

The background features a white field with several faint, golden-yellow stars, reminiscent of the European Union flag. A large blue triangle is positioned in the top right corner, and a large yellow triangle is in the bottom right corner. A dark blue horizontal line is located below the main text.

**BREXIT:**

**ROI Import  
VAT Changes  
Explained**

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# Introduction

At the end of the transition period on 31 December 2020 the UK left the EU VAT regime, Customs Union, and Single Market.

At that point Great Britain became a third country for trade, subject to Customs requirements and taxation at the point of importation.

As provided for in the Withdrawal Agreement and the Protocol on Ireland/Northern Ireland, Northern Ireland (NI) will remain within the EU VAT regime in respect of goods, but not services.

Trade in goods with Great Britain will be treated as imports and exports, we have received a number of queries relating to how companies file and pay VAT on imports into the Republic of Ireland and the arrangements put in place by Revenue.

# Postponed Accounting Arrangements

The use of Postponed Accounting is intended to alleviate cash flow issues which could arise following the departure of the UK from the EU, where VAT registered businesses may otherwise have to pay import VAT at the point of importation of goods and then recover the VAT when the next VAT return is filed.

Postponed Accounting arrangements enable an accountable person to self-account for VAT on imports on their VAT return so that import VAT may be reclaimed at the same time as it is declared on a VAT return.

This will be a straightforward reverse charge transaction and removes the need to pay the import VAT at the point of importation. Import VAT will be recorded in the VAT return as VAT which is simultaneously deducted on a 'purchase' and charged on a 'sale' in a similar way to the manner in which intra- community acquisitions are currently recorded on the return.

The VAT 3 and VAT Return to Trading Details (RTD) has been amended to capture the value of goods imported under Postponed Accounting.

# Who can avail of Postponed Accounting?

All accountable persons in Ireland who acquire goods from countries outside of the European Union VAT area, may use the Postponed Accounting arrangements.

All accountable persons who were registered for VAT and Customs & Excise (C&E) before the end of the Brexit transition period will be automatically entitled to Postponed Accounting. There is no requirement for these traders to apply for Postponed Accounting.

VAT registered traders who are not registered for C&E and who wish to import goods into Ireland from time must register for C&E. Once registered for C&E, they will be given automatic entitlement to Postponed Accounting.

Continued entitlement to Postponed Accounting arrangements will be subject to meeting specific requirements, including compliance with applicable conditions and providing any information sought by the Revenue Commissioners.

Alternatively, the current deferred payment system for VAT on imports may be used by authorised importers who may defer payment of certain charges, including Customs duties and VAT at import until the 15th of the month following importation.

# Are there Conditions to the use of Postponed Accounting?

Anyone availing of postponed accounting must be able to show that they are in compliance with the conditions and requirements these include:


- the VAT Consolidation Act 2010 and any other relevant legislation including the tax acts, CGT acts, Customs acts and statutes relating to duties;
- that the accountable person keeps full and true records in accordance with section 84 of the VAT Consolidation Act 2010;
- that the accountable person has not been convicted of an offence under the Acts and;
- that the accountable person has provided any information or documentation to the Commissioners, where the Commissioners have requested any such information or documentation from the accountable person.

Where the accountable person fails to comply with these conditions they will be excluded from Postponed Accounting.

# Contacts

## Darren Crilly - ASM Dundalk

 [darren.crilly@asmdundalk.com](mailto:darren.crilly@asmdundalk.com)

 First Floor, Block 1, Quayside Business Park,  
Mill Street, Dundalk, Co Louth

 +353 42 93 31637