

VAT and Debt Minutes 2022, signed

**The second Trade Specialised Committee on VAT Administrative Cooperation and Recovery of
taxes
under the EU-UK Trade and Cooperation Agreement
Joint Minutes
Virtual and in person/COM host, 6 October 2022**

Item 1: Greeting and opening remarks by the Co-Chairs

The EU and the UK Co-chairs welcomed participants to the meeting.

Item 2: Adoption of the agenda

The provisional agenda as published in advance was adopted for the meeting.

Item 3: Taking stock of the use of the administrative cooperation and recovery assistance in 2022

Requests being sent under the framework of Regulation 904/2010 and Directive 2010/24 have not been taken into consideration, as they are performed under a different legal base.

The EU presented information on the use of temporary measures under the VAT Protocol to the TCA for administrative cooperation and recovery assistance in the first 2 quarters of 2022. There were only some slight differences in the figures reported by both parties, which could be explained by *inter alia* potential differences in scope¹.

Parties agreed that administrative cooperation provisions have been used effectively, and both parties had observed an increase in the number of requests.

Debt recovery provisions have been used in only a handful of cases, but some minor issues have been encountered. In particular, the EU asked about acknowledging receipt of requests. Although there is no current legal requirement to do so within a specific deadline, the UK agreed this is best practise and that they would follow up on this.

¹ The data collected by the Commission included 24 out of 27 Member States, and the reference period was the first 6 months of 2022. Data provided by the UK included exchanges between the UK and all 27 Member States and the reference period was likewise the first 6 months of 2022.

The EU noted that a number of Member States highlighted that the Word-based format used under the temporary measures made the process burdensome as they were considered as less user friendly and more difficult to handle compared to the electronic format. The EU stated its view that the adoption of the implementing decisions would ensure digitalisation and smoother cooperation.

The parties will continue to work together in view of resolving these issues.

Item 4: Implementation of the VAT Protocol on administrative cooperation and recovery – state of play

The Parties agreed there were currently no outstanding technical issues to address on the draft decisions, but that UK government is reviewing the associated financial contributions.

Item 5: Other general updates- debt recovery threshold

The UK once again expressed the importance of amending the threshold to the amount that is equivalent to that contained in Council Directive 2010/24/EU (the EU debt recovery Directive). This would be in order to remove the requirement for British businesses to appoint a fiscal intermediary when registering for the EU's Import One Stop Shop. They also expressed their concern that the adoption of the VAT in the digital age proposal could make the situation even more difficult for the British businesses in this respect, and requested a technical discussion on this with the EU.

The EU noted previous correspondence from the UK proposing to reduce the recovery threshold and that this topic had been already largely discussed. The EU maintained its position that it was not open to amending the debt recovery threshold, preferring to first concentrate on the implementation of the current text of the VAT Protocol. The EU underlined the importance of first assessing the functioning of the VAT Protocol, which in its view would be possible only after its full implementation.

Item 6: Any other business

No other topics were identified

Item 7: Conclusions and next steps

The Parties agreed that there are no pending issues on the draft decisions, apart from the pending UK agreement on the financial contribution.

The Co-Chairs agreed that the draft minutes shall be drawn up within 45 days from the end of the meeting and secretariats agreed to sign the minutes electronically.

The Co-chairs confirmed that the next Trade Specialised Committee would take place no later than December 2023.

Item 8:

The Co-chairs concluded the meeting and thanked delegates.

Annex: List of attendees

UK Delegation:

- UK Co-chair of the Trade Specialised Committee
- UK Government Officials from HM Treasury; HM Revenue & Customs; Cabinet Office
- UK Mission to the European Union Officials
- Scottish Government Officials
- Northern Ireland Executive Officials
- Isle of Man Government Officials from Isle of Man Customs and Excise

EU Delegation:

- EU Co-Chair of the Trade Specialised Committee
- European Commission Officials
- Delegation of the European Union to the UK Officials
- Representatives of EU Member States

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