

Exporting Services to the UK: VAT & Tax Issues

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Exporting Services to the UK: VAT & Tax Issues

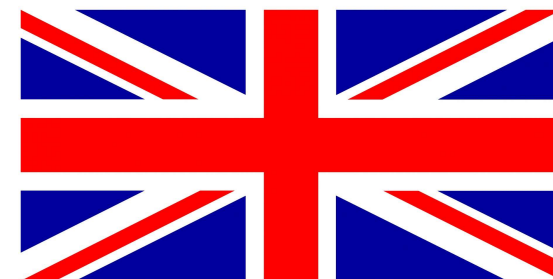
- Place of supply of most B2B services is where recipient is established

- If recipient is UK established business, no Slovenian VAT charged

- UK company accounts for UK VAT using reverse charge procedure



Slovenia D.O.O.



United Kingdom Limited

VAT registration not required

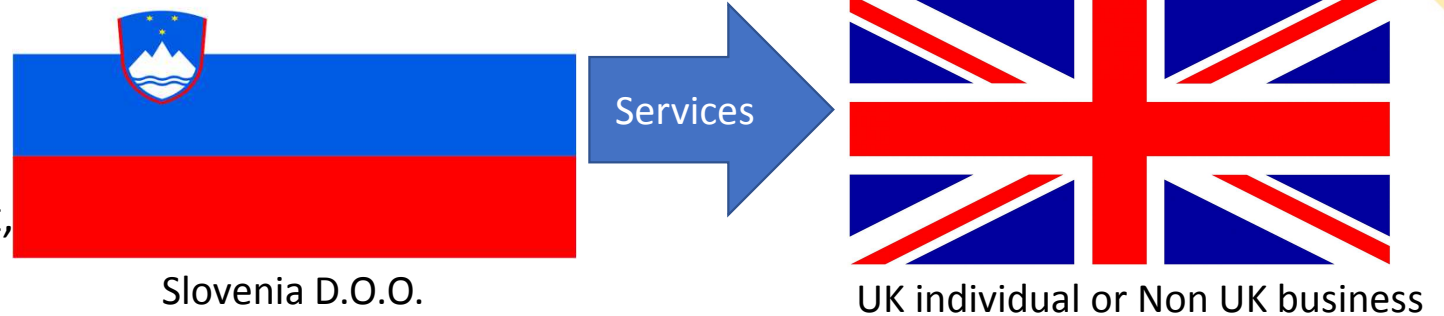


UK company set up not required
but can be done voluntarily



Exporting Services to the UK: VAT & Tax Issues

- Article 47 “Land Services”
- Includes architect services, surveyors, property management, construction;
- If recipient is not UK established or VAT registered, UK VAT registration required
- B2B services reverse charged under general B2B rule



UK VAT registration required



UK company set up not required but can be done voluntarily

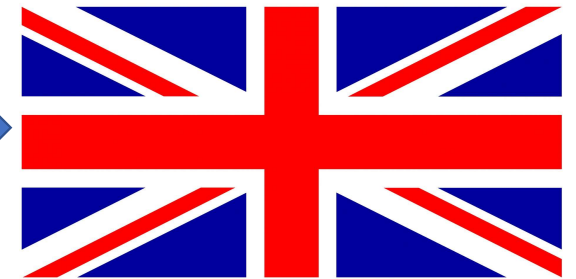


Exporting Services to the UK: VAT & Tax Issues

- Supply of Goods with installation;
- UK currently allows “one off” contracts where supplier not required to register for VAT;
- Long term suppliers advised to VAT register in the UK;
- Construction Industry Scheme (“CIS”) if contractors employed in the UK.



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UK individual or Non UK business

UK VAT registration required



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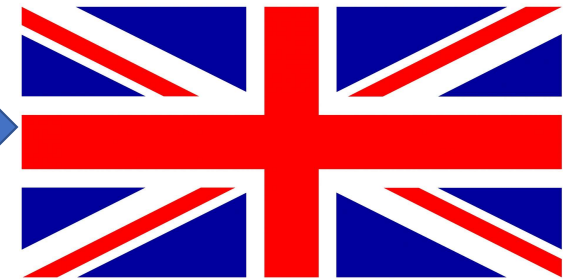


Exporting Services to the UK: VAT & Tax Issues

- From 1 January 2021 - supply of goods online < £135;
- Supply of digital services (UK “MOSS”) scheme;
- UK VAT rate 20%



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UK individual

UK VAT registration required



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Exporting Services to the UK: VAT & Tax Issues

Other issues

The UK includes the following services within its “use and enjoyment” provisions:

- the letting on hire of goods (including means of transport)
- electronically supplied services (B2B only)
- telecommunications services (B2B only)
- repairs to goods under an insurance claim (B2B only)
- radio and television broadcasting services

Impact

If Slovenian company has contract to provide services with a non UK company but the qualifying services are **used and enjoyed in the UK**, the Slovenian company would have to register for VAT in the UK.

No requirement for UK Branch or UK company set up

Exporting Services to the UK: VAT & Tax Issues

SETTING UP A COMPANY IN THE UK

UK Companies House

Company needs to be registered with UK Companies House

Company Limited by Shares or by guarantee

<https://www.gov.uk/government/organisations/companies-house>

Corporation Tax

Company needs to register for UK Corporation Tax within 3 months of becoming UK resident

2020/21 & 2021/22 UK Corporation Tax Rate: 19%

UK Tax Authority (HM Revenue & Customs) will need to be contacted

Corporation Tax liability is due 9 months and 1 day after company FY end

UK "Resident"

Company is UK resident if:

- It is incorporated in the UK – which will be the case here; or
- Central management and control is in the UK

We recommend that advice is sought on this point as it will depend on several factors.

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VAT & TAX ISSUES IN UK

Area

Contact

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