

## Foreword

**This notice cancels and replaces Notice 705A (October 1995). Details of any changes to the previous version can be found in paragraph 1.2 of this notice.**

The legal basis for the Personal Export Scheme is in the VAT Act 1994 sections 30(8) and 30(10) and VAT Regulations 1995 (SI 1995/2518), regulations 132 and 133. Parts of this notice have the force of law under those regulations. These parts are indicated by being placed in a box as in the example shown below.

### EXAMPLE:

<b>The following rule has the force of law</b>
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If you receive a net payment you must include the full value before such deductions (and including VAT) in your scheme turnover. This will usually be the value shown on your sales invoice.
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## Further help and advice

If you need general advice or more copies of Customs and Excise notices, please ring the **National Advice Service** on **0845 010 9000**. You can call between **8.00 am and 8.00 pm, Monday to Friday**.

If you have **hearing difficulties**, please ring the **Textphone** service on **0845 000 0200**.

If you would like to speak to someone in **Welsh**, please ring **0845 010 0300**, between **8.00 am and 6.00 pm, Monday to Friday**.

**All calls are charged at the local rate within the UK. Charges may differ for mobile phones.**

## Other notices on this or related subjects

[703 Exports and removals of goods from the UK](#)

[705 Buyer's guide to personal export of motor vehicles to destinations outside the EC](#)

[728 New means of transport](#)

# **1. Introduction**

## **1.1 What is this Notice about?**

This notice explains the Personal Export Scheme which allows the supply of motor vehicles free of Value Added Tax (VAT) for temporary use in the United Kingdom (UK) before they are exported to a destination outside the European Community (EC). It sets out the conditions that must be complied with by everyone using this Scheme.

## **1.2 What's changed?**

This notice has been re-structured and rewritten to improve readability.

The technical content, apart from amendments to reflect the enlargement of the EC on 1 May 2004, remains unchanged since the October 1995.

You can access details of any changes to this notice since March 2004 on our Internet site at [www.hmce.gov.uk](http://www.hmce.gov.uk) or by telephoning the National Advice Service on 0845 010 9000.

This notice and others mentioned are available both on paper and on our website.

## **1.3 Who should read this notice?**

VAT registered traders who wish to supply motor vehicles VAT-free, to overseas visitors and entitled EC residents, for export to a destination outside the EC.

## **1.4 What is the legal status of this notice?**

The legal provisions that cover the Personal Export Scheme are contained in the:

- VAT Act 1994 section 30(8) and 30(10); and
- VAT Regulations 1995 (SI 1995/2518) regulations 132 and 133. These regulations allow for specific conditions that have the force of law

The VAT Regulations 1995 and this notice lay down the conditions which must be met in full for a motor vehicle to be supplied free of VAT for export under the Personal Export Scheme.

## 2. Supplying a Vehicle under the Personal Export Scheme

### 2.1 What is the Personal Export Scheme?

The Personal Export Scheme allows you to supply to entitled customers a motor vehicle in the UK free of VAT for export outside the European Community. Subject to some restrictions the vehicle may also be used for a limited period in the EC before being finally exported to a destination outside the EC.

**Warning: It may be difficult to import motor vehicles into some countries. To avoid any confusion check with the customer that they have contacted the relevant Embassy or High Commission in the UK before they place an order for a vehicle under the Scheme.**

### 2.2 Can I use the Scheme to supply a motor vehicle for permanent removal to another EC country?

The following rule has the force of law

**No.** The Scheme can only be used for vehicles that will be exported outside the EC.

For intra-EC removals see Notice 728 New means of transport.

### 2.3 Which customers can use the Scheme?

The following rule has the force of law

The Scheme can be used by customers who are:

(a) **Overseas visitors:** This means that your customer has not been in the EC for more than **either:**

- 365 days in the two years before the date when they apply to use the Scheme; **or**
- 1095 days in the six years before the date when they apply to use the Scheme; **and**
- intends to leave and remain outside the EC with the motor vehicle for a period of at least six months; **and**
- complies with all the other conditions of the Scheme

(b) **Entitled EC residents:** This means your customer **has** been in the EC for **more than:**

- 365 days in the two years before the date when they apply to use the Scheme; **or**
- 1095 days in the six years before the date when they apply to use the Scheme; **and**
- intends to leave and remain outside the EC with the motor vehicle for a period of at least six months; **and**
- complies with all the other conditions of the Scheme.

