

eCustoms Helpdesk Notification

Number:	Ref: 45/2021
Subject:	Postponed Accounting - Accounting Requirements
Who should read:	All those involved in VAT accounting and all those lodging electronic customs import declarations
Related Notification:	eCustoms Notification 032-2020
Issued by:	eCustoms Helpdesk
Queries to:	For VAT related queries send an email through: MyEnquiries/VAT/Postponed Accounting
Issue Date:	13 August 2021

Postponed Accounting – Accounting Requirements

All importers that are registered for VAT and Customs & Excise, who import goods from countries outside of the European Union (EU) VAT area into Ireland, may use postponed accounting arrangements. This is subject to the conditions laid out in the Value-Added Tax Regulations 2010 (Regulations 14A) (Amendment) Regulations 2020.

Postponed accounting allows an importer to account for VAT on imports on their VAT3 Return. This results in a VAT-neutral transaction for importers who import goods into Ireland meaning traders do not have to pay VAT at the time of importation. Instead, and subject to the usual rules on deductibility, import VAT may be reclaimed at the same time as it is declared on a VAT3 Return. i.e. the import VAT is simultaneously recorded as VAT deducted on a ‘purchase’ and charged on a ‘sale’. This is similar to how intra-community acquisitions are currently recorded on the return.

The importer rather than the declarant or representative is obliged to account for the postponed VAT on their VAT3 return and the VAT RTD. Importers should ensure that their representative is claiming the postponed VAT correctly on their import declarations if they wish to avail of this – see instructions below. Monthly statements and weekly transaction lists now include a column to show 1B2 Postponed VAT amounts (only applies to AIS declarations).

Many importers are correctly recording postponed VAT in their returns to Revenue. However, Revenue has identified instances where postponed VAT is not being correctly recorded.

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. 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.

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).

VAT Return of Trading Details (RTD)

The VAT Return of Trading Details (RTD) was changed to facilitate the recording of information in relation to postponed accounting with the addition of three new fields PA2, PA3 and PA4. Detailed instructions on how to complete the VAT RTD are contained in the Tax and Duty Manual [VAT - Postponed Accounting](#) on www.revenue.ie. This manual also has useful general information on postponed accounting.

The VAT 56A Scheme

Importers authorised under section 56(1) of the VAT Consolidation Act 2010 should use that authorisation to import qualifying goods VAT-free under the 56A Scheme. Postponed accounting arrangements should not be used by an importer authorised under section 56(1).

Further Guidance

Detailed guidance on postponed accounting is available on the Revenue website at www.revenue.ie and businesses availing of postponed accounting should refer to this guidance regularly.

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.

AIS:

Insert 1A05 in Data Element (DE) 2/3 followed by text IEPOSTPONED.

If the authorisation is not valid, the declaration will be rejected.

If the authorisation is valid, the declaration will progress as normal. VAT is calculated and indicated with tax type 1B2 in the IM429 message back to the declarant. The amount of VAT under 1B2 is NOT included in the total liability for collection.

AEP:

Insert 1A01 in SAD Box 44 followed by text IEPOSTPONED.

If the authorisation is not valid, the SAD will be rejected

If the authorisation is valid, the SAD will progress as normal. AEP will calculate the correct VAT liability but will not include the VAT amount in the liability to be collected. The VAT amount will NOT be included in the IM529 message back to the declarant.

Further information:

If you need further information, please contact any of the following:

Import VAT Policy – email: E-CommerceandCustomsVAT@revenue.ie

Technical AIS/AEP Live queries – email: ecustoms@revenue.ie