

Dear BCA buyer,

We would like to inform you about some changes in our invoicing and aftersales process. As you may be aware, a new VAT rule regarding cross-border transactions entered into force across the European Union ("EU") on 1st January 2020 (known as "VAT quick fixes")¹.

The consequences are that all EU based buyers, buying from other EU countries will be required to provide additional documentation to prove that the vehicle has been delivered to the buyer's country.

If we do not comply with these new rules, VAT on the vehicle will become payable to the country of vehicle origin.

BCA always works hard to guarantee a smooth and safe buying journey, on a fully transparent and 100% EU VAT compliant marketplace.

As such, since 1st January 2020, we are now requesting our buyers that arranged the transport of the vehicle themselves to sign a declaration confirming the delivery of the vehicles. We want to thank you in advance for your collaboration with this process.

For the future purchases, and whenever you arrange the transport yourself, we will also request this and other documents. So please consider the transport options (and legal requirements involved) below:

1. Automatic transport arranged by BCA: let us transport your car from the auction centre to your doorstep (no VAT deposit required)

- BCA will automatically transport every vehicle that you purchase cross-border. For more information, an online transport pricing tool is available on our website, providing you with prices and lead times;
- No VAT deposit will be charged for these purchases you make;
- No hassle to plan and no documents to provide us: BCA will take care of everything!

OR

2. If you believe you already have a better suitable transport solution, then opt for Automatic transport arranged by BCA using your preferred transport provider: let us transport your car through your preferred transport provider from the auction centre to your doorstep (also no VAT deposit required)

- Just ask your preferred transport provider to submit relevant quality / compliance documents to BCA so they can now be registered with BCA and also benefit from a wider scope of business. BCA will then be in touch with your provider and setup your transport

¹ For further information, please consider:

a) [Council Directive \(EU\) 2018/1910](#) of 4 December 2018 amending Directive 2006/112/EC as regards the harmonisation and simplification of certain rules in the value added tax system for the taxation of trade between Member States;

b) [Council Implementing Regulation \(EU\) 2018/1912](#) of 4 December 2018 amending Implementing Regulation (EU) No 282/2011, namely article 45-A *et. seq.*

For a comprehensive reading, please also consider [Explanatory Notes on the EU VAT changes](#) in respect of call-off stock arrangements, chain transactions and the exemption for intra-Community supplies of goods ("2020 Quick Fixes"), namely §4 and §5.



solution. Because quality and safety of transport is at the heart of BCA's customer promise, BCA has setup a quality protocol to which we expect all transport providers to adhere. Therefore, please note that transport providers will not be able to enter a partnership with BCA until they can confirm full compliance.

- BCA will automatically transport every vehicle that you purchase cross-border using the transport provider you have requested BCA to use;
- No VAT deposit will be charged for these purchases you make;
- No hassle to plan and no additional transport documents to provide us: BCA will take care of everything!

It is possible to opt out of automatic transport, although this is not recommended as the new VAT rules are more onerous where transport is arranged by the buyer. If you choose to opt out the following key conditions are relevant:

Transport arranged by yourself: you collect *and* deliver your car from the auction centre to your doorstep (VAT deposit may be required for each "VAT Qualifying" sale)

- You arrange your own transport through an independent transport carrier;
- Either A VAT Deposit will be charged for every purchase of a "VAT Qualifying" vehicle you make, or the vehicle registration documents will be retained by BCA until the full and satisfactory documentation requirements have been received by BCA;
- The following documents need to be received and verified by BCA before the VAT deposit is refunded (and vehicle registration documents are released):
 - o A CMR document – this is the same as is provided already;
 - o A Confirmation of Delivery document needs to be filled in upon receipt of the delivery, this document is provided by BCA and signed by the buyer;
 - o An up to date Insurance certificate of the transport carrier used to make the delivery.

Warning - if the documents are not provided in full, then the VAT deposit will not be paid back, and the vehicle registration documents withheld.

For more information, please visit our dedicated webpage. It provides information on these changes and how BCA can best support you in this. Your existing BCA contacts are ready to support you with any further questions you may have.

- A "VAT Qualifying" vehicle is one where the gross price would include VAT fully chargeable at the standard rate when sold domestically from the selling country.

We are looking forward to see you on the BCA marketplace,

Your BCA Team

