eCustoms Helpdesk Notification

Number:	**Ref: 44/2022**
Subject:	**Postponed Accounting – Customs and Accounting Requirements**
Who should read:	**All those involved in lodging electronic customs imports declarations and all those involved in accounting for VAT –Postponed Accounting.**
Related Notification:	**eCustoms Helpdesk Notification Ref: 032/2020** **eCustoms Helpdesk Notification Ref: 45/2021** **eCustoms Helpdesk Notification Ref: 40/2022**
Issued by:	**eCustoms Helpdesk**
Queries to:	**email: E-CommerceandCustomsVAT@revenue.ie**
Issue Date:	**4 November 2022**

Background

Since 1 January 2021, traders involved in the importation of goods from outside the European Union can avail of Postponed Accounting arrangements if they are registered for VAT and Customs & Excise and hold a valid Postponed Accounting Authorisation. The holding of a Postponed Accounting Authorisation is subject to the conditions laid out in the Value-Added Tax Regulations 2010 (Regulations 14A) (Amendment) Regulations 2020.

Information for Importers

Postponed Accounting allows you, as an importer, postpone the payment of VAT at the time of importation of goods. You will account for import VAT on the next VAT3 Return due after the importation of the goods. In this scenario VAT may be reclaimed at the same time as it is declared on a VAT3 Return (subject to the usual rules on deductibility).

It is you, as the importer who is obliged to account for the postponed VAT on your VAT3 return and the VAT RTD. The declarant must not account for the VAT postponed under Postponed Accounting arrangements.

You have an obligation to ensure that your import declarations are filed correctly to avail of Postponed Accounting. Where you engage the services of an agent to act as the declarant in filing import declarations on your behalf, you must ensure that the declarant understands whether or not you wish to use your authorisation and avail of Postponed Accounting. Where you do not wish to use your authorisation, you must ensure that the declarant does not incorrectly input the Postponed Accounting code on Customs declarations.

Information for Declarants

You, as a declarant, must ensure that the Customs import declaration is completed correctly in relation to the postponement of the payment of VAT at import. You should be fully aware of the intention of the importer with regard to the VAT treatment to be applied to the importation of the goods. If the importer wishes to avail of Postponed Accounting, you must correctly declare their EORI Number and enter the correct detail on the declaration to ensure that VAT Postponed Accounting arrangements are applied to the declaration. You, as the declarant, must not account for the VAT which you have had postponed under the importer's Postponed Accounting Authorisation.

If the importer does not wish to avail of Postponed Accounting, you must not incorrectly apply the Postponed Accounting code on the Customs declaration.

Compliance with the Requirements

Importers or declarants who fail to ensure/file correct declarations may be deemed to be infringing the Customs Act, the Union Customs Code and its Delegated and Implementing Acts. Where deemed appropriate Administrative Penalties may be applied and these can range from €100 to €250 in respect of each failure.

Guidance for claiming postponed VAT on the Import Declaration

The following outlines the data requirements on the import declaration, and the response message details from Revenue's import declaration system – Automated Import System (AIS).

AIS Import Declaration:
- Declare the importers EORI number in Data Element (DE) 3/16
- Declare 1A05 in Data Element (DE) 2/3 followed by text IEPOSTPONED
- If the importer does not have a valid Postponed Accounting Authorisation, the declaration will be rejected
- If the importer has a valid Postponed Accounting Authorisation, the declaration will progress as normal.
- VAT is calculated and indicated as tax type 1B2.
- This calculated amount of VAT is communicated back to the declarant in the IM429 message.
- Because VAT at import is being postponed, the amount of VAT under 1B2 is for information purposes only and is NOT included in the total liability for collection at the time of import.

Postponed Accounting Entries on the VAT3 Return.

The PA1 field on the VAT3 Return should include the Customs value of goods imported under Postponed Accounting as per Customs declarations plus Customs Duty. This figure should include all goods imported under Postponed Accounting to which all VAT rates apply. Imported goods that are classed as zero-rated goods should also be included in the PA1 field if Postponed Accounting was applied on the Customs declaration for these particular goods.

The T1 figure on the VAT3 Return should include the amount of VAT applicable to the entry at the PA1 field on the return.

The T2 figure on the VAT3 Return should also include the amount of VAT applicable to the entry at the PA1 field on the return (subject to the usual rules of deductibility).

Importers must ensure that VAT postponed at the time of importation is correctly reflected on the next VAT3 Return due. Failure to correctly account for this can result in the issue of a Notice of Exclusion from Postponed Accounting arrangements.

Additional Information

Further information and guidance with regard to the Customs value of goods is available in the Tax and Duty Manual (TDM) Customs Manual on Valuation on www.revenue.ie.

Revenue has available a series of reports for those businesses that have a Customs and Excise TAN (C&E TAN) Account or are importers. These reports are there to assist you in managing your account, ensuring there are sufficient funds available to pay any customs duties owning at import and to provide you with details on the amount of VAT that you have postponed. The key reports are:

- C&E weekly declaration transaction list
- C&E monthly declaration and payment statement
- C&E TAN balance enquiry
- C&E payment reports

Full details are available in the C&E TAN Reports available on Revenue's Online Service (ROS) for C&E Traders Guide