



HM Revenue  
& Customs

# VAT Update

# Overview

- If the UK leaves the EU without a deal, the government's aim will be to keep VAT processes as close as possible to now
- However, there will be some changes that will affect businesses
- We have taken steps to mitigate the impact of changes where we can
- We want to help businesses understand what they need to do, and help them to do it, so they can continue trading smoothly



# What's changing?

## ❖ In a no deal scenario, postponed accounting will be introduced for imports from the EU and Rest of World

- Business will not need to register to use postponed accounting. They will simply make the appropriate entry and provide their VAT registration number on their customs declaration
- An online monthly statement will show the VAT that's been postponed. This will provide the evidence to declare/ recover import VAT on your VAT return
- Postponed accounting won't be available for postal goods of £135 or less
- Postponed accounting won't be available for non-VAT registered businesses

# What's changing?

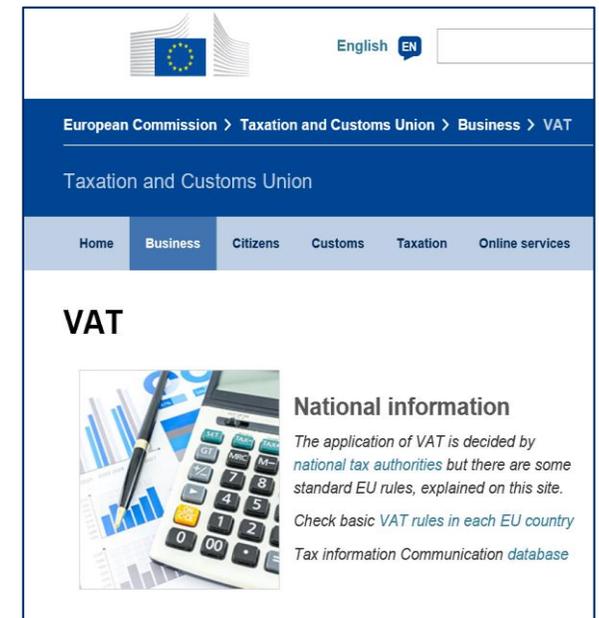
**❖ For parcels sent by overseas businesses, Low Value Consignment Relief will be abolished, and an online service will collect VAT from businesses for parcels up to £135**

- We are working with stakeholders to help businesses be compliant and parcel operators adjust to the new processes
- We've updated the EU Exit Partnership Pack with more guidance on the service and rules around VAT
- The parcels service will be available soon for businesses to register online

# What's changing?

## ❖ We expect EU member states will apply Rest of World rules to the UK for exports and other EU VAT processes

- For exports, businesses no longer need to complete EC sales lists, but will need to review the rules in individual member states that apply for import VAT
- The UK would stop having access to certain EU VAT IT systems – but a new UK VAT registration number checker will be available
- For tour operators that use the EU 'TOMS' scheme, our aim is to keep rules as close as possible to now



The screenshot shows the European Commission website for VAT. At the top, there is a logo of the European Union and a language selector set to 'English EN'. Below the logo, the breadcrumb navigation reads 'European Commission > Taxation and Customs Union > Business > VAT'. The main header is 'Taxation and Customs Union'. A navigation menu includes 'Home', 'Business', 'Citizens', 'Customs', 'Taxation', and 'Online services'. The 'Business' menu is active. The main content area is titled 'VAT' and features an image of a calculator and a pen. To the right of the image, the text reads: 'National information', 'The application of VAT is decided by national tax authorities but there are some standard EU rules, explained on this site.', 'Check basic VAT rules in each EU country', and 'Tax information Communication database'.

# We are starting to lay secondary legislation as part of preparations for no deal

Statutory Instrument	Date Laid
The Value Added Tax (Disclosure of Information Relating to VAT Registration) (EU Exit) Regulations 2018	27 November 2018
The Value Added Tax (Postal Packets and Amendment) (EU Exit) Regulations 2018	18 December 2018
The VAT (Finance) (EU Exit) Order 2019	17 January 2019
The Value Added Tax (Tour Operators) (Amendment) (EU-Exit) Regulations 2019	22 January 2019
The Value Added Tax (Miscellaneous Amendments and Revocations) (EU Exit) Regulations 2019	22 January 2019
The Value Added Tax (Accounting Procedures for Import VAT for VAT Registered Persons and Amendment) (EU Exit) Regulations 2019	22 January 2019
Taxation (Cross-border Trade) Act 2018 (Value Added Tax Transitional Provisions) (EU Exit) Regulations 2019	Made 24 January 2019
Value Added Tax and Excise Personal Reliefs (Special Visitors and Goods Permanently Imported) (Amendment) (EU Exit) Regulations 2019	24 January 2019



