

## **Sailaway Scheme Changes for 2012**

The Sailaway Scheme, which enables boats to be purchased for export from the European Union (EU) without paying VAT has announced a number of changes from January 1<sup>st</sup> 2012.

VAT registered businesses are no longer able to zero rate the supply of a Sailaway boat (a boat going out of the EU) to an EU resident who intends to keep it outside of the EU. However, it will be possible for them to supply, provided they either export the boat themselves, or make arrangements for the export. In other words, the dealer/broker cannot supply the boat on the understanding the client will export it. Instead, the dealer/broker must ensure the boat leaves the EU so that they, and the HMRC know that the boat has left.

The Sailaway Scheme is valid for new and second-hand boats, (VAT Notice 703 has the details). Multi-part form VAT 436 has to be partially completed when the boat starts the exit process, before being finalised on arrival in the destination outside of the UK. Form VAT 436 cannot be downloaded from the HMRC website, but can be collected from your local VAT office or shipping agent.

Note: Customs Notice 8 (revised last year) has the details of Temporary Admission and VAT requirements. This can be downloaded from the ABYA website [www.abya.co.uk](http://www.abya.co.uk) or go to [www.hmrc.gov.org.uk](http://www.hmrc.gov.org.uk) and put the number or name of the document you require in the search box.