Advance notification of UK VAT registrations for non-established EU businesses

Indirect Tax

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In 2019, several hundred EU businesses, which are not established in the UK, applied for advance notification of UK VAT registration numbers. This would enable them to continue trading in the UK in the event of a 'no-deal' exit (see our article from May 2019 at www.taxadvisermagazine.com/190501). Typically, the obligation to be registered for VAT in the UK would have resulted from the withdrawal of an EU simplification of VAT rules; for example, call-off stock or triangulation intermediary rules. The anticipation of the loss of the relevant simplification led to the applications for advance notification of UK VAT registration numbers.

As agreement was reached between the UK and the EU on the UK's withdrawal, we are in the transition period, meaning that all VAT rules and simplifications that were in place pre-exit will continue to have effect to 31 December 2020 (subject to any date change as a result of future trade deal negotiations).

The rules for advance notification VAT registrations require the application to be made within three months of the effective date of registration, as set out in HMRC VAT manuals at VATREG18350 (https://tinyurl.com/wy9wunv), so the service is currently paused. It is anticipated that the advance notification facility for EU businesses will restart from 1 October 2020, ready for the end of the transition period on 31 December 2020 (subject to any date change from future trade deal negotiations).