

## 1. Introduction

This Notice tells you how to get a tax refund on goods bought in the UK from shops operating the VAT Retail Export Scheme. Full details on the operation of the Scheme can be found in VAT Notice 704 VAT Retail Exports which is available from shops operating the Scheme, Customs at Ports and Airports or from the National Advice Service on 0845 010 9000. See 'further help and advice' overleaf for more details.

## 2. What is the VAT Retail Export Scheme?

When you visit the United Kingdom (UK) you will pay Value Added Tax (VAT) on most things that you buy. The VAT Retail Export Scheme allows you to claim a VAT refund on most goods that you buy and export from the European Community (EC). The shopkeeper may deduct an administration fee before making any refund.

## 3. Do I qualify to use the Scheme?

Yes if you are an overseas visitor:

**(a)** an overseas visitor is a traveller who is not established in the European Community (EC) (see (b) below if you are studying or working in the UK). This means that:

- your domicile or habitual place of residence is not situated within the European Community (EC); **and**
- you intend to leave the UK for a final destination outside the EC, with the goods, by the last day of the third month following that in which the goods were purchased; **and**
- you export the goods having produced them, their receipts and the VAT refund document to Customs at the point of departure from the EC.

**(b)** Non-EC residents studying or working in the UK or EC residents may also qualify to use the scheme if they intend to permanently leave the EC for a minimum period of 12 months. To qualify under this provision you must:

- intend to leave the UK with the goods by the last day of the third month following that in which the goods were purchased for an immediate destination outside the EC; **and**
- remain outside the EC for a period of at least 12 months; **and**
- export the goods having produced them, their receipts and the VAT refund document to Customs at the point of departure from the EC.

## 4. What goods can I buy under the Scheme?

You can buy any goods under the Scheme on which you pay VAT **except**:

- new or used motor vehicles;
- a boat that you intend to sail to a destination outside the EC;
- goods over £600 in value exported for business purposes (a form C88 must be used for these);
- goods that will be exported as freight;
- goods requiring an export licence (except antiques);
- unmounted gemstones;
- bullion (over 125g, 2.75 troy ounces or 10 Tolas);
- mail order goods including Internet sales.

In addition you cannot obtain a refund of tax on goods which are consumed, or partly consumed, in the EC such as perfume; or service charges such as hotel expenses.

## 5. Where can I buy tax free goods?

From any shop operating the VAT Retail Export Scheme. The Scheme is voluntary and shops do not have to operate it. If in doubt you should ask before you buy the goods.

## 6. What do I do when I buy tax free goods?

At the time you buy the goods the retailer will ask you to provide proof that you are eligible to use the Scheme. For example the retailer will ask to see your passport. You will then be asked to complete and sign some simple details on a refund form. The form will be either;

- an official Customs Form VAT 407; or
- a shop or refund company's own version of the VAT 407 form ;  
or
- a VAT Retail Export Scheme sales invoice.

**You must have one of these forms, till receipts alone are not acceptable.**

The form should be completed at the time you buy the goods in the presence of the retailer. You cannot ask another person to complete and sign these details on your behalf.

You should also agree with the shop how your refund will be repaid to you.

## 7. When must I export the goods?

You must export the goods from the EC by the last day of the third month following that in which the goods were purchased. For example, goods purchased on 3 February would have to be exported by 31 May.

## 8. What must I do when I leave the UK?

### (a) Leaving for an immediate destination outside the EC:

If you **are not** travelling to any other country within the EC, you must present your goods and the refund form to UK Customs at your port or airport of departure. Items that will be checked in as hold baggage **must** be produced to Customs **before you check in** your baggage.

During busy periods, queues are likely and you should allow yourself plenty of time in which to produce the goods and refund form prior to departure. This is particularly important if you are exporting goods in your hold baggage as any extra time allowed should be in addition to your advised check in time.

When Customs are satisfied that all the conditions of the Scheme have been met, they will certify and return your refund form to you.

### (b) Leaving the EC via another EC country:

If you are departing the EC via another EC country, you must present the goods and the refund form to the Customs authorities of that country.

### (c) Leaving the EC on a through ( transit ) flight via another EC Member State:

There are special rules for goods being carried on through flights leaving via another Member State.

- **Hand Baggage:**  
Goods carried as hand baggage must be produced to Customs in the **last EC Country** with the refund form before leaving to return home.
- **Hold Baggage:**  
Goods carried as hold baggage must be produced to **Customs in the UK** with the refund form before you check in your baggage.

## **9. What should I do if there is no Customs presence?**

In most cases you will be able to locate a Customs Officer to certify your form. However, some of the smaller UK ports and airports do not have a 24 hour Customs presence. At such places there will be either a telephone to ring the officer or a clearly marked Customs post box to deposit your form. Customs will collect the form and if they are satisfied that all the conditions have been met, they will certify it and return it to the retailer to arrange your refund.

**There is no facility to have your form certified in your country of destination.**

## **10. How do I obtain my refund?**

After your VAT refund form has been certified by Customs you can either:

- post the form back to the retailer to arrange payment of your refund;
- post the form back to a commercial refund company to arrange payment of your refund;
- hand your form to a refund booth to arrange immediate payment.

Whichever method is used should have been agreed between yourself and the retailer when you bought the goods.

Your refund may be reduced by an administration charge. This charge should be clearly shown on your refund form.

**If you do not receive your refund within a reasonable time you should write to the retailer - not to Customs and Excise.**

## **11. What should I do if I decide not to export all of the goods bought under the Scheme?**

If you decide to leave goods bought under the Scheme in the EC, you must clearly delete those items from any VAT refund document for certification when you finally leave the EC. This amendment must be made before you present the VAT refund document and the remaining goods to Customs for examination and certification.

**The VAT refund document must show only those items which are being exported.**

Notice 704/1 Tax free shopping: VAT refunds for travellers departing from the European Community (EC)

September 2004

**IMPORTANT**

**YOU WILL NOT RECEIVE A REFUND OF VAT IF THE VAT REFUND DOCUMENT IS NOT FULLY COMPLETED**

**YOU MUST PRODUCE THE GOODS AND THE VAT REFUND DOCUMENT TO CUSTOMS WHEN YOU LEAVE THE EC**

**NO GOODS = NO REFUND**

## **Further help and advice**

If you need further help or advice or more copies of Customs and Excise Notices, please call the National Advice Service on 0845 010 9000. Lines are open Monday to Friday 8 am to 8 pm.

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

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

Alternatively, you can visit our website at [www.hmce.gov.uk](http://www.hmce.gov.uk).

## **If you have a complaint**

If you have a complaint, contact Customs at your local office or at the port or airport. If they cannot sort out the problem, you should contact the Regional Business Head, the head of Customs for the region. Your local office will tell you how to do this. Ask for a copy of our code of practice on complaints (Notice 1000). If the Regional Business Head does not sort out your complaint, you can then ask the Adjudicator to look into it.

The Adjudicator, whose services are free, is independent.

The address is:

The Adjudicator's Office  
Haymarket House  
28 Haymarket London SW1Y 4SP

Phone: 020 7930 2292

FAX: 020 7930 2298