# For action

- If you currently use Mini One Stop Shop or the EU VAT refund system please prepare your businesses by reading the [guidance on IT systems on GOV.UK](#)
- Familiarise yourselves with the statutory instruments which you can read on GOV.UK or Legislation.gov.uk
- If you want to understand how postponed accounting will operate please sign up for alerts to guidance updates on GOV.UK



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# Customs Update

EU Exit Customs Policy

# Overview

- Currently, businesses can move goods freely between the UK and the EU
- In the event that the UK leaves the EU without a deal, businesses importing and exporting goods with the EU will have to comply with new rules
- HMRC is committed to helping businesses understand these changes and the actions they need to take to ensure that they remain compliant and can continue trading in the event of a no deal EU exit



# Customs Declarations

- Customs declarations will be needed on UK-EU trade in a no deal scenario
- Businesses will need to decide how they want to manage the declarations process:

Appoint an intermediary



Utilise specific software



End-to-end service



- HMRC is working to ensure that as many businesses as possible have the capability to make customs declarations on day 1

# Package of day 1 easements



## HMG objectives for the border

- Maintaining security
- Facilitating the flow of goods (including animals, food and plants) and people
- Protection of revenue and compliance with standards

## Day one easements

- Transitional Simplified Procedures
- Intermediaries' liability



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Guarantee relaxations

# Key Actions for Businesses

Businesses who only trade with the EU need to act now to ensure that they are prepared in the event of a No Deal EU exit



Apply for an **EORI number**



Confirm you can complete each **data field** in the Declaration



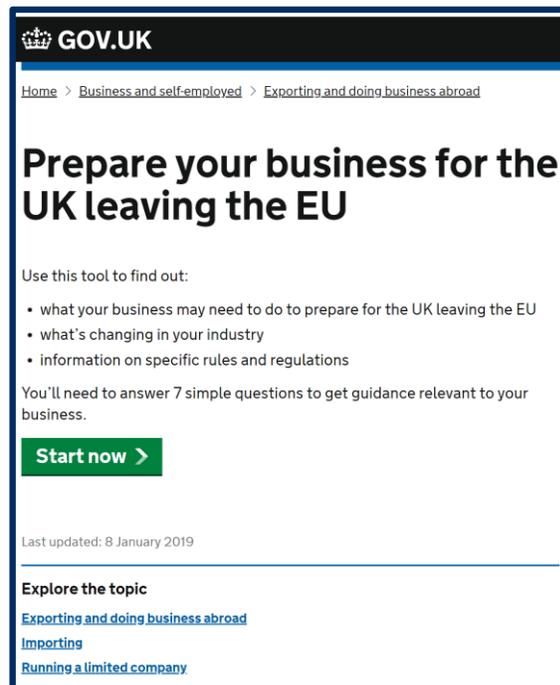
Agree responsibilities with your **customs agent and logistics provider** for each part of the process and update your contracts to reflect this



Identify **software** for submitting documents, if you do not use a customs agent

# More 'no deal' guidance is coming soon

- The full range of information on customs, VAT and excise after EU Exit, and more technical guidance for stakeholders, will be on GOV.UK and other comms channels.



The screenshot shows a GOV.UK page with the following content:

- Header: GOV.UK
- Breadcrumbs: Home > Business and self-employed > Exporting and doing business abroad
- Section title: **Prepare your business for the UK leaving the EU**
- Text: Use this tool to find out:
- List:
  - what your business may need to do to prepare for the UK leaving the EU
  - what's changing in your industry
  - information on specific rules and regulations
- Text: You'll need to answer 7 simple questions to get guidance relevant to your business.
- Button: **Start now >**
- Text: Last updated: 8 January 2019
- Section: **Explore the topic**
- Links:
  - [Exporting and doing business abroad](#)
  - [Importing](#)
  - [Running a limited company](#)



The graphic features the HM Government logo and the following text:

**Partnership pack: preparing for changes at the UK border after a 'no deal' EU Exit**

The graphic is decorated with a series of colorful, overlapping arrows pointing to the right, symbolizing forward movement and preparation.