

### **Exit of United Kingdom from the European Union without an Agreement**

From the date United Kingdom (UK) will exit from the European Union (EU), UK will be a country outside the EU and therefore all the provisions of the VAT Law will apply as they apply for a country which is not a Member State of EU.

Specifically, the goods will be received by taxable persons in the Republic from UK, will be considered as imports and correspondingly goods that will be sent to the UK from the Republic will be treated as exports from the Republic and all necessary customs procedures should be applied.

The place of supply of services supplied and / or of services received between taxable persons in the Republic and companies based in the UK, does not change with the exit of the UK from the EU.

It must be noted that in connection with the above transactions between taxable persons in the Republic and businesses in UK, there will be no obligation for submitting VIES or INTRASTAT declaration.

The request by a taxable person in the Republic, for a VAT refund for the VAT that has been charged in the UK in 2018 for business purposes, should be submitted online before the UK exit date from the EU and not based on the deadline of September 30<sup>th</sup> , 2019 as required by the relevant EU Directive.

The services supplied by taxable persons in the Republic to non-taxable persons in the UK which fall within the scope of the Mini One Stop Shop (Moss), will be deemed to be provided in the recipient country (UK) without the obligation to impose VAT in the Republic.

Regarding the goods sent from UK and received by individuals residents in the Republic, these will fall under customs control and will be charged with import VAT on their value.

### **Exit of UK from the EU with an Agreement in place**

If the UK exits the EU with an Agreement in place, under which it will be granted a transitional period, all transactions with UK during that transitional period will continue to be regulated as if UK is a Member State.

All announcements issued and to be issued by the Tax Department in relation to the UK leaving the EU are available on the Tax Department's website and can be accessed using the following link :

<http://www.mof.gov.cy/mof/tax/taxdep.nsf/All/A03366590D96DA38C22583AE003396D9?OpenDocument>