



What happens now?

EU businesses which incur VAT in another EU member state are able (subject to various conditions) to reclaim this VAT. Claims are submitted, using an electronic refund system, to the businesses' local tax authority which reviews the claim and forwards it to the relevant member state to be processed. Until 31 December 2020, UK businesses are entitled to reclaim VAT incurred in other EU member states.

What is going to happen?

UK businesses can use the electronic refund system to submit refund claims for EU VAT to HMRC until 11 p.m. on 31 March 2021. After this date access to the electronic system will be turned off.

How can I make my claim going forward?

It will still be possible to submit claims after 31 March but the paper forms used by non-EU claimants must be used.

Non-EU businesses incurring VAT in the EU can submit claims to recover this, but the claims process is far more bureaucratic than the electronic refund system used by EU claimants. Claims are made using paper forms completed in an official language of the relevant country and these are sent, accompanied by various documents, to the tax authority which will make the repayment.

In summary from 1st January 2021

UK businesses which incur EU VAT after 31 December 2020 will therefore have to use this paper based system to make claims. You will need to familiarise yourself with the deadlines (which are different for EU and non-EU claimants) and be aware that claims by non-EU businesses tend to take longer than those by EU businesses to process.

Please also note that claims for VAT incurred in 2020 must be submitted by 30 September 2021.

You can contact us on: 01604 678470 / 01933 312950