## 2.4 Which Countries are part of the European Community (EC)?

The VAT territory of the EC is made up of 15 Member States (25 from 1 May 2004) including some territories with which they have links. Details of the fiscal (VAT) territory of the EC and of the special territories which are outside the EC for VAT purposes are given in section 10.

## 2.5 What type of vehicle can I sell under the Scheme?

**The following rule has the force of law**

You may use the Scheme to sell motor vehicles, motorcycles or motor caravans but not pedal cycles or trailer caravans.

**Note:** If the price of the vehicle **when purchased** included VAT, your customer will not be eligible for a refund even if the vehicle is later exported to a destination outside the EC.

## 2.6 When can I take an order for a vehicle under the Scheme?

**The following rule has the force of law**

You may take an order under the Scheme if your customer intends to leave the EC in:

- 15 months or less if they are an overseas visitor (see paragraph 2.3); or
- 9 months or less if they are an entitled EC resident (see paragraph 2.3).

## 2.7 When must the vehicle be exported?

**The following rule has the force of law**

For the purchaser to comply with the conditions of the Scheme the vehicle must be exported within:

- 12 months from the date of delivery if they are an overseas visitor (see paragraph 2.3); or
- 6 months from the date of delivery if they are entitled EC resident (see paragraph 2.3).

## 3. Making a sale under the Personal Export Scheme

### 3.1 What should I do at the time of sale?

**The following rule has the force of law**

You should verify that your customer is entitled to use the Scheme (see paragraph 2.3). If your customer is entitled to use the Scheme you must give him/her a copy of Notice 705 VAT: Buyer's guide to personal exports of motor vehicles to destinations outside the EC and an application form VAT 410. You should explain the conditions of the Scheme to the customer and give him/her time to read Notice 705. In completing the VAT 410 Form, the applicant declares that they have received, read and understood Notice 705 and will comply with all of the conditions of the scheme listed on the reverse of the form VAT 410.

**Warning:** It is an offence for applicants to give incorrect information on the VAT 410 form, they should be advised if they do so they may be liable to prosecution.

You can obtain supplies of Notice 705 and VAT 410 Forms from our National Advice Service (NAS) see paragraph 1.2 for contact details.

## 3.2 The VAT 410 form

The VAT 410 form is carbonated and incorporates 4 copies:

- Part 1 - (blue) Customs copy;
- Part 2 - (green) Purchaser's copy;
- Part 3 - (pink) Supplier's copy; and
- Part 4 - (yellow) DVLA LO copy.

### The following rule has the force of law

All completed application forms **must** be serially numbered in the top right hand corner. Each separate franchise at the same location will require a separate series of numbers. The Customs copy should be forwarded, at least two weeks before the date of delivery of the vehicle, to the Personal Transport Unit at the following address:

HM Customs & Excise  
Personal Transport Unit  
PO Box 242  
Dover  
Kent  
C17 9PG

Tel: 01304 664556/7  
Fax: 01304 664567

Please ensure that application forms are fully completed and correct before you accept them.

An incomplete or incorrect application form **will be returned** to you for correction and this may delay the delivery of the vehicle.

## 3.3 Invoicing of vehicles and supply of extras

### The following rule has the force of law

You must supply and invoice VAT-free vehicles direct to the applicant.

**Note:** Factory fitted extras can only be supplied VAT-free if they are included on the initial invoice for the supply of the vehicle at the time of purchase.

## 3.4 Insuring the vehicle

You should advise the person purchasing the vehicle to insure the vehicle for its full **tax inclusive** value at the time of purchase.

**The following rule has the force of law**

If the vehicle is not exported, (it may be stolen or involved in an accident and written-off) the VAT amount not paid at the time of purchase will become due.

## 3.5 What action should I take if an order is cancelled?

**The following rule has the force of law**

If, after the application is approved, the order is subsequently cancelled by the applicant before delivery, you should **immediately** contact the Personal Transport Unit at the address given in paragraph 3.2. The Personal Transport Unit will need the following details:

- the name of the applicant;
- make and model of the vehicle ordered;
- the serial number of the VAT 410 application form; and
- in the case of second-hand vehicles, the vehicle registration number.

## 3.6 Breach of conditions

**The following rule has the force of law**

If you become aware that a vehicle you supplied under the Scheme has been retained in the United Kingdom beyond the due date for export, or that any other condition of the Scheme has been breached, you should **immediately** notify the PTU.

