

Postponed VAT Accounting for Imports (“PVA”): Helpsheet

Why should I use PVA?

PVA allows UK VAT registered importers to account for and recover import VAT on their VAT return rather than paying the VAT to HMRC when the imported goods reach the UK border. PVA is available permanently and HMRC expect that most businesses will choose to use it, because it provides significant cash flow benefits compared to the alternative of paying the import VAT when the goods are imported.

If your business is registered for VAT in the UK, you can account for import VAT on your VAT Return for goods you import into:

- + Great Britain (England, Scotland and Wales) from anywhere outside the UK
- + Northern Ireland from outside the UK and EU

You do not need any approval to account for import VAT on your VAT Return.

If you are a non-established taxable person you'll need to get someone to deal with customs for you, including completing your customs declaration.

If you want to account for import VAT on your VAT Return, you must tell the person dealing with customs for you to select this on your customs declaration and enter your details as the consignee.

How do I tell HMRC that I want to use PVA?

There isn't an application process for PVA, and you do not need to tell HMRC in advance if you want to start accounting for import VAT on your VAT return. You simply need to confirm in your customs declaration that you are using PVA.

If you use the Customs Handling of Import and Export Freight (CHIEF) system

On your declaration, enter:

- + Your EORI number starting with 'GB' which includes your VAT registration number into box 8 (Header Consignee), or, if applicable, your VAT registration number in box 44h (Registered Consignee)
- + 'G' (Postponed accounting for VAT approved) as the method of payment in Box 47e.

If you use the Customs Declaration Service (CDS)

On your declaration, enter:

- + your VAT registration number at header level in data element 3/40.

Please note that VAT will be recorded against your EORI and will be at declaration level only.

If someone else is doing your customs declarations for you such as a freight forwarder, customs agent, broker or fast parcel operator you must tell them you want to use PVA.

Tell them that you want to use PVA to account for import VAT on the imported goods, so that they can complete the customs declaration correctly on your behalf. Keep a written record of what is agreed for your records.

Whoever completes the declaration must take care when selecting how to account for import VAT on the customs declaration, as this cannot be changed once the declaration has been submitted.

How do I complete my VAT return if I'm using PVA?

After you have selected PVA on your customs declaration you will need to account for import VAT when you complete your VAT return.

To complete your VAT return, you will need:

- + details of any customs entries you have made in your own records
- + copies of your monthly postponed import VAT statement, when available.

Unless you have delayed your customs declaration, each of your statements will show the total import VAT postponed for the previous month.

If you are delaying your customs declarations:

- + you must account for import VAT on the return which includes the date you imported the goods
- + to complete the boxes on your return, you'll need to estimate the import VAT due from your records of imported goods
- + when you submit your delayed declaration, you must select that you're accounting for your VAT on your return.

Your next online monthly statement will show the amount of import VAT due on that declaration.

You'll then be able to:

- + adjust your estimate
- + account for any difference on your next return.

What VAT return boxes need completed?

Box 1: You will need to include the VAT due in this period on imports accounted for through postponed VAT accounting in Box 1 (this should be the total from your online monthly statement).

Box 4: You should include the VAT reclaimed in this period on imports accounted for through postponed VAT accounting in Box 4.

Box 7: You should also ensure that you include the total value of all imports of goods in this period, not including any VAT in box 7.

How do I get the statement I need to complete my VAT return?

If you account for your import VAT on your VAT return, you'll need to get a postponed import VAT statement online - <https://www.gov.uk/guidance/get-your-postponed-import-vat-statement> .

Unless you have delayed your customs declaration, each statement will show the total import VAT postponed for the previous month.

Your statements will usually be available to view by the 6th working day of the month.

To view your statements, you'll need your Government Gateway user ID and password which is linked to your EORI number.

For more assistance

If you have any queries, please contact our VAT team via vat@chiene.co.uk