

VAT - Postponed Accounting

This document should be read in conjunction with section 53A of the Value Added Tax Consolidation Act 2010 and the Value-Added Tax Regulations 2010 (Regulations 14A) (Amendment) Regulations 2020

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1 Introduction

This guidance sets out the conditions attached to the use of Postponed Accounting arrangements by accountable persons who import goods into the State.

Postponed Accounting arrangements may be applied to all imports from all third countries including Great Britain (UK not including NI).

At the end of the transition period (11:00pm on 31 December 2020), the UK left the EU VAT regime, Customs Union and Single Market. As such, trade with Great Britain has become third country trade, subject to Customs requirements and taxation at the point of importation. [Further information can be found on the Revenue Website.](#)

As provided for in the Withdrawal Agreement and the Protocol on Ireland/Northern Ireland, Northern Ireland (NI) remains within the EU VAT regime in respect of goods, but not services, therefore trade in goods between Ireland and Northern Ireland continues as before from a VAT perspective. However, trade in goods with Great Britain is treated as imports and exports. Further information on VAT on imports can be found on the Revenue website in Tax and Duty Manual (TDM) [Customs Manual on Import VAT](#).

2 What is Postponed Accounting?

Goods that are acquired from outside the European Union by accountable persons are treated as imports. Goods purchased from Great Britain and brought into Ireland are now treated as imports.

When importing goods into the state a Customs Declaration must be filed by the consignee (the importer) or their representative (Customs Broker or freight agent).

[Further information in relation to the Automated Import System \(AIS\) can be found on the Revenue website.](#)

[Information on using postponed accounting \(including the codes\) on your Customs declaration can also be found on the Revenue website.](#)

Postponed Accounting arrangements enable an accountable person to account for VAT on imports on their VAT3 Return so that import VAT may, subject to the usual rules on deductibility, be reclaimed at the same time as it is declared on a VAT3 Return. This will be a straightforward simultaneous in/out accounting transaction, without the need to pay the import VAT at the point of importation. In other words, it is recorded in the VAT3 Return as VAT which is deducted on a 'purchase' and charged on a 'sale' in a similar way to the manner in which intra-community acquisitions are currently recorded on the return.

It is the consignee (importer) and **not** their representative (Customs Broker or freight agent) that is obliged to account for Postponed Accounting on their VAT3 Return and the VAT RTD.

The VAT3 Return has been amended to include an additional field PA1. The PA1 field is a mandatory field that must be completed with the Customs value of goods imported under Postponed Accounting as per Customs Declarations **plus** Customs Duty. The VAT is then accounted for at T1 and T2 (subject to the usual rules of deductibility).

The VAT Return of Trading Details (RTD) has been amended to include additional fields PA2, PA3 and PA4 to capture the Customs value of goods imported under Postponed Accounting as per Customs Declarations **plus** Customs Duty.

The use of Postponed Accounting is intended to alleviate cash flow issues which could arise following the departure of the UK from the EU, where VAT registered businesses may otherwise have to pay import VAT at the point of importation of goods and then recover the VAT when the next VAT return is filed.

3 Postponed Accounting Entries on VAT3 Return.

The mandatory **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. Further information and guidance with regard to the Customs value of goods is available in the TDM [Customs Manual on Valuation](#).

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).

4 Postponed Accounting Entries on VAT Return of Trading Details (RTD).

ROS online VAT RTD second screen refers to '**Acquisitions from the European Union and Non-European Union**'. The second column of the VAT RTD paper return refers to such acquisitions. When completing this section of the VAT RTD you must include the value of the goods you acquired to which Postponed Accounting arrangements were applied. The value to be entered in the various fields is the Customs value of goods imported under Postponed Accounting as per Customs Declarations **plus** Customs Duty.

The **PA2** field should equal the total value of the figures for Postponed Accounting that are inserted in the various VAT rate fields. Imported goods that are classed as zero-rated goods should also be included in the PA2 field **if** Postponed Accounting was applied on the Customs Declaration for these particular goods.

ROS online VAT RTD third screen refers to '**Goods or Services Purchased for Resale (Irish or Intra-EU acquisitions, Postponed Accounting & Non-EU Imports)**'. The third column of the VAT RTD paper return refers to such acquisitions. When completing this section of the VAT RTD you must include the value of the goods you acquired to which Postponed Accounting arrangements were applied. The value to be entered in the various fields is the Customs value of goods imported under Postponed Accounting as per Customs Declarations **plus** Customs Duty.

The **PA3** field should equal the total value of the figures for Postponed Accounting that are inserted in the various VAT rate fields. Imported goods that are classed as zero-rated goods should also be included in the PA3 field **if** Postponed Accounting was applied on the Customs Declaration for these particular goods.

ROS online VAT RTD fourth screen refers to '**Other Deductible Goods and Services (Irish or Intra-EU acquisitions, Postponed Accounting & Imports)**'. The fourth column of the VAT RTD paper return refers to such acquisitions. When completing this section of the VAT RTD you must include the value of the goods you acquired to which Postponed Accounting arrangements were applied. The value to be entered in the various fields is the Customs value of goods imported under Postponed Accounting as per Customs Declarations **plus** Customs Duty.

