01 / A FOREIGN CUSTOMER IS NOT ENOUGH

Zero-rated export VAT needs the goods to leave and evidence to prove it.

Agree the delivery route and destination charges before you quote.

Three questions for each order

Question	What to establish
Where are the goods now?	Exports from Great Britain differ from goods already stored in an overseas warehouse.
Where will they go?	A foreign billing address alone does not establish an export.
Who handles the import abroad?	Agree who clears customs, pays duty/tax and deals with destination registrations.

For a qualifying export from Great Britain, 0% UK VAT can apply when the export conditions and evidence requirements are met.

A zero-rated sale is still a taxable sale. It is not exempt, and the business profit remains subject to the usual tax rules.

Start with the paperwork

Check your EORI, commodity code, origin, invoice value, any export licence and the destination's import requirements.

Agree delivery terms with the customer and transport provider. They should match what actually happens, not just a code copied onto the invoice.

CUSTOMER COLLECTING THE GOODS?

An overseas customer collecting in the UK is a higher-risk evidence situation. Check the indirect-export conditions and how you will obtain proof before zero rating.

Scope: ordinary commercial exports from Great Britain, not a full guide to Northern Ireland, excise goods, controlled goods or goods already held overseas.

CHECK THE RULES · Exporting: step by step · Get an EORI number · Export VAT and evidence

02 / VAT AND THE EVIDENCE DEADLINE

Keep a dated trail from order to delivery abroad.

Normally, export the goods and obtain satisfactory evidence within three months of the time of supply.

Example: a qualifying export

Transaction	Net	VAT
Your export sale	£2,000	£0
UK stock purchase, fully recoverable	£800	£160
Trading margin before other costs	**£1,200**	

Zero rating does not stop the normal £160 purchase-VAT claim. Whether your whole VAT return shows a refund depends on its other transactions.

Assumes standard-rated goods if sold in the UK, a qualifying evidenced export, normal VAT accounting and full recovery. The example does not include freight, duty or platform fees.

What counts as evidence?

Keep the invoice/order and evidence linking the goods to their actual export: customs records, transport documents and commercial delivery evidence as appropriate.

Record the tax point, dispatch date, evidence received and deadline. Some authorised processing or other arrangements have different time limits.

EVIDENCE MISSING AT THE DEADLINE

You may need to account for UK VAT. On a fixed £2,000 total at 20%, that is **£333.33 VAT**. Later satisfactory evidence may allow an adjustment, subject to the rules.

A customer promise or foreign payment alone is not a complete export record. Ask the carrier about missing documentation while the shipment is still traceable.

CHECK THE RULES · Export VAT and evidence · Exporting: step by step · Purchase VAT evidence

03 / WHO PAYS AT THE OTHER END?

“Free shipping” does not mean no import charges.

Make the customer promise match the tax and customs arrangements.

Agree responsibility explicitly

Commercial promise	Check before offering it
Customer handles import charges	Who is the importer, what charges may be due and how they are disclosed to the customer.
Seller handles import charges	Whether you need local registration, representation or import-VAT arrangements.
Marketplace handles tax	Which transaction the marketplace covers and which customs or seller obligations remain.

Delivery terms allocate responsibilities but do not override the destination’s tax law. Get country-specific checks before promising a fully tax-paid delivery.

Stock held abroad changes the question

Moving your own stock into a foreign warehouse can create local VAT or sales-tax obligations before the final customer sale. It is not the same as dispatching each order from Britain.

Low-value shipment rules, import schemes and customs charges change. Do not assume every small parcel is free of duty or tax.

Returns and replacements

Keep the original export reference and explain whether goods are returned, repaired or replaced. Customs relief may be available but needs the correct procedure and evidence.

WHAT TO TELL SBX

Flag overseas warehouses, seller-paid import taxes and new marketplace arrangements **before the first transaction**, not only when the monthly payout arrives.

CHECK THE RULES · Exporting: step by step · Export VAT and evidence · Appointing a customs agent · EU One Stop Shop and thresholds

04 / ONE FILE PER EXPORT

Build the evidence check into the order process.

Use a customs agent for the customs work and send the financial records to SBX.

Before shipment

Confirm the actual seller, customer, destination, delivery terms and importer. Check classification, origin, restrictions and the proposed VAT treatment.

Put responsibility for obtaining export evidence in writing. Ask the carrier what evidence it supplies and when.

After shipment

Match the export documents to the invoice, reconcile the customer payment and track the evidence deadline.

Send SBX refunds, returns, replacement details and foreign tax statements. A platform payout may already have fees and taxes deducted.

Order / tax point	Goods and destination	Importer / delivery terms	Export date	Evidence / deadline / action
EXP-001 / [date]	[enter]	[enter]	[enter]	[enter]

Most ordinary exports use a three-month export/evidence limit. Ask SBX or the customs agent to confirm your actual deadline. This worksheet is an action record, not evidence of export by itself.

Download a copy to complete. Send completed records through your private SBX channel, not the shared client library. Worksheets use manual entries and totals.

Contact our office or your account manager. info@sbxaccountants.com | 020 7046 1730

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