

# Doing business in the UK: No UK premises? Don't ignore VAT

Just because your business does not have an office, permanent work facilities, staff or resources located in the UK does not mean that there is not a requirement to VAT-register and account for VAT there.

## **Whether you need to register for VAT in the UK depends on:**

- what you are selling,
- who are you selling it to, and
- the terms of trade/method of delivery relating to those UK sales.

VAT operates as a self-assessed tax, so it is your responsibility as the seller to be aware of the rules that apply in the UK, even if you are located outside the UK. It is usually far from being straightforward.

Set out below are some examples of the main areas where a business outside the UK could fall within the UK VAT regime. *Note that the turnover threshold does not apply to most of these activities. If you are carrying them out in the UK, any income generated can give a requirement to be VAT-registered.*

## Acquiring a UK property business

Acquiring a UK property and operating a property business (e.g. rentals, service charges, sales, etc) falls within the scope of UK VAT. This is because land-related services are deemed to take place where the land and buildings are physically located.

## Conferences and events

If you charge an entry fee to an event that you have organised yourself in the UK, this falls within the scope of UK VAT. It is regardless of where the attendees to the event are from or where the organiser is located.

## Sale of goods and services to private consumers in the UK

Business-to-consumer sales made in the UK normally fall within the scope of UK VAT, with you as the overseas supplier being responsible for charging and accounting for VAT there. For example, services that can be downloaded via an app on the internet.

If you sell a consignment of goods to a consumer in the UK where there is a value of £135 or less, you as the overseas seller are responsible for UK VAT and any customs duties payable. Consignments over this value are generally the responsibility of the customer, so the terms and conditions of the sale should reflect the particular VAT and duty obligations.

Selling goods via an online marketplace can result in a requirement to be registered for VAT in the UK. This depends on how the supply chain is structured and the overseas supplier is organised and set up.

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## Sale of goods to businesses

Where goods are exported to a UK business by an overseas seller with 'duty delivered paid' delivery terms, you as the exporter are responsible for clearing the goods through the UK border restrictions and paying import charges of VAT and duty if applicable. Furthermore, you as the overseas seller would need to charge and account for UK VAT on the final transfer of title of the goods to the UK purchaser.

### To note

On VAT registration, the business will automatically be enrolled for the UK's Making Tax Digital (MTD). This requires records to be kept digitally in MTD-compliant software and VAT returns to be filed electronically with HMRC.

Moore Kingston Smith can assist with all aspects of VAT advisory and VAT compliance matters. Feel free to contact us.

## Contact us



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