



Brexit Day One No Deal Information

Import VAT on Parcels

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The information is taken from guidance published by customs and is accurate at the date displayed on the coversheet above.

It is important to note that the situation regarding a 'no deal' exit from the EU and the plans being put in place for that scenario are extremely fluid and could change. You should therefore check back to ensure that the guidance is up to date.



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Overview

If the UK leaves the EU without an agreement, import VAT will be due from sellers outside the UK on all parcels that they send to the UK with a value of £135 or less; unless they are already relieved from VAT under domestic rules (for example zero-rated children's clothing).

Low Value Consignment Relief, which applies a full VAT relief to parcels £15 or less from non-EU destinations, will no longer apply to any parcels arriving in the UK after that date.

A technology-based solution will enable VAT to be collected from overseas businesses selling goods in parcels valued at £135 or less to UK consumers. Alternatively overseas sellers can pay their import through a parcel operator that offers a service to pay the import VAT to HMRC on their behalf.

The new online service will provide a registration, accounting, and payments service for sellers outside the UK. Upon registration, businesses will be provided with an 'import VAT on parcels reference' (or simply parcels reference) which must accompany the parcels they send to the UK. They will then declare the import VAT due on a quarterly basis and pay this via their online account.

Further information can be found [here](#).



How it will work

The following CHIEF Customs Procedure Codes (CPCs) should be used when declaring parcels with a value of £135 or less:

For	CPC
Parcels within scope of the import VAT on parcels scheme, displaying a parcels reference number and declared using a <i>reduced bulk data set</i> (by an authorised parcel operator). Import VAT charge is inhibited (no VAT taken on the declaration).	40 00 003
Parcels within scope of import VAT on parcels scheme, displaying a parcels reference number and declared on an <i>individual declaration</i> . Import VAT charge is inhibited (no VAT taken on the declaration).	40 00 C07
Parcels within the scope of the parcels scheme but <i>not</i> displaying a parcels reference number <i>OR</i> Parcels sent where the overseas seller has used a parcel operator's DRPO service <i>OR</i> Imports of parcels from UK established sellers. Declared using a <i>reduced bulk data set</i> . Import VAT charged	40 00 005
Parcels within the scope of the parcels scheme but not displaying a parcels reference number <i>OR</i> Parcels sent where the overseas seller has used a parcel operator's DRPO service <i>OR</i> Imports of parcels from UK established sellers. Declared on an <i>individual declaration</i> . Import VAT charged	40 00 004
Gifts valued at £39 or less. Consumer to consumer VAT inhibited	40 00 C08