

Frequently Asked Questions

Part of

 Proagrica

Postponed VAT Accounting Import and Export Changes for VAT for 2021

New rules with regard to VAT on imported/export goods will apply from 1 January 2021. If this applies to your business, you will have been contacted by HMRC with full details.

If your business is based in Great Britain you will be able to access an online monthly statement from HMRC showing all the VAT relating to imports both from the EU and the rest of the world. This figure should be accounted for on your next VAT return and not normally as part of the entry of the transaction as at present. To aid this we will be adding a new VAT status to Business Manager so that these entries can be easily identified. A new journal option to record the postponed VAT will be added to update your VAT return using the details on the statement.

There will be some exceptions to this where you should continue to use the existing U, U1 or R VAT statuses – for example if you are based in Northern Ireland and trading with EU countries.

We will be issuing an update to Business Manager as soon as possible in the new year. Any relevant entries after 1 January should be recorded to VAT status U for the time being but you will be able to edit these once you have received the new program.

Please let us know if you would like an early copy of the updated program which we anticipate will be available in early January 2021.

If you have any questions about Postponed VAT Accounting and how it relates to your business, we recommend that you take professional advice.