



5 WAYS YOUR BUSINESS WILL BENEFIT FROM A **+** BREXIT VAT HEALTH CHECK **+**

When the UK leaves the EU, the cross-border VAT environment for businesses will change.

A VAT health check will highlight practical measures that businesses can take to ease the transition and minimise risk before new arrangements come into force.

1 CONFIRM VAT REGISTRATIONS

In the wake of the EU referendum result, tax authorities may take a hard line with UK businesses that are non-compliant – there is now a limited amount of time for them to collect revenue from UK companies through current channels and they will therefore be looking to collect as much as possible before the country exits the EU.

A VAT health check can give you peace of mind that your business is fully compliant, so as to ensure that the risk of large fines and penalties is minimised. If errors are found, then steps can be taken to remedy the position in an efficient manner.

2 REVIEW YOUR SUPPLY CHAIN

A VAT health check can help you to understand which companies you deal with, either directly or by association, are EU VAT registered. This will help you plan for the future by confirming the status of other parties, which is necessary because those statuses will influence VAT treatments.

This is important as today's supply chains can involve multiple movements of goods across several different borders with many parties involved. Understanding those is critical in order to make sure that VAT registration obligations are met.

3 MAINTAIN YOUR RELATIONSHIPS

A health check can safeguard you from creating VAT issues for your customers which can adversely affect your commercial relationships.

It's a good idea to discuss with your trading partners whether their supply plans may have to change post-Brexit. This is significant as changes made by your business will have consequences for them, just as their changes will affect you. Working together from the outset should help to avoid any potential negative consequences.

4 ASSESS YOUR RECOVERY POSITION

Post-Brexit the UK will not have access to the EU Refund Directive and will instead have to rely on the 13th Directive VAT claim mechanism. This is the process that allows for a business established outside the EU to recover EU VAT. This mechanism is more complex, subject to additional conditions that change on a country-by-country basis, and involves different time limits for making claims.

5 ANALYSE EU OPERATIONS

A Brexit VAT health check can give you confidence when planning the future of any facilities you currently operate within the EU, and help you implement any required post-Brexit plans.

Will you continue to keep offices, manufacturing plants or warehouse space in these countries and, if you do, what will be the consequence of this? Undertaking a review now will help with making those decisions down the line once more information is known.



Book your check up

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