



POSTPONED VAT ACCOUNT (PVA)

PLEASE READ THIS INFORMATION CAREFULLY AS ACTION IS REQUIRED IF YOU INTEND TO IMPORT SHIPMENTS INTO THE UK OR ARE CURRENTLY IMPORTING.

Effective from 1st January 2021, VAT at Importation became payable on goods coming from both EU countries and non-EU Countries. The UK Government has reduced the cash flow load on UK businesses by allowing (and in some instances requiring) VAT-registered importers to account for VAT on imported goods for use in their business on their VAT Returns, instead of paying the VAT immediately at Import. This is Postponed VAT Accounting (PVA), and there is no authorisation required. You must be importing goods for use in your business. Postponed accounting is optional in most cases; you can still pay import VAT upfront at the border if you prefer, although it's compulsory if you defer customs declarations.

We would expect that most businesses will use PVA as it has a positive impact on cashflow and only changes slightly their VAT Return (The VAT is input in Box 7 instead of Box 6). **However, new guideline from HMRC requires us to hold letters of confirmation from all clients as to how they account for VAT. This document must be updated yearly. Established and Registered requirements – Bricks & Mortar building in the UK, staff working in these buildings in the UK and staff being paid on P.A.Y.E.**

IMPORTANT ACTION REQUIRED

To process your Postponed VAT on the Import Entry, we will require standing instructions to do so. Please complete the attached authorisation and email this back to your Croft Cargo representative confirming that you will be using P.V.A. or direct payment at the border point of arrival into the UK, and we will make the required adjustments to your Import Declarations.

By selecting P.V.A., not only will this speed up the import process and cash flow for our customers, but it will also reduce administrative costs for both customers and us. If the P.V.A. is NOT agreed, then we may be forced to charge additional fees for the work involved in obtaining VAT payments, especially on European and short-seas movements. On the next page, you will be required to X the box stating your required method of payment covering VAT on all your import declarations that we clear through Customs on your behalf.

The customs declaration will generate an online Monthly Postponed Import VAT Statement (MPIVS), which will be the evidence required to account for the Postponed VAT on your next VAT return. These statements shall be found under your GOV.UK Gateway account and found in the CDS GOV financial dashboard. Your username and Password shall also be required. (Note: The C79 will continue to be produced for those entries where any VAT is paid immediately on importation).

Whitcliffe House, 58 Whitcliffe Rd, Cleckheaton BD19 3BY T. +44 (0)1274 442888 E. sales@croftcargo.com

www.croftcargo.com

Registered Company Number. 07239888 VAT Number. 994242101





To the Finance or Accounts person responsible for VAT returns.

Please only place an X in the box you require us to use for VAT on your imports into the UK.

Customer's Name and Address: -

YOUR VAT NUMBER

YOUR EORI NUMBER

We DO require you to use P.V.A. on any importations into the UK. Insert X

Our preference is to pay VAT at the port/airport of importation into the UK. Insert X

SIGN & RETURN - Confirmation by placing an X in the correct box, printing name, signing and dating below will be your one-year instructions to enter VAT at either P.V.A. or Port/airport of Arrival into the UK. If this changes during the year, you MUST advise us by return of any alterations to your method of payment regarding VAT. Failure to do so could result in civil penalties by HMRC.

By signing below indicate that you have authorisation to sign on behalf of the above company and have read the attached letter to understand your responsibility of paying either P.V.A. or Paying VAT at the port of arrival to the UK Government. Below confirms that you are also established, registered in the UK.

Print Name: _____ Signature: _____ Date: _____





Please be advised that Croft Cargo Ltd operate under BIFA's latest standard terms and conditions.

Due to current legislation, Croft Cargo Ltd has the right to refuse PVA if deemed necessary. We have an undertaking to assume that the client is financially stable. If clients, after credit checking, are deemed unsuitable for credit facilities, PVA will be automatically refused.

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