The **PA4** field should equal the total value of the figures for Postponed Accounting that are inserted in the various VAT rate fields. Imported goods that are classed as zero-rated goods should also be included in the PA4 field **if** Postponed Accounting was applied on the Customs Declaration for these particular goods.

For further guidance please refer to the [VAT Return of Trading Details Tax and Duty Manual](#).

5 Who can avail of Postponed Accounting?

All accountable persons in Ireland who acquire goods from countries outside of the European Union VAT area may use the Postponed Accounting arrangements.

All accountable persons who were registered for VAT and Customs & Excise (C&E) at 11:00pm on 31 December 2020 were given automatic entitlement to Postponed Accounting; therefore, there was no requirement for these traders to apply for Postponed Accounting.

VAT registered traders who **were not** registered for C&E at 11:00pm on 31 December 2020 who wish to import goods into Ireland from that point in time must register for C&E, see [C&E Economic Operators Registration Identification \(EORI\) Number – Registration on ROS](#) for further guidance. Once registered for C&E, they will be given automatic entitlement to Postponed Accounting.

All new applicants for VAT Registration who wish to avail of Postponed Accounting should refer to TDM [Part 38-01-03b - Guidelines for VAT Registration](#).

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

6 Section 56 Zero Rating of Goods

A person authorised under Section 56 of the VAT Consolidation Act 2010 should use such authorisation to import qualifying goods at the zero rate of VAT.

Postponed Accounting arrangements should never be used by a person authorised under Section 56. The authorised person should make a declaration that they are an authorised person under Section 56 of the VAT Consolidation Act 2010 on their import declaration.

Further details on completing the Customs Declaration with regard to S56 authorisation are available in the TDM [Customs Manual on Import VAT](#) on the Revenue Website.

7 Commencement Date of Postponed Accounting.

Postponed Accounting arrangements commenced after 11:00pm on 31 December 2020.

8 How long can Postponed Accounting be availed of?

Postponed Accounting arrangements may be applied to goods that are imported after 11:00pm 31 December 2020 as set out above. However, continued entitlement to Postponed Accounting arrangements is subject to meeting specific requirements, including compliance with applicable conditions and the provision of any information sought by the Revenue Commissioners.

9 Is it Compulsory to use Postponed Accounting?

Although introduced as a cashflow alleviating measure for accountable persons, **it is not compulsory** to use Postponed Accounting arrangements.

Accountable persons may pay import VAT upfront at the time of importation and account for such VAT in the normal way on their VAT return.

Alternatively, the current deferred payment system for VAT on imports may be used by authorised importers who may defer payment of certain charges, including Customs duties and VAT at import until the 15th of the month following importation.

10 Conditions

In order to avail of Postponed Accounting an accountable person must be in compliance with certain conditions and requirements. When requested to do so, the accountable person must be able to demonstrate to the satisfaction of the Revenue

Commissioners that they are in compliance with the conditions and requirements as set out below:

- (a) that the accountable person is in compliance with:
 - (i) the VAT Consolidation Act 2010,
 - (ii) the Tax Acts (within the meaning of section 1 of the Taxes Consolidation Act 1997),
 - (iii) the Capital Gains Tax Acts (within the meaning of section 1 of the Taxes Consolidation Act 1997),
 - (iv) the statutes relating to the duties of excise and to the management of those duties,
 - (v) the Customs Act 2015 (No. 18 of 2015), and
 - (vi) any instrument made under any of the enactments referred to in subparagraphs (i) to (v).
- (b) that the accountable person keeps full and true records in accordance with section 84 of the VAT Consolidation Act 2010
- (c) that the accountable person has not been convicted of an offence under the Acts;
- (d) that the accountable person has provided information or documentation specified below to the Commissioners, where the Commissioners have requested any such information or documentation from the accountable person:
 - 1) evidence of the current business address and previous business addresses, if any, of the accountable person concerned, to include an address of a premises of the accountable person and an address at which manufacturing, retail, storage, administrative or other operations are carried out by the accountable person concerned;
 - 2) information relating to the solvency of the accountable person concerned, including the source of any loans or other financing received (or to be received) by that person and the use or intended use of the moneys received by that person through those loans or other financing;
 - 3) information relating to the type, volume and value of goods and services supplied to or by the accountable person concerned;
 - 4) information relating to the supply of goods or services to or by the accountable person concerned by or to, as the case may be, suppliers or customers of the accountable person concerned, including the terms and conditions of such supply, negotiations relating to that supply, the means by which the goods or services are to be supplied and the commercial rationale for the accountable person concerned supplying or receiving those goods or services;

- 5) evidence that the accountable person concerned has in place a system for maintaining records relating to the supply by or to that person of goods and services that ensures those records are complete, accurate and readily available to that person;
- 6) the most recently completed audited accounts;
- 7) a declaration by the accountable person concerned that all information provided by that person, for the purposes of accounting for tax by the means referred to in section 53A (1) of the VAT Consolidation Act 2010, is correct;
- 8) a tax clearance certificate (within the meaning of section 1095 of the Taxes Consolidation Act 1997);
- 9) any other information, where it appears requisite to the Commissioners to request such information for the protection of the revenue.

