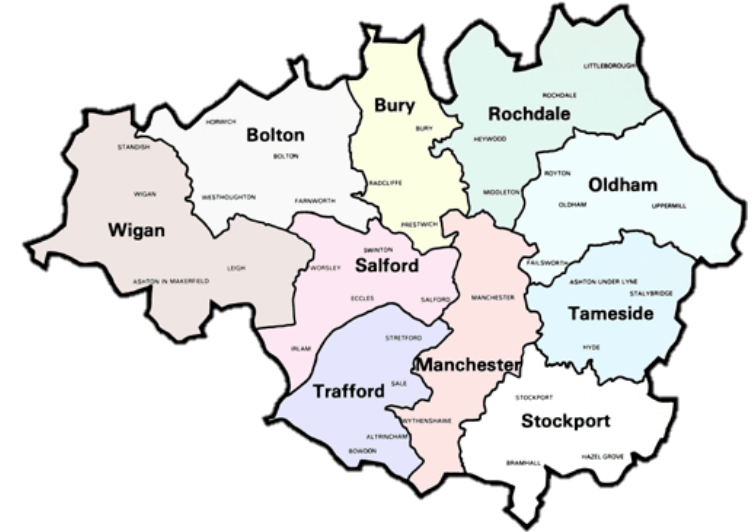


Greater Manchester
Chamber of Commerce



Greater Manchester Chamber of Commerce

- ❑ **Largest** accredited Chamber of Commerce in the UK (4,600 members)
- ❑ Cover the **10 local authorities** in Greater Manchester
- ❑ Wide range of **business support** services available
- ❑ We process over **38,000 export documents** a year



Awards:

2017/18 – Chamber of The Year

2015/16, 2018/19, 2019/20 – Excellence in International Trade Services

Top 3 sectors:

Manufacturing & Engineering



Property & Construction



Business & Financial Services



Getting Started



International Trade Information Hub



Online International Trade Readiness Assessment



Market Identification Service ●



International Trade Events



Trade Forums & Meet the Expert Event ●



Online Trade Library ●



Export Support via UK's Department for International Trade (DIT)

Planning for Success



Developing your int. trade strategy Action plan free guides



Int. Trade Strategy Tailored support ●



Customs Compliance & Certificates of Origin (RoO) Audit ●



GMCC Brexit Hub



International Trade Courses ●



LinkedIn GM Chamber International Trade Group



Basic Market Research Services ●

Making Connections



In-depth Market Research & Entry services ●



Chinese Market Entry via Crayfish.io ●



Middle East Market Entry via Consultics



UK Partner Search Facility ●



Trade Missions, B2B Market visits & more ●



Business Opportunities (Export, Import, Investment) ●

Getting Paid & Financing



Export Finance & Funding Information



Foreign Exchange Service, powered by AFEX ●



Chamber Credit Insurance via Credit Risk Solutions ●



UK & International Credit Checks ●



Letter of Credit Checking Service ●

Documentation & Delivery



Export Documentation (e.g. CoO, ATR, EUR1, ATA carnets, etc) ●



Customs Declaration Service ●



Export Shipments via DHL – 50% off on 1st year of exporting ●



Cover my Cargo – Cargo insurance powered by AB Insurance



International Business Contact Database (e.g. freight, translators, accounting, legal, overseas investment, etc)

- Exclusive only for members
- Preferential or nil rate for Members
- Chargeable Service

Other services available free of charge to any UK company.

Basic Research Services

- Trade Flows between UK and other markets
- Demand/Supply trade values for specific products
- Overall high level stats
- Overall sector global trends

In-Depth Market Research & Entry Services include:

- Event Management Services: Service/Product Launches
- Marketing & Promotion
- Partner Identification (raw and unvetted, vetted/verified and warm introductions)
- B2B Programme in-country, Market Visits, Study Tours, etc
- Global introductions to our Network of Partners in the UK and overseas (e.g. embassies, other chambers of commerce, etc)
- Market Research: Competition analysis, routes to market, marketing and logistic considerations, documentation, local relevant certifications and regulation compliance, etc.



POLL 1



VAT changes to the importation of goods into GB

Greater Manchester Chamber of Commerce
1 July 2021



HM Revenue
& Customs

OFFICIAL



Customs

- The UK has introduced border controls following the end of the transition period in stages. This has started with some controls from 1 January 2021, and moving to full customs controls for all goods from 1 January 2022.
- Import declarations, Traders moving controlled goods (including excise goods) must complete a customs declaration and use the relevant customs procedures when they arrive at the place they enter into Great Britain.
- We will not be requiring carriers to submit standalone Entry Summary (ENS) declarations for Safety & Security until 1 January 2022.
- Border locations without existing control systems at the end of transition, including Roll on Roll off (RoRo) listed locations, are not required to control EU goods on the basis of declarations until 1 January 2022. This supports the flow of goods and minimises the chance of delays.
- Traders can use Customs Freight Simplified Procedures (CFSP) to import some excise goods such as alcohol and tobacco. All other excise goods are excluded from using CFSP.