# 4. Registering and licensing of vehicles with the Driver and Vehicle Licensing Agency Local Office (DVLA LO)

## 4.1 New vehicles

**The following rule has the force of law**

To register the vehicle, you **must** submit an application Form V55 headed prominently in block letters "PERSONAL EXPORT (VAT FREE) VEHICLE" and attach it to the DVLA LO copy (part 4) of the Form VAT 410 and send it to one of the DVLA LOs listed in section 11.

## 4.2 Second hand vehicles

### The following rule has the force of law

As these vehicles will already have been registered you **must** notify the DVLA LO of the change of keeper and apply for a special tax disc. To do this, you **must** submit to one of the DVLA LOs listed in section 11:

- the completed V5 Registration Document;
- Form V10 (Vehicle Licence Application Form);
- the DVLA LO copy (part 4) of the Form VAT 410; also
- Form VX304 if the purchaser of the vehicle is entitled to claim exemption from payment of vehicle excise duty.

The second-hand vehicle must **not** be supplied with any pre-existing tax disc. If a disc is already in force, it should be surrendered separately to the DVLA LO for a refund.

If the customer intends exporting the vehicle within 14 days of purchase, you should complete the V5 Registration Document to notify export **at the same time as notifying the change of keeper to the DVLA LO**. This will ensure that your customer receives an export certificate in good time before leaving the UK.

## 5. Delivery procedures

### 5.1 Action before delivery of the vehicle

#### The following rule has the force of law

##### New vehicles

Before the vehicle is delivered you must complete the details required on pages 5 and 8 of the pink registration book, showing the amount of VAT remitted (not paid), the date of delivery and the final date for export.

##### Second hand vehicles

If you have followed the procedures in paragraphs 4.2 and 6.2, you do not need to do anything else.

### 5.2 Who may take delivery of the vehicle?

#### The following rule has the force of law

You must deliver the vehicle to the applicant in the UK.

No one else may take delivery of the vehicle on behalf of the applicant without the written authority from the Personal Transport Unit (see paragraph 3.2 for contact details).

## 5.3 Delivery receipts

**The following rule has the force of law**

You must retain a dated certificate of receipt for the vehicle signed by the applicant with your records.

## 5.4 Urgent delivery procedure

**The following rule has the force of law**

This procedure applies only in respect of an overseas visitor who intends to leave the UK **within one month** of their application for a vehicle purchased under the Scheme.

You may also allow delivery within two weeks of completion of the VAT 410 form when the overseas visitor requests an urgent delivery of the motor vehicle due to his/her imminent departure from the UK.

For **all** urgent delivery requests you **must** complete a Certificate for Urgent Delivery (see section 8). You should send copies of Urgent Delivery Certificates by fax to the Personal Transport Unit at least three working days before the date of delivery of the vehicle to the applicant. The certificate must be authorised by a sole proprietor, partner, director, company secretary or a duly authorised person at a responsible level.

When you fax the certificate to the Personal Transport Unit you **must** also fax a copy of the VAT 410 form plus, for new vehicles, the V55 Form. You should then post the original papers to the Personal Transport Unit (see paragraph 3.2).

**Note:** You must **not** use this procedure if the initial application by the customer has been either:

- rejected or returned for amendment; or
- if your customer has made more than one application in any period of 6 months.

## 5.5 Queries

If you have any doubts or questions before or after delivery of the vehicle which **cannot** be resolved by the NAS (see paragraph 1.2 for contact details), you should consult the PTU at the address shown in paragraph 3.2.

## 6. What records must I keep?

### 6.1 New vehicles

**The following rule has the force of law**

You must keep available for inspection by our officers:

- the normal VAT records as set out in Notice 700 The VAT Guide;
- your copy of the VAT 410 form; and
- a separate record of each vehicle supplied under the Scheme showing:
  - the date of delivery;
  - the applicant's name and United Kingdom address;
  - particulars of the vehicle supplied, including type, chassis and registration number;
  - amount of VAT remitted on the delivery price which must include the prices of any accessories, or extras and any delivery charges less any discount allowed; and
  - a certificate of receipt for the vehicle, detailing the chassis and registration number which must be signed and dated by the applicant.

### 6.2 Second-hand vehicles

You should already have a record of second-hand vehicles in your second-hand stock book.

**The following rule has the force of law**

When you sell a second-hand vehicle under the Scheme, you **must** close this stock book entry **and** include a cross-reference to the serial number of the VAT 410 form. Insert "zero-rate" in the VAT rate column of your stock book and "Nil" in the VAT due column.

You must then record the sale separately and include the same details as required for sales of new vehicles.

