



# VAT and customs – a Brexit update

As the 31 October Brexit deadline draws closer, leaving the EU with a no-deal still remains a possibility. Whilst we have previously outlined a number of consequences for VAT and customs in a no-deal Brexit scenario, we continue to receive developments and clarification from HMRC.

Many businesses continue to raise questions around the VAT system once the UK has left the EU, including how to account for import VAT due. Postponed accounting will be introduced for import VAT on goods brought into the UK, if the UK leaves the EU without an agreement. For VAT registered businesses in the UK, this means you will be able to account for import VAT on your tax return, instead of paying when, or soon after, the goods arrive at the UK border. Applying to both imports from the EU and non-EU countries, postponed accounting will be a particularly beneficial measure in reducing cash flow impact.

HMRC also recently confirmed that non-UK businesses in the EU which are currently not required to be registered for UK VAT owing to cross-border simplifications, such as call-off stock arrangements, may need to VAT register in the case of a no-deal Brexit. Businesses in this position can register for VAT using the Advanced Notification facility online. These VAT registrations will only go live if the UK leaves the EU without a deal. In the case of the Brexit date changing, the advanced notification date will be amended accordingly.

With so much continued uncertainty, we have considered how EU suppliers could take control of the Brexit process.

## EU Suppliers with a number of UK customers could take control of the supply chain...

Avoid customer non-compliance issues and ensure goods will not be held at port by taking control of the supplies you make into the UK

- **Act as importer of record and receive goods into the UK for onward supply to your customers**
- **Incorporate a UK subsidiary or branch**
  - **Lighter alternative to register for VAT as a non-established taxable person**
- **Obtain an EORI**
- **Register for Transitional Simplified Procedures**
- **Apply for importer authorisations or appoint an agent or customs broker**

## It may appear difficult but there is a one-stop solution...

Smith Cooper can offer a cost effective outsourced solution

- **Company incorporation / VAT registration**
- **Preparation and filing of company accounts and tax returns**
  - **Fully outsourced import management system**
  - **Completion of supplementary declarations**
  - **Customs duty calculator**
- **Act as tax agent and deal with all HMRC communications and correspondence**

At Smith Cooper we have a dedicated VAT and Customs team who will ensure you are continually updated on any issues that may arise through Brexit proceedings, and the implications they may have. It is important to remain informed and implement appropriate Brexit contingency measures sooner rather than later, so please do not hesitate to get in touch with our VAT experts today.

## Get in touch

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