

# Import VAT Accounting Scheme FAQs

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These FAQs are intended to give a high level overview of the IVAS scheme for anyone who may be interested in joining. If you are a local Trader who is considering joining the scheme, it is recommended that you read this in conjunction with the T&Cs of this scheme.

For specific information, please contact Marcin Bogusz by emailing [marcin.bogusz@jerseypost.com](mailto:marcin.bogusz@jerseypost.com) or calling on 01534 616612.

## 1 WHAT IS IVAS?

IVAS (Import VAT Accounting Scheme) is a scheme, run by Jersey Post in conjunction with Jersey Customs and HMRC (UK Customs), to allow Jersey Traders to easily account and pay for the VAT payable on goods sold into the UK from Jersey.

## 2 WHAT ARE THE BENEFITS OF THE SCHEME?

Being an IVAS member, assists with the smooth delivery of items to recipients in the UK. Commercial mail items, which are identified as being IVAS registered and having the VAT paid via this scheme, should not be held/delayed by UK Customs for VAT payment.

## 3 WHO IS ELIGIBLE TO JOIN THE IVAS SCHEME?

IVAS is aimed at locally based traders who frequently send goods into the UK. Traders wishing to apply to join the scheme must be registered with The Jersey Financial Services Commission.

Applications made to join the scheme will follow the authorisation process detailed in the IVAS Terms and Conditions, and traders will be required to submit the required due diligence documentation with their application. Applications received will be checked by the Jersey Post Compliance Control Officer, before being passed to Jersey Customs and UK Customs (if applicable) for approval.

Once approved, the trader will be issued with their unique IVAS number, which will be used to indicate, to UK Customs, their VAT paid status on any goods sent to the UK.

## 4 HOW DOES IT WORK?

- Following approval to join the scheme, the IVAS Member, will be allocated a unique ID number and a customised Customs CN22 label, which must be used on any commercial goods being sent to the UK.
- All items sent to the UK, will be identified by UK Customs, as being UK Import VAT paid via IVAS, so will not be held for payment.
- IVAS members will complete their monthly VAT declarations, based on the items sent in that period, and submit it to Jersey Post along with payment for the UK Import VAT due.
- Jersey Post will pay UK Customs, the applicable VAT, on behalf of all IVAS members.

## 5 HOW DO I KNOW HOW MUCH VAT TO PAY?

The standard VAT rate is 20%, but the amount payable depends on the classification of the goods being sent. For anyone unsure of the applicable VAT %, we recommend you refer to guidance on the HMRC website.

## 6 HOW DO I DECLARE THE VAT THAT HAS BEEN PRE-PAID OR TAKEN AUTOMATICALLY BY A SELLING PLATFORM SUCH AS AMAZON AND EBAY?

Amazon is liable to account for VAT on import shipments where the value is under £135. Whilst there is an

exception to exclude shipments where the seller uses the import VAT accounting, the IVAS service is optional, so Amazon cannot differentiate between Channel Island traders that use it and those that don't.

Therefore, we advise our IVAS Traders to allow Amazon to account for VAT on all shipments under £135 and not to pay VAT via IVAS declarations, but to list those items separately on the monthly declaration. HMRC have been made aware of this decision.

Traders can still use IVAS to declare items with a value over £135.

### **7 HOW DO IVAS MEMBERS IDENTIFY THE MAIL ITEMS THEY ARE SENDING AS VAT PRE-PAID VIA THE IVAS SCHEME?**

All items sent must have the IVAS customers number on label.

Currently, you will be provided with a label template which will have a field detailing your IVAS number. In future, when you are producing your own labels, via either the Atlas platform or on our web postage portal, the label will be generated automatically.

### **8 HOW DO IVAS MEMBERS DECLARE THEIR VAT DECLARATIONS?**

It is the responsibility of the IVAS member to maintain records of all of the goods they send to the UK within the calendar month. At the end of each month, they will submit their UK Import VAT declarations, on a submission template provided, to Jersey Post.

### **9 HOW CAN IVAS MEMBERS ADJUST THEIR VAT PAYMENTS TO ALLOW FOR RETURNED GOODS?**

As long as the recipient of the item has been issued a credit note and reimbursement for the total amount paid, an IVAS member can make an adjustment, on their UK Import VAT declaration, to allow for goods returned upon which UK Import VAT was previously paid.

### **10 CAN JERSEY RETAILERS BENEFIT FROM LVCR ON ITEMS SENT TO THE UK?**

There is no LVCR for items of commercial value being sent to the UK. All items are VAT-able.