



WESTBORO PARTNERS

Business & Financial Advisers

Since 1 January 2021, the UK is no longer a part of the EU's Single Market and Customs Union, which has implications around VAT for businesses operating in the Republic of Ireland that import from the UK.

The Irish government has introduced a facility called postponed VAT accounting for VAT registered businesses to avoid the payment of import VAT at the point of entry.

This new measure allows you to record the VAT on your VAT return rather than paying it at the point of entry into the State.

According to the Revenue Commissioners, postponed accounting will not apply to goods brought in from Northern Ireland. These purchases will be treated as EU intra-community acquisitions as is the current situation.

Postponed accounting is a simple measure taken to make it easier for Irish businesses to continue to trade with Great Britain. If your business imports goods from Great Britain and/or another non-EU country, you should ensure your systems are updated and can handle the transactions so VAT will be accounted for under the new postponed VAT procedure.

The VAT 3 return form has been amended to include an additional field for postponed accounting - PA1 - to capture the value of goods imported under the postponed accounting measure (net plus carriage, insurance and freight). The VAT is then accounted for at T1 and T2 (subject to the usual deductibility rules).

The VAT Return of Trading Details (RTD) has been amended to include additional fields PA2, PA3 and PA4 to capture the value of goods imported.

Businesses that are excluded from the scheme, you will be obliged to pay VAT at the point of entry.

Businesses that were already registered for VAT and Customs & Excise (C&E) when the Brexit transition period ended on 31 December 2020, won't need to apply for postponed accounting - you would have been automatically entitled to avail of the facility.

If you are VAT registered but weren't registered for C&E on 31 December 2020, you must register for C&E and obtain an Economic Operators Registration Identification (EORI) number. New applicants for VAT Registration can find out more at the Revenue website.