



Businesses involved with the export of goods from the UK to business customers established and VAT registered in another member state of the EU, or to a customer established in a country outside the EU, may consider they are familiar with the standard of export evidence required by HMRC to enable the exports to be treated as zero-rated for VAT purposes.

The legislation simply requires HMRC to be “satisfied” that the goods have been exported, however, there have been occasions recently where HMRC have applied a strict approach to accepting evidence as proof of export from the UK. Therefore, for those involved in the export of goods from the UK, it would be useful to have a reminder of what HMRC accept as evidence of export.

The required evidence of export is published in VAT Notice 703 (Section 6). HMRC will accept either:

- Official evidence produced by the National Export System which is used by freight agents and exporters to declare export entries electronically; or
- Commercial evidence which shows the physical movement of goods such as:
 - o Authenticated sea/airway bills
 - o International consignment note completed by the consignor, the haulier and the receiving consignee
 - o Certificates of shipment, containing the full details of the consignment

Whether official evidence or commercial evidence is held both must be supported by supplementary evidence to show that the goods have physically been exported from the UK. The type of supplementary evidence that will be expected within the exporter’s accounting system is:

- Customer’s order, sales contract, inter-company correspondence, copy of export sales invoice, advice note, consignment note, packing list, insurance and freight charges documentation, evidence of payment, evidence of the receipt of the goods abroad.

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Although it is not necessary to hold all this supplementary evidence it would be prudent to hold as much of the supplementary evidence as possible.

HMRC also publish in VAT Notice 703 what must be shown on the export evidence. This published requirement has the force of law:

"The evidence you obtain as proof of export whether official, commercial or supporting must clearly identify:

- *The supplier;*
- *The consignor (where different from the supplier);*
- *The customer;*
- *The goods;*
- *An accurate value;*
- *The export destination; and*
- *The mode of transport and route of the export movement"*

HMRC will not accept a vague description of the goods, quantities or values.

The responsibility for providing proof of export and the required detail is with the supplier and any failure to reach the standard of evidence required is likely to result in HMRC denying zero-rating of the exported goods and demand the VAT on the supply of those exported goods.

If you would like to have further detail on the export evidence required you can obtain further detail by contacting:

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