

News Flash

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VAT refund from the United Kingdom in the Czech Republic

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Is your company registered to VAT and has it purchased goods in the UK that have remained in the territory of this country? Do your employees travel to Great Britain on business trips and does your company cover the costs associated with transport, accommodation or professional trainings? Does your company participate in exhibitions or fairs in the United Kingdom?

In this case, we would like to inform you about the possibility to **apply for a refund of VAT** paid for goods and services. Even after Brexit, i.e., the exit of Great Britain from the European Union (from 1 January 2021), it is possible to apply for a refund of VAT paid in the UK based on the reciprocity principle. However, the application is no longer submitted via the portal of the Czech tax authority, but directly **by the British Financial Administration** (HMRC).

The conditions for a tax refund from the UK remain similar to when claiming a refund from other EU member states. At the same time, there are several differences which are summed up below.

VAT refund period

The period for UK VAT refund is from 1 July of a given year to 30 June of the following year and thus amounts to 12 calendar months. The application can be submitted at least for 3 calendar months.

Deadline for submission of VAT refund application

An application for a UK VAT refund for the tax refund period must be submitted no later than on 31 December of the year in which the refund period ends. The application deadline for the **period from 1 July 2022 to 30 June 2023** is therefore on **31 December 2023**.

Limits of the amount of VAT

If you are claiming tax for a period of less than 12 months, the minimum claim amount must be at least £130.

VAT refund application process

- The VAT refund application must be accompanied by the Certificate of status, Tax Refund Application, relevant invoices and other supporting documents.
- Czech companies can only submit an application by post, as the Czech Financial Administration does not yet have technical sources for issuance of electronic Certificate of status.
- The UK tax authority will deliver a decision to the applicant within 6 months from receiving the claim for VAT refund. However, usually, HMRC will request additional information towards the end of this period and the refund might be therefore significantly extended.

Why use Accace services when applying for VAT refund?

- VAT refund application from other EU Member States and mainly from the UK is complicated and administratively demanding process.
- Individual EU Member States and the UK may have special rules under which VAT refund can be claimed (e.g. some Member states do not allow to refund VAT paid on fuels) as well as different requirements for the format and structure of the VAT refund application.
- Tax administrator often requires additional explanations and documentation in order to assess the VAT refund applications.

- In case that the formal requirements for a VAT refund are not fulfilled, the tax administrator may reject the VAT refund application.

We will be pleased to assist you in the VAT refund process and provide everything you need. Do not hesitate to contact us!

Disclaimer

Please note that our publications have been prepared for general guidance on the matter and do not represent a customized professional advice. Furthermore, because the legislation is changing continuously, some of the information may have been modified after the publication has been released. Accace does not take any responsibility and is not liable for any potential risks or damages caused by taking actions based on the information provided herein.

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