

Introduction of NOVA _ from the latest FBHVC newsletter

In its latest newsletter, the Federation of Historic Vehicle Clubs ("FBHVC") had an item of interest to members importing a car because HMRC has introduced a new process called NOVA which aims to counter fraud by giving HMRC access to real time information on the importation of vehicles into the UK.

Notifying HMRC and paying VAT on vehicles brought into the UK

When a motor vehicle is brought permanently into the UK from abroad, you must notify HM Revenue & Customs (HMRC) using the Notification of Vehicle Arrivals (NOVA) system. The vehicle must then be registered and licensed through the Driver and Vehicle Licensing Agency (DVLA), or the Driver and Vehicle Agency (DVA) in Northern Ireland.

The text of the new item from FBHVC is set out below.

Introduction of NOVA

The FBHVC has been receiving a number of queries regarding the online process NOVA (Notification of Vehicle Arrivals), introduced by Her Majesty's Revenue and Customs ("HMRC") to counter examples of fraud. The intent is for HMRC to have real time knowledge of all importation of vehicles into the UK. Under NOVA, DVLA may only register imported vehicles if they have confirmation from HMRC that HMRC are satisfied that the proper level of duty and VAT (if any) has been paid.

The HMRC VAT Information Sheet 06/13 (revised) June 2013 on the subject can be found at http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=_pageLibrary_PublicNoticesAndInfoSheets&propertyType=document&columns=1&id=HMCE_PROD1_032698

Members who may possess or be contemplating the acquisition of imported vehicles should note the following points:

- The duty to notify under NOVA applies to importation of land vehicles, whether new or old and whether or not duty or VAT is payable.
- Private individuals and non-VAT registered businesses importing land vehicles from outside the EU do not have to use NOVA, as evidence is available from the importation forms.
- Notification under NOVA in respect of any importation after 15 April must be within 14 days of importation. There are penalties for failure to do so.
- NOVA replaces the following Forms: C&E 386, C&E 388, C&E 389, VAT Form 414 and VAT Form 415.
- For vehicles imported before 15 April 2013 but not registered by that date there are transition arrangements.
- These arrangements are that HMRC will examine and date the superseded paper forms.

Currently there is no recognition by HMRC that the relevant paper forms may not be available to the applicant. As there has to date been no obligation on importers to pass on such forms to purchasers of vehicles, nor a specific reason to keep the form or forms safe, the relevant form (usually VAT Form 414) may thus not have been retained even when properly completed. There may thus be various quite proper, or at the least fully explicable, reasons why they are not available. This is of course more likely in the case of restoration project vehicles, where importation may have occurred many years ago, and the project may have passed through several hands but has only now progressed to the point of application for registration.

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FBHVC will be requesting clarification from HMRC as to how they would deal with such circumstances, and what if any alternative evidence of the importation status of the vehicle might be acceptable to HMRC in such cases. Meanwhile we would advise members as follows:

- If importing a vehicle into the UK, comply fully with NOVA.
- If you realise you have failed to comply, even if no immediate application to DVLA to register is anticipated, contact HMRC to rectify the position without any delay. (At the time of writing the attitude of HMRC to voluntary rectification action, especially where no VAT was payable, is unknown).
- When acquiring a vehicle within the UK which was imported by a third party after 15 April 2013 and is not yet registered, do not buy without being provided with evidence of compliance with NOVA (or alternative evidence if importation was private and from outside the EU). It will be required on application to DVLA for registration.
- When acquiring a vehicle in the UK which was imported by a third party prior to 15 April and is not yet registered,
 - do not buy without the import forms relating to the importation, as they will be needed on application to DVLA for registration. Ideally the forms should have been submitted to HMRC and dated by them. If not, you will need to send them for dating to HMRC.
 - if the import forms are not available but you still wish to buy, ensure you have as much documentary and other evidence as possible of the date and place of importation. (At the time of writing it is not possible to guarantee what if any evidence will satisfy HMRC.)
- If you possess a vehicle imported before 15 April 2013 but not yet registered, and you have the import forms relating to the vehicle, they will be required on application to DVLA for registration. It will be best to submit them immediately to HMRC for dating even if immediate application to DVLA for registration is not anticipated.
- Where you have already acquired in the UK a vehicle which has been imported prior to 15 April 2013 by a third party, in respect of which you have no import forms,
 - request the person from whom the vehicle was acquired to send you the relevant import forms, where they exist, without delay, and if they are obtained submit them to HMRC for dating even if immediate application to DVLA for registration is not anticipated.
 - where the forms cannot be found, immediately seek all possible evidence of date and place of importation. Do not wait until the date for application to DVLA for registration is approaching. Provide this evidence to HMRC. (At the time of writing it is not possible to guarantee what if any evidence will satisfy HMRC.)

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