

# Indirect Tax Alert

## UK Tax Authority publishes update on current delays in processing and refunding VAT under Overseas Refund Scheme

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On 22 June 2020, the United Kingdom (UK) tax administration, Her Majesty's Revenue and Customs (HMRC) published a [Business Brief](#) to inform nonresident businesses not established in the European Union (EU) about current delays in processing and refunding value-added tax (VAT) claims submitted under the Overseas Refund Scheme (historically known as 13th Directive claims). The affected claims are those related to the prescribed year 1 July 2018 to 30 June 2019, submitted on or before 31 December 2019.

### Claims for VAT refunds for 2018-2019

In general, HMRC aims to process and refund overseas VAT claims within six months of the annual submission deadline of 31 December.<sup>1</sup> However, due to the impact of COVID-19 and the changes HMRC has had to make in this period, the Authority is unable to meet this deadline for some of the 2018-2019 claims and it now aims to pay valid claims by 30 September 2020. HMRC will write to businesses if a claim will not be paid by this date either because further information is needed or for any other reason.

## Claims for VAT refunds for 2019-2020

HMRC advises businesses that are seeking to make a claim for the prescribed year 1 July 2019 to 30 June 2020 due before 31 December 2020, to request a certificate of status to validate their eligibility as early as possible. Any businesses should also let HMRC know as soon as possible if they are unlikely to be able to obtain a certificate before 31 December 2020.<sup>2</sup>

The HMRC Brief sets out what businesses should do if they are unable to obtain a certificate of status for 2019-2020. If a claim has been submitted without a certificate, it will not be rejected but it will be put on hold until 31 December 2020. If a nonresident business that seeks a UK VAT refund is unable to obtain the relevant certificate by 1 October 2020, it should write to HMRC with the specifics of the case to be considered.

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## Endnotes

1. See HMRC [VAT Notice 723A, paragraph 6.6](#).
2. HMRC can be contacted at the [UK VAT Overseas Repayment Unit](#).

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For additional information with respect to this Alert, please contact the following:

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EYG no. 004435-20Gbl

1508-1600216 NY  
ED None

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