**3rd April 2019**

**Brexit Update – Postponed VAT Accounting for EU and non-EU imports**

In the event of a no deal Brexit the UK government have announced they will introduce Postponed VAT Accounting (PVA) forboth EU and non-EU imports by UK registered businesses.

This will enable VAT registered businesses to declare and recover import VAT on their VAT returns, rather than having to pay it upfront and subsequently recover it on their VAT return.

**How will this work?**

Registration will not be required for importers to use PVA. The intention to use PVA for an import will be declared on the customs entry.

This will come into effect from Day 1 of a no deal Brexit, however it will be optional. VAT can still be paid upfront if an importer wishes to do so.

**What statements will be issued?**

C79 VAT certificates will not be issued for goods declared using PVA. Instead a monthly postponed import VAT statement will be made available for importers via the government digital service.

This statement will indicate the total VAT postponed for the previous month in order to declare this on the quarterly VAT return.

PVA currently does not exist in the UK. More details on this service will be published by the government in due course.

**Other VAT deferral methods.**

The currently allows two systems for import VAT deferral (standard deferral and SIVA).

SIVA (Simplified Import VAT Accounting) requires a lower level of financial security than standard import VAT deferral. We therefore suggest importers seek SIVA approval first. VAT registered businesses can apply for SIVA by opening this [link](https://www.gov.uk/government/publications/vat-application-for-simplified-import-vat-accounting-siva1).

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