



POSTPONED VAT ACCOUNTING

From 1 January 2021, if your business is registered for VAT in the UK, **you'll be able to account for import VAT on your VAT Return for goods imported from anywhere in the world.**

This means you'll declare and recover import VAT on the same VAT Return, rather than having to pay it upfront and recover it later.

The normal rules about what VAT can be reclaimed as input tax will apply.

You do not need to be authorised to account for import VAT on your VAT Return and can start doing so from 1 January 2021.

You can account for import VAT if:

- The goods you import are for use in your business
- You include your EORI number, which starts 'GB' on your customs declaration
- You include your VAT registration number on your customs declaration, where needed

If you initially declare goods into a customs special procedure, you can account for import VAT on your VAT Return when you submit the declaration that releases those goods into free circulation from the following special procedures:

- Customs warehousing
- Inward processing
- Temporary admission
- End use
- Outward processing
- Duty suspension

WHEN YOU MUST ACCOUNT FOR IMPORT VAT ON YOUR VAT RETURN

<https://www.gov.uk/guidance/complete-your-vat-return-to-account-for-import-vat>

If you're eligible to defer submitting your supplementary declarations for up to 6 months, you must account for import VAT on your VAT Return.

To complete your VAT Return you'll need to use the record of imported goods that you make for customs purposes.

Please note Mentfield will forward copies of customs documents at time of entry to confirm the amount of VAT that has been allocated on your behalf.