**Common VAT issues**

**Q&A below:**

1. **How do I account for VAT on my imports?**

You have the option to pay VAT at the point of entry into Ireland, or, if you are listed as

the importer on the declaration and have an IE VAT, you can avail of postponed

accounting. VAT is charged on the cumulative

value of the goods, transport up to the point of importation, insurance and customs

duties. Postponed accounting means you will not pay at the point of importation but

account for it on the bi-monthly returns. It is important that the correct information is

entered on the declaration or VAT at import may apply.

Where you utilise postponed accounting, you must declare VAT on the full value of the

import at T1 on your VAT return. You may claim deductions at T2 on your VAT return in

line with the usual rules around VAT

deductibility as they apply to your business. More information is available here:

<https://www.revenue.ie/en/customs-traders-and-agents/brexit/information-forbusinesses/vat-trade-with-gb-after-transition/postponed-accounting.aspx> and

<https://www.revenue.ie/en/customs-traders-and-agents/customs-electronicsystems/aep/ecustoms-notifications/2020/aep-notification-032-2020.pdf>

2. **Should the UK supplier be charging UK VAT on purchases?**

As the goods are being exported from UK, they can be zero rated for UK VAT purposes.

If you are being charged UK VAT, you will need to contact your supplier in relation to this.

3. **My UK supplier is charging me Irish VAT at the point of sale, what are my reporting**

**requirements?**

Where the UK supplier is charging Irish VAT, this implies that the UK supplier is taking

care of the import obligations on your behalf and supplying goods to you within Ireland. In

this case, you do not have reporting

obligations around the import, these obligations lie with the UK company as supplier. You

can treat the transaction as you would a purchase made in Ireland.

4. **My UK supplier is charging me Irish VAT at the point of sale, but the courier**

**delivering has also applied VAT to the goods, what is the correct process?**

Please note you should not be charged VAT twice on the same transaction. It is difficult

to comment on what is causing this issue without knowing specifics about the supply

chain involved. You should work to fix

this scenario with the supplier and the courier to ensure that VAT is charged either at the

point of sale or by the courier.

**5. I am not listed as importer on the declaration my UK supplier is completing all**

**formalities, what are my requirements?**

If the UK supplier is acting as importer and accounting for any VAT or duties on the

declaration, then you are not connected to the import formalities. After the customs

formalities are completed, the UK supplier

(through their Irish VAT) should issue a sales invoice to you. You then account for it as

you would a normal Irish sale transaction.

Please note that for Northern Ireland, goods transactions are treated as being

within the EU and services as being interactions with a third country. For the rest

of the UK, both goods and services are treated as being third country transactions.

Useful direct links are here:

<https://www.revenue.ie/en/customs-traders-and-agents/brexit/information-forbusinesses/vat-trade-with-gb-after-transition/index.aspx> and here

<https://www.revenue.ie/en/customs-traders-and-agents/brexit/information-forbusinesses/vat-implications-of-trade-with-the-uk/index.aspx>