Import declarations – January 2021 to January 2022

- Goods must be pre-lodged in advance of crossing if moving through a listed Roll On Roll Off (RoRo) port or a location (without existing systems, or use Common Transit Convention (CTC))
- To facilitate readiness, traders moving **non-controlled** goods to GB will be allowed to declare their goods by making an entry into their own records. Information on what is required as part of that record can be found in the Border Operating Model - 1.1.3
- Businesses can choose to make the declaration in their records for non-controlled goods and submit information to HMRC, via a supplementary declaration within 175 days of the date of import and pay the required duty via an approved duty deferment account.
- Traders moving **controlled goods** (e.g. excise goods) will need to make a frontier declaration. This declaration can be full, or a simplified declaration depending on the trader's authorisation.



POLL 2

**New to customs declarations? Consider
Chamber Customs**

CHAMBER
CUSTOMS



Imports and acquisitions

From 1 January 2021

- Movements of goods from the EU to GB are imports (they are no longer acquisitions). Import VAT (not acquisition VAT) will be due.
- Acquisition VAT continues to be due on goods moved from the EU to NI.
- Postponed VAT accounting (PVA) is available to UK VAT registered traders who
 - import goods into GB from anywhere outside the UK, or
 - Import goods into NI from outside the UK and EU.
- PVA allows importers to account for and recover import VAT on the same VAT return, and is available permanently.
- Other existing means of paying import VAT are also available.
- Non-VAT registered traders pay import VAT when they make their customs declaration.
- Different rules apply to goods (excluding excise) in consignments valued at £135 or less.



Postponed VAT Accounting

- Postponed VAT Accounting (PVA) is available now!
- You do not need to enrol for PVA.
- When you use PVA, you do not have to pay any VAT due at the point of import. Instead, you account for and recover import VAT on the same VAT return, subject to the normal rules on input tax deduction.



Postponed VAT Accounting (2)

- PVA is selected on the customs declaration, and the trader's EORI (CHIEF users) or VAT Registration Number (CDS users) is entered.
- An online monthly statement is generated, which the trader is able to access and download. It contains the information the trader needs to complete their VAT return.
- Traders do not need to be authorised to use PVA but they must subscribe to CDS to access their online monthly postponed import VAT statements.
- To use PVA the imported goods must be for use in the trader's business.
- Non-established taxable persons (NETP) are entitled to use PVA. In order to import goods into the UK, a NETP needs to hold a UK EORI, and instruct an agent to make the customs declaration on its behalf.



Postponed VAT Accounting (3)

- PVA can be used when imported goods are removed into free circulation from a customs special procedure.
- PVA can be used when imported excise goods are released for home consumption. This includes when goods are released from an excise warehouse after being in duty suspense since the point of import.
- Use of PVA is normally optional. However, traders who import non-controlled goods into GB from the EU between 1 January and 31 December 2021 **must** use PVA and account for import VAT on their VAT Return if they either
 - delay their customs declaration or
 - use a simplified customs declaration (where authorised) to make a declaration in their own records.



PVA: Using someone to import goods on your behalf

- If you get a person or business to import goods on your behalf (such as a freight forwarder, customs agent, broker or fast parcel operator) you need to tell them how you want to account for import VAT on those imports, so they can complete the customs declaration.
- If you already have someone you should contact them to tell them if you want to use PVA to account for import VAT on your VAT Return. You should keep a written record of what is agreed.



PVA: Business/non-business imports

- You are able to use PVA to account for import VAT on your VAT return if you import goods which will be used for both business purposes and non-business purposes or if you don't know whether or not they will be used for business purposes at the time that you import them.
- You are not be able to use PVA to account for import VAT on your VAT return if you import goods which you know will be used solely for non-business purposes. When you complete your customs declaration you will instead have to select that you'll be making immediate payment or using a duty deferment account.



PVA: Completing the VAT Return

- There are changes to the way that the VAT return is completed because of PVA.
 - Box 1 – include VAT due on PVA imports
 - Box 4 – include VAT reclaimed on PVA imports
 - Box 7 – include total net value of imports
- The normal rules about what VAT can be reclaimed as input tax apply, and the trader's monthly statement contains the information they need.
- If the trader delays their supplementary declaration, to complete the boxes on their VAT return, they'll need to estimate the import VAT due from their records of imported goods.
- When the trader submits their delayed declaration, they must select that they're using PVA. Their next online monthly statement will show the amount of import VAT due on that declaration. They will then be able to adjust their estimate and account for any difference on the next VAT Return.



Accessing the PVA Statement

- Traders need to access CDS to view and download their monthly PVA statements.
- Traders that already have access to CDS will go straight from the start page, to their CDS financial dashboard where they can view and download their statements. Traders without access to CDS will be automatically directed to subscribe to CDS first.
- Signing up for CDS is straightforward and takes only a few minutes.
- Monthly PVA statements showing the total import VAT postponed are usually available to view by the 6th working day of the following month.
- Each member of a VAT group that imports goods will have their own EORI 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.



