01 / BEFORE THE FIRST SHIPMENT

The supplier's price is not always the landed cost.

Work out who imports the goods, what tax is due and which documents you need.

Five details to establish

Detail	Why it matters
Importer	Whose business is named on the customs entry and has the right to dispose of the goods?
EORI number	The customs registration number, usually starting GB for this route. It is not your VAT number.
Commodity code	The classification used to find duty, restrictions and other requirements.
Origin and value	Origin can differ from the dispatch country. The customs value can include freight and insurance.
Delivery terms	Who pays freight, duty, tax and clearance costs, and when risk/ownership pass.

TWO DIFFERENT TAXES

Customs duty is not reclaimable VAT.

Import VAT may be reclaimable if the normal conditions and evidence are met.

Goods arriving from an EU supplier can still be imports into Great Britain. A zero duty rate does not mean there is no import VAT.

A supplier delivering “tax paid” does not prove that you are entitled to reclaim its import VAT. Check the actual importer and the invoice you receive.

Use a customs agent where needed. Appointing one does not remove the need to provide correct information and review the declaration.

Scope: ordinary commercial goods imported into England, Scotland or Wales. Northern Ireland, low-value consignments, excise goods, returns and specialist customs procedures have different rules. Check product safety and any licences separately.

CHECK THE RULES · Importing: step by step · Get an EORI number · Import VAT and valuation · Appointing a customs agent

02 / WORK OUT THE COST

Import VAT can be calculated on more than the goods price.

An illustrative shipment, with a made-up duty rate to show the calculation.

Example: stock bought from abroad

Calculation	Amount
Goods price	£5,000
Freight/insurance to the GB border	£500
Customs value in this example	**£5,500**
Illustrative customs duty: 4% × £5,500	£220
Delivery to first destination after arrival	£100
Import VAT value: £5,500 + £220 + £100	**£5,820**
Import VAT at 20%	**£1,164**

Assumes these are all relevant value adjustments, the goods are standard-rated and the £100 onward-delivery cost is known at import. The 4% duty rate is illustrative, not a tariff quotation. Other goods may have different rates or reliefs.

What the business needs to fund

Same shipment	Cash amount
Goods, freight, duty and delivery	£5,820
Plus import VAT paid upfront	£1,164
Total if import VAT is paid upfront	**£6,984**

If the full £1,164 import VAT is recoverable, the underlying cost after that recovery is £5,820. Reclaim timing is different from paying the bill.

POSTPONED VAT ACCOUNTING

With eligible postponed VAT accounting, the £1,164 is reported on the VAT return instead of paid at the border. With full recovery it is also reclaimed on that return.

No broker or other charges arise in this example. Actual clearance costs may also increase the import-VAT value. Duty is a business cost, not reclaimable VAT.

CHECK THE RULES · Import VAT and valuation · Value of imported goods for VAT · Postponed import VAT eligibility · Import VAT return entries

03 / CLAIMING THE IMPORT VAT

The commercial invoice alone is not the import-VAT evidence.

Match the customs entry, the VAT statement and the purchase in your books.

Using postponed VAT accounting (PVA)

You must be UK VAT registered. For the ordinary route, the goods must be for your business, you must have the right to dispose of them (usually as owner), and your VAT number must be on the declaration.

You do not need separate HMRC approval to use PVA. Tell your customs agent **in writing before the import declaration** that you want it used.

Download the monthly postponed import VAT statement. SBX uses it to record VAT due and the eligible reclaim, even where the net cost is nil.

Not every postal or simplified route supports PVA. Confirm the declaration method before shipment rather than assuming it can be changed afterwards.

When import VAT is paid upfront

Obtain the appropriate **C79 import VAT certificate**. Check the business details and reconcile it to the imports. A courier's payment request is not automatically a substitute.

The amount reclaimed may be restricted

Private use, exempt activities and other normal VAT restrictions still matter. Paying import VAT does not guarantee that all of it can be reclaimed.

DO NOT RECORD THE VAT TWICE

The supplier invoice, courier statement and customs record may all relate to one shipment. Separate the goods cost, duty, import VAT and handling charges; do not book three purchases.

CHECK THE RULES · Postponed import VAT eligibility · Import VAT return entries · Import VAT certificate C79 · Purchase VAT evidence

04 / YOUR FIRST-IMPORT CHECKLIST

Agree the process with the supplier and agent first.

Then send the complete shipment record to SBX, not only the bank payment.

Before dispatch

Confirm the importer, EORI, VAT number, commodity code, origin evidence, price, currency and delivery terms.

Check duty, product restrictions and any licence or safety requirement. Agree whether PVA is available and give written instructions.

Budget freight, duty, insurance, clearance fees and any VAT that cannot be reclaimed.

After arrival

Keep the supplier invoice, packing list, transport paperwork, customs entry, agent bill and C79/PVA evidence.

Reconcile quantities, values and VAT. Ask the agent promptly about incorrect importer details or valuation.

Send SBX the foreign-currency amount and actual payment details. Explain returns, damaged stock, replacements and goods still in transit.

Shipment / date	Importer / EORI	Goods + freight	Duty / other charges	Import VAT / evidence
Demo shipment	Your company / GB...	£5,500	£220 duty + £100 delivery	£1,164 / PVA or C79

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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