You can, if you wish, include your second-hand sales with your records of new vehicle sales.

### 6.3 How long must I keep the records?

**The following rule has the force of law**

Records of all vehicles sold must be retained for a period of six years as specified in Notice 700 The VAT Guide.

## 7. Alternatives to the Personal Export Scheme

### 7.1 Direct Exports

If your customer does not want to use the vehicle in the UK before it is exported from the EC, you need not supply the vehicle under the scheme. You may be able to supply the vehicle VAT-free as a direct export. Notice 703 Exports and removals of goods from the UK provides more information about direct exports.

## 8. Format for certificate for urgent delivery

### Certificate for urgent delivery

Applicant's Details:

Name:.....Invoice no:.....

Address:.....

.....

.....

.....

.....

Post Code:.....

Vehicle Details:

Make:.....Model:.....

Chassis No:.....Registration No:.....

I hereby certify that I have this day personally interviewed

..... (name of applicant) who assures me that he/she has not applied for or acquired a VAT free motor vehicle under the Personal Export Scheme, as described in Notice 705, within the last 6 months.

I have also inspected his/her passport number ..... issued by .....(name of authority) and the following documents: (see \* below)

.....

.....

I have no reason to doubt his/her status as an overseas visitor or his/her declared intention to leave the European Community with the vehicle on (date) ..... (see \*\* below) and to remain abroad with the vehicle for at least six consecutive months.

Signed: .....

Position in company: .....

Date: .....

\* Example: details of car ferry tickets; overseas residence permit; return tickets; confirmatory letters or such evidence as was seen.

\*\* This date must not be later than one month from the date of application.

## 9. Suppliers Checklist

Have you checked?		Tick if yes
You <b>must</b> ensure at <b>the time of application/sale that...</b>		
1	the customer is eligible to use the Personal Export Scheme (see paragraph 2.3)?	
2	the customer has received and read a copy of the Notice 705 (see paragraph 3.1)?	
3	it is the customer who will personally take delivery of the vehicle in the UK (see paragraph 5.2)?	
4	the customer agrees to comply with all the conditions of the Scheme (see paragraph 3.1)?	
5	you keep a separate record of the vehicle supplied under the Scheme (see paragraph 6)?	
6	the customer is informed they may be liable to prosecution if the information they have given on the VAT 410 application form is incorrect (see paragraph 3.1)	
7	<p>you have completed the VAT 410 (carbonated – 4 part) application form? Copies to be distributed as follows:</p> <ul style="list-style-type: none"> <li>• copy 1 (blue) - Customs copy;</li> <li>• copy 2 (green )- Purchasers copy;</li> <li>• copy 3 (pink) - Suppliers copy;</li> <li>• copy 4 (yellow) - Vehicle Registration copy - attached to the VRO copy should be either of the following forms:  <b>New vehicles:</b>                      Form V55 authorising the issue of a pink log book (see paragraph 4.1); or  <b>Second hand vehicles:</b>                      - Completed V5 Registration Document;                      - V10 form (Vehicle licence application), and</li> </ul>	

	- VX304 if the purchaser is entitled to claim exemption from payment of vehicle excise duty (see paragraph 4.2)	
8	the customer has been advised to insure the vehicle for the full tax inclusive value at the time of purchase (see paragraph 3.4)	
9	the customer is aware the vehicle must be exported from the EC by the final date for exportation (see paragraph 2.7)	
10	the customer has been informed that: <ul style="list-style-type: none"> <li>• if their order is cancelled (see paragraph 3.5); or</li> <li>• they change their plans and the vehicle is to remain in the UK/EC,</li> </ul> they must immediately contact either the PTU at Dover, (see paragraph 3.2 for contact details) or the VAT fiscal authority in the EC country in which they are to remain	
11	the vehicle is delivered directly to the applicant who completed the VAT 410 Form (see paragraph 5.2)	
12	the applicant signs a dated certificate of receipt for the vehicle, a copy of which should be retained in your records (see paragraph 5.3)	

## 10. Fiscal (VAT) Territory of the European Community

### 10.1 The following countries and territories are within the EC fiscal (VAT) area:

- Austria;
- Belgium;
- Denmark, except the Faroe Islands and Greenland;
- Finland;
- France, including Monaco;
- Germany, except Busingen and the Isle of Heligoland;
- Greece;

- The Republic of Ireland;
- Italy, except the communes of Livigno and Campione d'Italia and the Italian waters of Lake Lugano;
- Luxembourg;
- The Netherlands;
- Portugal, including the Azores and Madeira;
- Spain, including the Balearic Islands but excluding Ceuta and Melilla;
- Sweden; and
- United Kingdom and the Isle of Man.

