

RECOVERING UK VAT POST-BREXIT: OVERSEAS TRADERS



Businesses not established or VAT-registered in the UK may still incur VAT in the UK on costs such as employee hotel stays or conference attendance.

In past, it was possible for Businesses located elsewhere in the EU to request repayment of this VAT via submission of an "8th Directive" claim. This facility has been withdrawn in the UK with effect from 01 April 2021, following the end of the Brexit withdrawal period.

Instead, where a business (whether part of the EU or not) does not possess a UK VAT registration or any place of business here, it is now necessary to submit such VAT refund claims to HMRC under the "13th Directive", (which is effected in UK law via S.39 VATA 1994 and Part XXI. SI 1995/2518).

THE PROCESS AND REQUIREMENTS ARE AS FOLLOWS:

1. Claims are submitted to HMRC using Form 65A, with the first such application to also include a certificate from the Trader's national authorities, confirming the applicant's status as being registered for business in that country.
2. Original invoices and import documents, confirming the amount of UK VAT incurred, must be submitted as part of the application. These will be returned to the business, once their application has been processed.
3. Claims submitted must be for a minimum value of at least £130.00, but can be filed in respect of periods ranging from 3 to 12 months.
4. The application must reach HMRC within 6 months of the end of the "Prescribed Year", which runs from 1 July to 30 June. Claims for 2021 must therefore reach HMRC by 31 December 2021 at the latest!
5. HMRC will review both the claim itself and the documents underpinning the VAT incurred.
6. While claims filed may allow a non-VAT-registered person to recover VAT incurred and paid for on their behalf by a UK-based Freight Agent or counterparty, applications cannot include:
 - VAT that has been charged incorrectly by a supplier, for example: VAT on goods that are exported from the UK, and which qualify for Zero-Rating.
 - VAT that is blocked for recovery, such as in respect of business entertainment costs.

If approved, the refund will be made within 6 months of HMRC receiving the application, typically via SWIFT.

HW Fisher can assist you in the submission of your claim and for further assistance or if you have any questions, please contact gmyton@hwfisher.co.uk



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