

About Us

Chamber International and Chamber Management Services are trading names used by Chambers of Commerce in the region for the delivery of international services. From its base at Bradford Chamber, the Chamber International team is committed to helping clients build their capabilities for the challenge of international business, and offers a broad portfolio of services to do this.



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Chamber International

Preferred supplier of international trade services to Chambers of Commerce in Yorkshire

Tel: 0845 034 7200
Fax: 01274 771587
Email: sales@chamber-international.com
Web: www.chamber-international.com

Post: Chamber International
Devere House Vicar Lane
Little Germany
Bradford BD1 5AH



How to - defer paying duty & VAT on your imports



Chamber International 'How to Guide'

“A deferment account becomes much more economical”

If you're a regular importer, it's possible to defer paying import duty and import VAT by setting up an account with HM Revenue & Customs (HMRC). The advantage of this is that you can put off payment by an average of **30 days** and your goods will normally be cleared for release more quickly

How does it work?

Once you have been approved by HM Revenue & Customs to use a deferment account you will receive a deferment account Number (DAN), which is your individual account number with HM Revenue & Customs. If you appoint a forwarding agent to attend to customs clearance formalities he will need your DAN to declare on the import entry. You must ensure that your agent uses the DAN correctly.

The DAN allows deferment of import duty and VAT for each import declaration made during the month

until the month end. It then automatically accumulates the totals of import duty and VAT for the month which become payable to HMRC by direct debit the following month.

Practicalities

For importers only making a few imports per month, the use of a duty deferment account is less practical, as the amounts of import duty and VAT can be paid at the time of import. However, if you import several times a week, then a deferment account becomes much more economical. You could use your forwarding agents DAN. They will charge a fee for this and usually request that you reimburse them before delivering the goods.

Import procedures

Under normal circumstances, import duty and VAT is paid on each import consignment when it is declared to HMRC, but with the use of the DAN, the amount payable each month for import duty and VAT is

“Payments are made on a monthly basis”

accumulated and is then payable at a fixed date during the following month. On that date, the amount of accumulated import duty and VAT is paid automatically by direct debit from the importer's account into the HMRC account.

Payments are made on a monthly basis, but the accumulated amounts of import duty and VAT fluctuate according to the import duty and VAT that applies to each import declaration submitted.

Statements

Every week, the importer receives a deferment account statement from HMRC giving details of the import entry numbers for each declaration made during the week referred to on the statement, and the import duty and VAT referring to each declaration.

There are generally four statements issued per month, one for each week, with a summary deferment statement provided at the end of month. The statements can be used to reconcile the import declarations in order to verify the details of each import declaration.

Simplified VAT accounting

Although the VAT is paid through the deferment account mechanism, it is reclaimed by way of the VAT return. Because the VAT is separate from the import duty, it is possible for the importer to exclude the VAT from their deferment guarantee by applying for a SIVA (Simplified VAT Accounting) facility. This removes the VAT from the deferment guarantee, leaving just the bank guarantee for the import duty.

How to apply

To apply for a deferment account write to:

HM Revenue & Customs
Central Deferment Office
6th Floor North West
Alexander House
21 Victoria Avenue
Southend-on-Sea
Essex
SS99 1AA