



Brussels, 13 March 2019

## GUIDANCE NOTE

### **WITHDRAWAL OF THE UNITED KINGDOM FROM THE EUROPEAN UNION AND ASPECTS OF ADMINISTRATIVE COOPERATION IN THE FIELD OF VALUE ADDED TAX (VAT) AND MUTUAL TAX RECOVERY ASSISTANCE IN CASE OF WITHDRAWAL OF THE UNITED KINGDOM IN CASE OF NO DEAL**

The United Kingdom submitted on 29 March 2017 the notification of its intention to withdraw from the Union pursuant to Article 50 of the Treaty on European Union. This means that as from 30 March 2019, 00:00h (CET) ('the withdrawal date')<sup>1</sup> the United Kingdom will be a 'third country'.<sup>2</sup>

This guidance note addresses a situation where the United Kingdom becomes a third country on the withdrawal date without a withdrawal agreement and hence without a transition period provided for in the draft Withdrawal Agreement.<sup>3</sup>

- 1. REFERENCES: REGULATION (EU) NO 904/2010<sup>4</sup>, ARTICLES 45 AND 46. SUBJECT: SPECIAL SCHEMES PROVIDED FOR IN CHAPTER 6 OF TITLE XII OF DIRECTIVE 2006/112/EC<sup>5</sup>. TRANSMISSION AND TRANSFER BY THE MEMBER STATE OF IDENTIFICATION OR THE UNITED KINGDOM (UK) TO EITHER THE UK OR THE MEMBER STATES OF CONSUMPTION OF THE RETURNS AND AMOUNTS SUBMITTED AND PAID BY NON-ESTABLISHED TAXABLE PERSONS REGARDING THE FIRST QUARTER 2019 UNTIL WITHDRAWAL OF THE UK FROM THE EU, AFTER WITHDRAWAL OF THE UK FROM THE EUROPEAN UNION (EU) WITHOUT A WITHDRAWAL AGREEMENT.**

As from the withdrawal date, Regulation (EU) No 904/2010 will cease to apply to the UK. The SCAC-Expert Group in the field of VAT administrative cooperation (SCAC-EG)<sup>6</sup> is of the opinion that, subject to reciprocity by the UK, the Member States of

---

<sup>1</sup> In accordance with Article 50(3) of the Treaty on European Union, the European Council, in agreement with the United Kingdom, may unanimously decide that the Treaties cease to apply at a later date.

<sup>2</sup> A third country is a country not member of the EU.

<sup>3</sup> Cf. Part four of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (OJ, C 66 I, 19.2.2019, p. 1).

<sup>4</sup> Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (OJ L 268, 12.10.2010, p. 1).

<sup>5</sup> Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1).

<sup>6</sup> The SCAC-EG is composed of the Member States' authorities competent for administrative cooperation in the field of VAT.

identification shall transmit and transfer to the UK, as state of consumption, the returns and amounts submitted and paid within the legal deadline by taxable persons registered in a Member State of the EU-27 for the special schemes provided for in Chapter 6 of Title XII of Directive 2006/112/EC regarding services supplied in the UK in the first quarter 2019 before the withdrawal of the UK from the EU.

The SCAC-EG is of the opinion that such transmissions and transfers will take place after the EU-27 has received the formal reciprocal commitment of the UK authorities and the technical arrangements regarding the reciprocal transmission of the returns in a secure way have been worked out.

**2. REFERENCES: REGULATION (EU) NO 1189/2011<sup>7</sup>, ARTICLE 23.  
SUBJECT: TRANSFER OF AMOUNTS RECOVERED BY THE EU-27 MEMBER STATES ON BEHALF OF THE UNITED KINGDOM (UK) BUT NOT YET TRANSFERRED BEFORE THE WITHDRAWAL DATE.**

As from the withdrawal date, Regulation (EU) No 1189/2011 will cease to apply to the UK.

The Recovery Expert Group<sup>8</sup> is of the opinion that, subject to reciprocity by the UK, the Member States shall transfer and transmit to the UK, as applicant state, the amounts recovered by the Member States but not yet transferred to the UK before the withdrawal date, and the information relating to these amounts.

The Recovery Expert Group is of the opinion that such transfers and transmissions will take place after the EU-27 has received the formal reciprocal commitment of the UK authorities and the technical arrangements regarding the reciprocal transfer and transmission in a secure way have been worked out.

European Commission  
Directorate-General Taxation and Customs Union

---

<sup>7</sup> Commission Implementing Regulation (EU) No 1189/2011 of 18 November 2011 laying down detailed rules in relation to certain provisions of Council Directive 2010/24/EU concerning mutual assistance for the recovery of claims relating to taxes, duties and other measures (OJ L 302, 19.11.2011, p. 16).

<sup>8</sup> The Recovery Expert Group is composed of the Member States' authorities competent for mutual assistance for the recovery of claims relating to taxes, duties and other measures, in accordance with Council Directive 2010/24/EU.