**Plus from 1 May 2004:**

- Cyprus\*;
- Czech Republic;
- Estonia;
- Hungary;
- Latvia;
- Lithuania;
- Malta;
- Poland;
- Slovakia;
- and Slovenia.

\*The European Commission in December 2003 advised that the application of the 6th VAT Directive (Directive 77/388/EEC of 17 May 1977) shall be suspended in those areas of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control. From 1 May 2004 goods to these destinations continue to be eligible for zero-rating as exports.

## **10.2 The following countries and territories are outside the EC fiscal (VAT) area**

- The Channel Islands;

- Andorra;
- San Marino;
- The Åland Islands;
- The Canary Islands;
- The overseas departments of France (Guadeloupe, Martinique, Réunion, St. Pierre and Miquelon and French Guiana);
- Mount Athos;
- Cyprus (until 1 May 2004); Gibraltar;
- Malta (until 1 May 2004); and
- The Vatican City

If you need more information on the VAT territory of the EC, please contact our National Advice Service (see paragraph 1.2 for contact details).

## **11. Driver Vehicle Licensing Agency – Local Offices (DVLA LOs)**

**(formerly Vehicle Registration Offices VROs)**

Beverley  
Birmingham  
Bristol  
Chelmsford  
Glasgow  
Leeds  
Luton  
Lincoln  
Maidstone  
Manchester  
Northampton  
Norwich  
Oxford  
Stockton

Details of the DVLA LOs can be found in the telephone directory under: “Environment, Transport & the Regions (Dept of the) - “Road”. See their advertisement under Driving and Vehicles.

## Do you have any comments?

We would be pleased to receive any comments or suggestions you may have about this notice. Please write to:

**HM Customs and Excise  
Projects, VAT Supply in Warehouse and Exports Policy  
Queens Dock  
Liverpool  
L74 4AA**

Please note this address is **not for general enquiries**. You should ring our National Advice Service about those.

If you have a complaint or suggestion

If you have a complaint please try to resolve it on the spot with our officer. If you are unable to do so, or have a suggestion about how we can improve our service, you should contact one of our Regional Complaints Units. You will find the telephone number under 'Customs and Excise - complaints and suggestions' in your local telephone book. Ask for a copy of our code of practice 'Complaints and putting things right' (Notice 1000). You will find further information on our website at <http://www.hmce.gov.uk>.

If we are unable to resolve your complaint to your satisfaction you can ask the Adjudicator to look into it. The Adjudicator, whose services are free, is a fair and unbiased referee whose recommendations are independent of Customs and Excise.

You can contact the Adjudicator at:

**The Adjudicator's Office  
Haymarket House  
28 Haymarket  
LONDON  
SW1Y 4SP**

**Phone: (020) 7930 2292**

Fax: (020) 7930 2298

E-mail: [adjudicators@gtnet.gov.uk](mailto:adjudicators@gtnet.gov.uk)

Internet: <http://www.adjudicatorsoffice.gov.uk/>

## Update 1 issued January 2007

On 1 January 2007 Bulgaria and Romania will join the European Union. The total number of Member States will rise to 27.

- Enlargement will affect VAT and Excise registered businesses involved in International trade and the travelling public.

- Businesses will need to be aware of which countries have joined, and should treat goods entered with Customs on or after 1 January 2007 for physical removal to these countries as they treat trade with existing Member States.
- The travelling public should be aware that they will no longer be able to obtain VAT refunds nor purchase goods free of VAT in the UK for physical removal to Bulgaria or Romania on or after 1 January 2007.

This update provides information on consequential amendments to be included in paragraphs 2.4 and 10.1.

**Section      Amendments**

**2.              Supplying a vehicle under the Personal Export Scheme**

**2.4            Which countries are part of the European Community (EC)?**

**Delete** 'The VAT territory of the EC is made up of 15 Member States (25 from 1 May 2004)'

**Replace with** 'The VAT territory of the EC is made up of 25 Member States (27 from 1 January 2007)'

**10.            Fiscal (VAT) territory of the European Community**

**10.1          The following countries and territories are within the EC fiscal (VAT) area:**

**After** final bullet point

- 'Slovenia'

**Insert:**

**'Plus from 1 January 2007**

- Bulgaria
- Romania'