



TAX FREE CARS

Things to note



Have you purchased a Tax-Free car within the last 6 months OR planning to purchase a Tax-Free car during your Assignment??

HM Revenue and Customs (HMRC) have requested that UK Defence Personnel resident overseas are reminded of the conditions for purchasing a New Means of Transport (NMT) under the Personal Import Scheme (PES).

Personal Export Scheme (PES) UK

- The NATO SOFA agreement allows an entitlement to 2 x Tax Free vehicles per Assignment to SHAPE. These can be purchased at the beginning of your assignment, any time within the assignment or at least 6 months before the end of your assignment. Further information can be found on [SHAPE2DAY](#).
- You can utilise this privilege by purchasing from a UK company who operates the PES and either collecting direct from the company in the UK or having it exported direct into Belgium.
- The purchaser must sign the VAT 410 when purchasing a Tax-Free vehicle.

So What??

If you decide to collect the vehicle from the UK you must abide by the conditions of the PES within the declaration. This refers to the person signing the VAT410.

Declaration. You must complete this section

I declare that:

- I have read Notice 707
- I intend to leave and remain outside the UK with the vehicle for at least 6 months and I shall comply with all the other conditions set out on the back of this form
- all the information given in this form is correct

Warning: there are heavy penalties for making false declarations

Signature

Date DD MM YYYY

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Personnel that are purchasing a vehicle using the Personal Export Scheme (PES) (VAT410) are reminded of the following key points:

- a. Overseas visitors and UK residents may purchase a motor vehicle under this scheme provided they **intend to leave the UK** with the vehicle and **remain outside the UK for at least 6 months**.
- b. The purchaser signs a declaration on the VAT410 acknowledging that they; **must remain outside the UK with the vehicle** for at least **6 consecutive months** from the **date of export** of the vehicle.
- c. Conditions highlighted in the VAT Notice 707 informs both purchaser and supplier that they; **must remain outside the UK with the vehicle for at least 6 consecutive months from the date of export of the vehicle**.
- d. There is currently **no automatic dispensation** for UK Defence Personnel based overseas.

7. Any individuals that have not had written dispensation authorised by HMRC for a temporary waiver to the conditions of PES, will be personally liable for any HMRC imposition.

Why?? BREXIT!

I have purchased a Tax-Free car using VAT410 but I need to return to the UK within 6 months of the export date, what should I do?

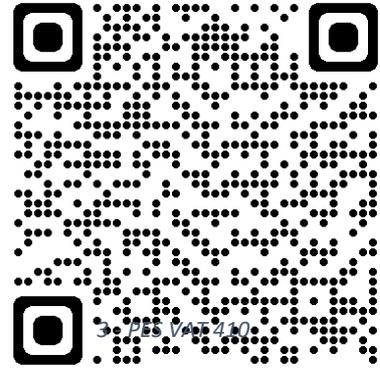
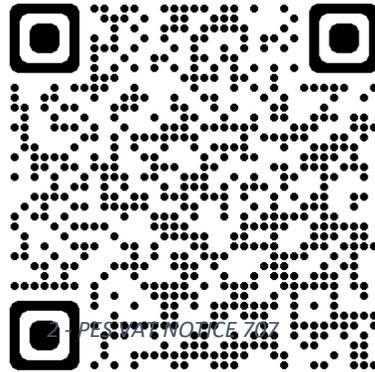
Where individuals have purchased a tax free vehicle but are directed to return to the UK for duty purposes and/or compassionate reasons within the first 6 months, they are to send an email to the Head of Location via the EJSU-SHAPE-NSE-Mailbox@mod.gov.uk, giving the information on why you are required to be in the UK. This will be sent to Customs & Immigration who will apply for a dispensation on your behalf.

Advice from HMRC is that “if you know from the outset that you may have to return to the UK for any reason within 6 months of the vehicle being exported, then we recommend that you do not use PES. The dispensation is for unforeseen events only.”

Prior to purchase:

Familiarise yourself with the rules [Personal Export Scheme \(VAT Notice 707\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/personal-export-scheme-vat-notice-707)

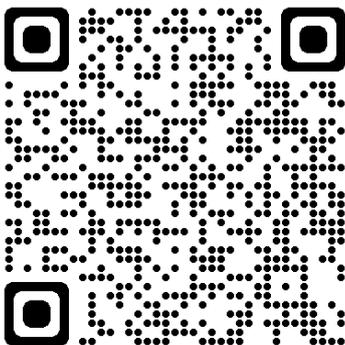
Ensure you fully understand the HRMC regulations for the purchase, and export of a Tax-Free vehicle before you sign the VAT 410.



NOTE:

PES is a voluntary Scheme, there is no obligation to use it. There are other VAT Free Schemes which may be more suited to your personal situation so do your homework and check which scheme is right for you PES or Direct Export.

Direct Export Guidance on goods exported direct from the UK is through the VAT 703 scheme which may be of interest, this scheme means that the car is NOT registered in the UK so the first registration will be here in SHAPE. The 6-month rule does not apply to this scheme but there will be other considerations so do your research carefully.



The NSE is unable to advise you on personal tax issues, if further advice and guidance is required you should contact HMRC direct, for tax free vehicles you should contact PTU using the contact details below:

Personal Transport Unit | Erskine House | Floor 3 20- 32 Chichester Street | Belfast | BT1 4GF | TEL 0300 3227071