



NEWS INTERNATIONAL

E-MAIL NEWSLETTER
Third edition of 2020

Dear Sir or Madam,

After almost three years of negotiations, it finally happened on 31 January 2020: the United Kingdom of Great Britain and Northern Ireland left the European Union. Initially, the United Kingdom (UK) will follow all EU laws - as before. This also means that everything remains the same temporarily with regards to VAT, but what happens after 31 December 2020? Below, is a short summary of the next steps:

1. International services

Up to now, verification of entrepreneurial status for UK companies has been carried out by means of the VAT identification number with the aid of a qualified enquiry at the Federal Central Tax Office. From 1 January 2021, all British VAT identification numbers will cease to be valid. This means that alternative supporting documents must be procured from companies in the UK. In particular, this may be a company certificate which is requested by the company's business partners and issued by HMRC, the British tax authorities. Other types of supporting document carry the risk of not being accepted by the German tax authorities. The consequence of this would be that the location of the service would not be transferred to the UK, with the potential result that 19% German VAT would be due.

2. Delivery of goods into the UK

From a German perspective, or from the point of view of an EU company, after 31 December 2020, formerly tax-exempt intra-community supplies to the UK according to Section 6a of the German Value Added Tax Act (VATA) will become exports according to Section 6 VATA. If you do not otherwise carry out exports, you are advised to apply for an EORI number (Economic Operator Registration and Identification number) by 31 December 2020. The EORI number is essential for exports.

3. Intra-community triangular transactions/input VAT refund procedure

Owing to the United Kingdom's exit from the EU, the simplification rules for intra-community triangular transactions will no longer apply. Accordingly, there are additional registration requirements for companies after Brexit; in some cases, the topic of customs may also play a role. Likewise, after Brexit, a request for input VAT refunds must be made to HMRC directly and can no longer be made via the portal of the Federal Central Tax Office.

Please contact us if you have any questions - we are happy to explain the details and support you in evaluating and implementing the necessary adjustments!

Best regards

Torsten Ewen



The author

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After studying Business Law at the University of Applied Sciences in Trier, majoring in tax law, insolvency law and civil law, Mr Ewen began his career at KPMG AG in 2008 as an audit assistant. In 2012, Mr Ewen was appointed as a tax advisor.

In October 2017, Mr Ewen took up his position with DR. DORNBACH TREUHAND GMBH in the Mainz branch, and was appointed as an authorized signatory in December 2017. In October 2018 he was appointed as managing director. In April 2019, Mr Ewen acquired the qualification of "Certified Expert in Charitable Law". Since January 1st 2020 Mr. Ewen is also a partner in the company.

During his time with an international auditing company, Mr Ewen has acquired extensive knowledge of international tax law, transfer pricing and customs matters. Mr Ewen's main areas of activity also include giving tax and business advice to medium-sized companies. Mr Ewen also has experience in giving advice for start-ups and company successions, either as part of a corporate sale or an in-house succession solution.

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Company presentation



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