Where the accountable person, on the request of the Commissioners, fails to demonstrate, to the satisfaction of the Commissioners, that the necessary capacity and capability exists on the part of the accountable person to account for and pay tax by the means referred to in section 53A(1) of the VAT Consolidation Act 2010 on an on-going basis, they will be excluded from Postponed Accounting as provided for under paragraph 5, Value-Added Tax Regulations 2010 (Regulation 14A) (Amendment) Regulations 2020. A Notice of Exclusion will be served in this instance which will take effect from the date specified in the Notice.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

11 Security Requirement

The Revenue Commissioners may seek security under Section 109 VAT Consolidation Act 2010 at the point of registration or at any stage in the life cycle of a business, from the accountable person. Security bonds may be sought in cases where it is clear that such action is necessary for the protection of the exchequer.

Further information is available in [Procedures for requiring security from taxable persons](#)

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[...]

12 Notice of Exclusion

If an accountable person fails to demonstrate compliance with the conditions and requirements to avail of Postponed Accounting, a Notice of Exclusion (see Appendix 1) will be served which will take effect from the date specified in the Notice.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

13 Request to re-instate Postponed Accounting

Where a Notice of Exclusion has been served on an accountable person and the accountable person wishes to apply to the Revenue Commissioners for the re-instatement of Postponed Accounting arrangements, they may do so if they regularise and correct the reasons for exclusion outlined in the Notice of Exclusion.

Accountable persons may submit this request via MyEnquiries, which can be accessed from ROS; under the heading “Enquiry Relates to” select the option **Value Added Tax (VAT)** and under the heading “More specifically” select the option **Postponed Accounting**.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

14 Appeal

The Notice of Exclusion may be appealed to the Tax Appeals Commission (TAC). The appeal must be lodged within a period of 30 days from the date of the Notice of Exclusion by completing and submitting a Notice of Appeal form to the Tax Appeals Commission (TAC).

The Notice of Appeal form can be obtained from the TAC's website at taxappeals.ie and it contains the address to which an appeal is to be sent.

The accountable person will remain excluded from availing of Postponed Accounting arrangements until the Tax Appeals Commission has given its Determination.

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[...]

Appendix 1 - Notice of Exclusion

Name

Address line 1

Address line 2

Address line 3

DD/MM/YYYY

Notice of Exclusion - Postponed Accounting for VAT

Name and VAT reference number

Dear

Value-Added Tax Regulations 2010 (Regulation 14A) (Amendment) Regulations 2020 paragraph (2), states that an accountable person may account for the tax chargeable under section 3(b) of the Value-Added Tax Consolidation Act 2010 (“the Act”) on goods imported into the State by the means referred to in section 53A(1) of the Act where the accountable person can demonstrate to the satisfaction of the Revenue Commissioners that:

(a) the accountable person is in compliance with “the Acts”, defined as follows:

- (i) the VAT Consolidation Act 2010
- (ii) the Tax Acts (within the meaning of section 1 of the Taxes Consolidation Act 1997),
- (iii) the Capital Gains Tax Acts (within the meaning of section 1 of the Taxes Consolidation Act 1997),
- (iv) the statutes relating to the duties of excise and to the management of those duties,
- (v) the Customs Act 2015 (No. 18 of 2015), and
- (vi) any instrument made under any of the enactments referred to in subparagraphs (i) to (v).

(b) the accountable person keeps full and true records in accordance with section 84 of the VAT Consolidation Act 2010;

(c) the accountable person has not been convicted of an offence under the Acts;

(d) the accountable person has provided information or documentation specified in paragraph (3), Value-Added Tax Regulations 2010 (Regulation 14A) (Amendment) Regulations 2020, to the Commissioners, where the Commissioners have requested any such information or documentation from the accountable person.

Value-Added Tax Regulations 2010 (Regulation 14A) (Amendment) Regulations 2020 paragraph (5), states that paragraph (2) shall not apply in a case in which the accountable person, where requested by the Commissioners, fails to demonstrate, to the satisfaction of the Commissioners, that the necessary capacity and capability exists on the part of the accountable person to account for and pay tax by the means referred to in section 53A(1) of the Act on an on-going basis.

You have not demonstrated compliance to the satisfaction of the Revenue Commissioners with the conditions and requirements, as set out below:

XX
XX
XX

As provided for under section 53A (4) Value-Added Tax Consolidation Act 2010, you are excluded from accounting for tax by the means referred to in Section 53A, subsection (1), and the means referred to in that subsection for accounting for tax shall not be available to you with effect from XX XXXXXX 20XX.

You may appeal this notice to the Appeal Commissioners in accordance with section 949I of the Taxes Consolidation Act 1997, within the period of 30 days after the date of this notice.

Yours faithfully

Principal Officer

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[...]