

vat's important

Brexit: The game goes into another period of extra time!

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March 29, April 12, May 22 – what do these dates have in common? These dates were deadlines set by the European Union and the UK Parliament that the UK will leave the EU. However, the game goes into another period of extra time to avoid the “hard Brexit”. Now, the Brexit will likely fall on Halloween, October 31... Probably, this is even more appropriate.

It could have happened that the UK left the EU on April 12. But, we all should be thankful that it did not. Mrs. May aimed for leaving the EU also before the election to the European Parliament – that day has passed too. That does not mean that the “hard Brexit” is still on the table. But the UK and the EU have now more time to find a solution that is acceptable for all parties.

What does that mean for my company?

Said this, everything stays the same for the moment what is not necessarily easier to be handled by the industry. Since the UK continues to remain within the EU among others, the following applies:

- Transactions between the UK and other EU member states remain as intracommunity transactions
- UK remains a country where the MOSS system applies and VAT on B2C e-services must be accounted for
- UK distance selling regime remains for B2C shipments
- No customs duties are levied for transactions between the UK and the other EU member states.

What do I have to think about?

We still cannot foresee and prepare ourselves for the Brexit. With the new deadline of October 31, the UK has gained more time to avoid the “hard Brexit”. However, that does not mean that this scenario is off the table. The outcome of the last week's election especially UKIP's (Nigel Farage's) victory, Theresa May's resign and the personalities that wish to become next UK's prime ministers, made the “hard Brexit” now much more likely. Therefore, we highly recommend being prepared – also from an indirect tax perspective.



As always, our PrimeTax VAT and customs team is happy to assist with these preparations.

Best Regards,

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