EDUCATIONAL RESOURCE

Silver Buyer Checklist

Contents

Silver Buyer Checklist

Due diligence for UK physical silver buyers

UK silver buyers face 20% VAT that gold buyers do not. This checklist addresses the VAT

questions first — because they change the economics of every silver purchase — then covers

the same dealer and records checks as the gold checklist.

Understand the VAT reality first

Product checks

Dealer verification

Price comparison (including VAT)

Before you pay

After purchase — records

Quick reference: silver VAT and CGT

> This document is for educational purposes only. It is not financial, investment, tax, legal, or personal advice. Rules change —

always verify with HMRC and seek qualified advice for your individual circumstances.

01 · UNDERSTAND THE VAT REALITY FIRST

The single most important fact about UK silver buying

ALL physical silver in the UK — bars, coins, and rounds — is subject to 20% VAT at purchase.

Investment gold is VAT-exempt. Silver has no equivalent exemption. This is not optional and cannot be avoided on UK-delivered physical silver.

Work out your break-even before comparing prices:

Item

Amount

10oz silver purchased at £25/oz spot

£250.00 spot value

Dealer premium 5%

+£12.50

Subtotal before VAT

£262.50

VAT at 20%

+£52.50

Total paid

£315.00

Silver rises 25% to £31.25/oz — sell at 97% of spot

£303.13

Result

−£11.87 loss despite a 25%

spot rise

Break-even typically requires a 28–32% spot rise from the purchase spot price.

- I understand 20% VAT is charged on all UK physical silver at purchase
- I have calculated the break-even spot price I need to profit (purchase total ÷ weight ÷ (1+premium%))

- I have considered VAT-free storage (bonded overseas vault) — VAT deferred until UK delivery
- I understand the margin scheme: some dealers apply it to second-hand silver (VAT on margin only)
- I am not comparing overseas prices (ex-VAT) with UK prices (inc-VAT) without adjusting
- I have decided whether physical delivery or vaulted storage suits my situation

02 · PRODUCT CHECKS

- I know the exact product: name, weight, purity (e.g. Silver Britannia 1oz 999 fine)
- I know the format: minted coin, cast bar, minted bar, or round
- I know whether this is a legal tender coin (UK Britannia) or a round/bar (not legal tender)
- For bars: I have noted the refiner brand (PAMP, Metalor, Royal Mint, Valcambi, etc.)
- For bars: I have confirmed whether a serial number and assay card are included
- I have noted the fineness: 999 fine (investment-grade) vs 925 (sterling — jewellery standard)

03 · DEALER VERIFICATION

- Verifiable UK address and Companies House registration number
- HMRC AML (Anti-Money Laundering) registration — check gov.uk supervised business list
- Pricing tied to live spot price shown clearly — not opaque fixed quotes
- Invoice shows product, price, VAT at 20%, and dealer's full details
- I have checked the buyback (sell-back) price — not just the selling price
- Delivery is insured, tracked, and has a stated timeframe
- The dealer has a clear returns and dispute process

04 · PRICE COMPARISON — ALWAYS INCLUDE VAT

Always compare prices inclusive of VAT. A dealer quoting ex-VAT is misleading for comparison

purposes — UK physical delivery always includes the 20%.

- I know the current silver spot price in GBP per troy oz at the time of comparison
- All prices I am comparing include 20% VAT (confirm this — do not assume)
- I have obtained quotes from at least two dealers on the same day
- I have calculated the total inc-VAT cost per troy ounce for each quote
- I have checked whether delivery and insurance are included in the quoted price

Gold.co.uk publishes up to 100.1% of spot on silver buyback

When dealers face supply constraints on popular products, they sometimes pay above spot to source

silver. Check live buyback rates on the day — they vary. BullionByPost, Gold.co.uk, and Chards are

the main UK dealers worth checking.

05 · BEFORE YOU PAY

- I have locked a price and understand the same-day postage deadline (if selling online)
- I have a secure storage plan in place before the metal arrives
- I understand that home insurance often does not cover bullion adequately
- I understand AML documentation that may be needed for larger purchase amounts
- For significant amounts: I have considered silver's bulk — 1kg silver ≠ 1kg gold in value
- I have considered tarnish prevention for coins: airtight capsules or low-humidity storage

06 · AFTER PURCHASE — RECORDS

- Original dealer invoice — including the 20% VAT shown separately (this is your cost basis for CGT)
- Photographs of product including any assay cards, certificates, serial numbers
- Serial numbers noted separately from the physical metal
- Storage location noted for estate/probate purposes
- Insurance documentation if applicable
- CGT note: your cost basis includes the 20% VAT you paid — this reduces any eventual gain

07 · QUICK REFERENCE — SILVER VAT AND CGT (UK)

Silver product

UK VAT

CGT on gains

Silver bars (any size, 999 fine)

20% VAT

Standard CGT applies

Silver Britannia coins (UK legal tender)

20% VAT

Commonly discussed as

CGT-exempt

Silver rounds (private mint)

20% VAT

Standard CGT applies

Silver in bonded overseas vault

Deferred (0% until UK

delivery)

Standard CGT applies

Silver ETFs / funds

N/A (financial product)

Standard CGT applies

CGT annual allowance: £3,000 (2024/25). Gains on silver bars and foreign silver taxed at 18% (basic rate) or 24% (higher

rate). Your cost basis includes VAT paid at purchase — keep the original invoice. Silver Britannia coins as UK legal tender

are commonly discussed as CGT-exempt on gains (TCGA 1992 s.21). Verify at gov.uk.

> Educational only. Not financial, investment, tax, legal, or personal advice. Rules change. Always verify current HMRC

> guidance and seek qualified professional advice for individual circumstances. GoldQuestions — goldquestions.co.uk

---