



EORI (UK) LIMITED

A 3DPAY COMPANY

Postponed VAT Accounting (PVA)

www.eori.uk



What is PVA?

Before the UK left the EU, import VAT was paid upon importation and could later be recovered as input tax on VAT returns. Importers often used deferment accounts to delay cash payments, but VAT still impacted cash flow, especially post-Brexit. Postponed VAT Accounting (PVA) was reintroduced to allow import VAT accounting without immediate cash payment at the point of import.



Do you need to register for PVA?

The short answer is no. If you have a UK VAT number, you are automatically eligible for PVA. Your customs agent will need to code the import entry in a particular way to show that you wish to use PVA rather than outright payment. You do NOT need any prior approval to account for import VAT on your VAT return(s). It should be noted that PVA applies to ALL GB imports and not just those from the EU.

Will you get a VAT certificate?

A C79 VAT statement, commonly referred to as an import VAT certificate, is not issued when Postponed VAT Accounting (PVA) is employed. This document details the amount of Value Added Tax (VAT) paid on goods imported into the country. Consequently, receiving a C79 indicates that VAT was paid upon importation and that PVA was not utilised. The 'VAT statement' for PVA can be accessed online through the Government Gateway.



The basic VAT rules are:

- VAT on purchases is input
- VAT charged is output

When submitting your return, if output exceeds input, you pay the difference to HMRC. Using PVA for import VAT allows simultaneous payment and reclaim, effectively not counting toward the final input if output is greater.

How do you account for VAT on your return?





If VAT is over-declared, it can be adjusted in the next VAT return since HMRC typically does not accept VAT-only post-clearance amendments. Over-declared VAT does not impact cash flow, and the excess should be reclaimed. For underpaid VAT, the same amendment process applies, but HMRC treats underpayments more seriously. A supplementary declaration is advised to correct errors and ensure compliance, allowing adjustments in the next VAT return.

What if VAT is declared wrong?

What about GB Exports?

It's important to highlight that goods exported from Great Britain are zero-rated for VAT, as they are leaving the UK customs territory. If VAT is applied, overseas customers will not be able to reclaim UK VAT.

An Export Accompanying Declaration (EAD) must be submitted to obtain Permission to Progress (P2P). Once the goods leave the UK, the Movement Reference Number (MRN) is recorded at the port, confirming that the export has taken place, supporting the VAT zero-rating.

