422d FORCE SUPPORT SQUADRON

U.S. Vat Free Purchase Scheme

Information for vendors



The VAT Free Purchase Scheme is afforded to members of the U.S. visiting Forces. This handout is to incrase your awareness of the program and hopefully encourage participation The program can be beneifcial to all parties, as the significant savings realized by the purchasers may lead them to favor businesses that decide to participate in the program.

The Basics

The VAT-free purchase scheme is a privilege granted by HM Revenue & Customs for NATO and United States Visiting Forces. The authority for this is outlined in HMRC Notice 421 - Visiting Forces: paragraph 3.9, which can be found at the following website:

https://www.gov.uk/government/publications/notice-421-visiting-forces/notice-421-visiting-forces.

As a retail supplier, you can supply most goods or services free of VAT under this program, as long as the purchase price is £100 or more. The program is entirely voluntary for all parties; as a supplier, you may wish to participate or you may decline participation in any particular sales transation.

The procedures of the program, although quite simple, must be strictly followed in order for the purchase to be eligible. Once you decide to participate, the procedure is as follows:

1) Prepare a price quote or proforma invoice. The price quote **must** contain the following information:

A. The quote MUST be made out to:
422 ABS/FSR-"Buyers Name".

The quote may contain the delivery address of the individual, but the payee must be listed as the 422 ABS/FSR - "Buyers Name."

2) The buyer will then secure a U.S. Government Cheque in the agreed upon amount, as well as a VAT exemption certificate. The certificate will explain to HM Revenue & Customs why there is no VAT collected on this transaction. The certificate will include the mandatory language as required by Notice 421 (see sample certificate on the back), along with the original signature of an authorized signatory of the U.S. Visiting forces. The buyer will give the certificate to you (the supplier), and the goods/services will be exchanged for the U.S. Government Cheque in the agreed upon amount.

3) You (the supplier) will print your name, sign and date the certificate and retain the white copy for your VAT return The buyer will retain the yellow copy and return it to the VAT Relief Office.

The purchase will be classed as a zero rated supply in accordance with VAT Notice 725: the single market para 14.4 (zero-rating supplies of goods). As the retail supplier, you will account to HMRC by sending a copy of the certificate provided by the U.S. Government along with the VAT return.

Thank you for taking your time to learn about the program. It is hoped that once familiar with the program and process, the amount of time and effort required by you, the supplier, will be negligible, and the program can be of benefit of all involved.

If you have additional questions, you may contact the RAF Croughton VAT Relief Office at (0) 1280-708860

US forces' VAT-free Purchase Certificate (Sample)

Check/Certificate Number: ……..

The goods and/or services listed below are to be delivered at a price exclusive of Value Added Tax under arrangements agreed upon between the appropriate US Authorities and HM Revenue and Customs (reference: Priv 46/7). I hereby certify that the goods and/or services are being purchased for United States Visiting Force purposes only.

……(Seal)

Government representative

……Date

On …….. the following item(s) were purchased by …… (name)

(date)

…… £…… (exclusive of VAT)

…… £…… (exclusive of VAT)

…… £…… (exclusive of VAT)

…… £…… (exclusive of VAT)

…… £…… (exclusive of VAT)

…… £…… (exclusive of VAT)

The TOTAL price exclusive of Value Added Tax was £……

Shop/Store Address: ……..

……..

……..

Shop/Store Phone: ……..

……..Supplier's printed name

……Supplier's signature

