



Dear Seller,

EU exit (no deal): Changes to the rules for reporting and paying import VAT that will impact sellers outside the UK

From 29 March 2019, if the United Kingdom (UK) leaves the European Union (EU) without a deal, the import VAT rules will change for goods worth £135 or less that are sold to UK buyers (including businesses and individuals). From this date, sellers outside the UK must pay the import VAT for any parcels sent to UK buyers after 11pm GMT, even if the goods were sold before.

These changes will apply if all the following circumstances are met:

- sellers outside the UK, including in the EU, non-EU and the Channel Islands
- goods worth £135 or less that are sold to UK buyers, including those worth £15 or less as they will no longer benefit from tax relief
- goods contained in parcels such as packages, envelopes or other items sent by post, express operator or freight.

The existing tax relief on goods worth £15 or less will not be introduced for sellers within the EU and will also be removed for sellers outside the EU, from 11pm GMT on 29 March 2019. The UK government has taken this decision to protect UK retailers from being undercut by VAT free goods entering the market. This also follows the global approach that is being taken with regards to this tax relief.

If sellers do not follow the new rules for import VAT:

- your parcels could be delayed or stopped from entering the UK
- your UK buyer may have to pay extra tax and fees
- you may have to pay a penalty of £1,000

How to pay import VAT

From 29 March, you can pay your import VAT on parcels in one of two ways:

- Register for the UK HM Revenue and Customs (HMRC) new online service to report and pay the import VAT due, or
- Pay a parcel operator that offers a service to pay import VAT to HMRC on your behalf

If you decide to use a local parcel operator to pay import VAT due on your behalf, you need to check your payment will be made to HMRC. This may be done directly or through a UK parcel operator.

Action to take now

If you choose to report and pay the import VAT direct to HMRC, you should register for the new [online service](#) now, so you are ready to use it when the changes are introduced on 29 March 2019. To get started, you will need a Government Gateway user ID and password. If you do not have a user ID, you can create one when you register. You will also need your business contact details and details of your business accounting periods.

To use the online service, you will need to:

1. Register for the service
2. Choose an accounting period from those available
3. Keep records of goods worth £135 or less that you have sold to the UK for each accounting period
4. Work out the import VAT due on the goods you have sold to the UK for each accounting period
5. Tell HMRC how much import VAT you owe for each accounting period
6. Pay HMRC the total import VAT due for each accounting period

Once registered, you will be given a parcels reference. This reference should be included in documentation accompanying any parcels you send to UK buyers from 29 March 2019.

If your goods are worth more than £135, you should not use the online service to report or pay import VAT. In these circumstances, the UK buyer will pay this.

If you bring in goods to the UK to be stored before they are sold to your UK buyers, you will still need to comply with existing customs controls and VAT rules.

For more information about these changes, including guidance on different import VAT rates and any exceptions, go to [GOV.UK](#). You will also be able to find more information about potential changes in the event of the UK leaving the EU without a deal.