



Reclaim of Import VAT regarding entries made to authorisation by declaration (simplified) inward processing

Customs Information Paper 62 (2016)	
Who should read:	Any person involve in making entries to Inward Processing (IP) using the authorisation by declaration procedure
What is it about:	Details of how to claim import VAT
When effective:	7 November 2016
Extant until/ Expires	Ongoing

1. Background

Since the introduction of the Union Customs Code (UCC) on 3 May 2016, all IP imports made by Authorisation by Declaration - previously known as simplified IPR - require that the import charges are secured by deposit (usually DAN or FAS) or by guarantee. The majority of these types of imports are secured by deposit rather than guarantee

2. Procedure to reclaim import VAT

It has come to NIRU's attention that some importers are reclaiming the VAT as input tax- sometimes using the agent invoice as evidence once an entry has been made to IP. This is incorrect. Import VAT should only be reclaimed when you are in receipt of a C79

If NIRU receive a satisfactory and timely bill of discharge (BOD3), they will authorise repayment of the deposit charges which usually include VAT.

If NIRU does not receive a satisfactory and timely BOD, they will instruct HMRC Accounts to bring the secured charges to account. The VAT element of the 'brought to account' charges will then appear on VAT certificate C79, generated against the importer's VAT number and will be sent to the importer. The C79 may be used as evidence by the importer to support a reclaim of input tax, provided the import was made in the course of normal trading activities.

3. Contacts.

Further information can be found on www.gov.uk

Issued on the 7 November 2016 by Customer Strategy and Tax Design, HMRC.

Your Charter explains what you can expect from us and what we expect from you.
For more information go to: [Your Charter](#)