Consignments valued up to £135

- From 1 January 2021, overseas goods sold in consignments valued up to £135 to customers in the UK are subject to UK VAT at the point of sale. The £135 limit applies to the total value of the consignment, not the value of individual items in the consignment.
- Low Value Consignment Relief (LVCR), which relieved import VAT on consignments valued up to £15, has been removed.

Business to consumer (B2C) sales

- Overseas sellers selling directly to customers should charge UK VAT at the point of sale. They should register for VAT in the UK with HMRC and account for the VAT due on their UK VAT return.
- Where an online marketplace facilitates the sale, the online marketplace is responsible for charging, registering and accounting for the VAT instead of the seller.

Business to business (B2B) sales

- Where the sale is to a VAT registered business who provides its valid UK VAT registration number, the seller or online marketplace should not charge VAT at the point of sale. Instead, the VAT registered business can account for VAT on their VAT return using:
 - a reverse charge for imports into Great Britain; or
 - postponed VAT accounting for imports into Northern Ireland
- The VAT registered business is able to recover the VAT on the same VAT return subject to the normal VAT recovery rules.
- These rules do not apply to consignments containing any excise goods or non-commercial items. Such goods are subject to the rules for consignments of goods valued above £135, which are subject to import VAT at the border instead of VAT at the point of sale.



Overseas sellers selling UK goods

- Overseas sellers selling goods located in the UK at the point of sale directly to customers in the UK should charge VAT at the point of sale. They should register for VAT in the UK with HMRC and account for the VAT due on their UK VAT return.
- Where an online marketplace facilitates the sale, the online marketplace is responsible for charging, registering and accounting for the VAT instead of the overseas seller. There are two exceptions where the seller remains responsible for the VAT:
 - sales to a VAT registered business who provides its valid VAT registration number; and
 - goods located in Northern Ireland sold to a customer in Northern Ireland by a seller established in the EU.
- These rules apply irrespective of the value of the goods/consignment. The rules also apply to excise goods.



Guidance on GOV.UK (1)

■ Postponed VAT Accounting

www.gov.uk/guidance/check-when-you-can-account-for-import-vat-on-your-vat-return

www.gov.uk/guidance/complete-your-vat-return-to-account-for-import-vat

www.gov.uk/guidance/get-your-postponed-import-vat-statement

■ Importing goods not exceeding £135

www.gov.uk/guidance/vat-and-overseas-goods-sold-to-customers-in-the-uk-using-online-marketplaces

www.gov.uk/guidance/vat-and-overseas-goods-sold-directly-to-customers-in-the-uk



Guidance on GOV.UK (2)

- **Paying VAT on imports from outside the UK to Great Britain and from outside the EU to Northern Ireland:**
www.gov.uk/guidance/vat-imports-acquisitions-and-purchases-from-abroad
- **How to fill in and submit your VAT Return:**
www.gov.uk/guidance/how-to-fill-in-and-submit-your-vat-return-vat-notice-70012
- **Value Added Tax EU Exit Transitional Provisions**
www.gov.uk/guidance/value-added-tax-eu-exit-transitional-provisions



POLL 3



Virtual Calendar of Courses and Events

Event Name/Type	When	Info and Booking
Getting Paid: Focus on Letters of Credit	Tuesday 06/07/21 9:30 – 16.00	<u>Book</u>
Export Customs Procedures (half-day)	Friday 16/07/21 9:30 – 12:30	<u>Book</u>
Export Documentation: (full day)	Thursday 27/07/21 9:30 – 16:00	<u>Book</u>
How to Complete Customs Declarations (full day)	Tuesday 10/08/21 9:30 – 16:00	<u>Book</u>
Trade & Investment Opportunities in Portugal	Friday 17/09/21 10:00 – 11:15	exportbritain@gmchamber.co.uk
Inward and Outward Processing Relief (half-day)	Wednesday 29/09/21 9:30 – 12:30	<u>Book</u>
Trading with Turkey (half-day)	Tuesday 05/10/21 9.30 – 12.30	<u>Book</u>
Rules of Origin Preferential and non-Preferential (half-day)	Friday 08/10/21 9:30 – 12.30	<u>Book</u>
Incoterms (half-day)	Friday 19/11/21 9:30 – 12:30	<u>Book</u>
Import Procedures (half-day)	Wednesday 02/12/21 9:30 – 12:30	<u>Book</u>

To check for more courses and events, please click [here](#)



Upcoming Masterclasses:

- 15th July: Brexit – Trading Globally Post-Transition Period
- 9th September: REACH Chemical Regulation
- 23rd September: CE Marking
- 7th October: Points-based immigration

And more to come soon!



Events Poll



Q&A



Greater Manchester
Chamber of Commerce

Thank you for joining us!

For more information please contact:

General trade queries: exportbritain@gmchamber.co.uk

Export Documentation:

Customs declarations: chambercustoms@gmchamber.co.uk

Twitter: [@GMCCTradeteam](https://twitter.com/GMCCTradeteam) [@NWExportBritain](https://twitter.com/NWExportBritain) [@gmchamber](https://twitter.com/gmchamber)

