**Brexit update: UK companies with Belgian VAT number (and UK EORI number)**

The UK’s date of departure from the European Union currently remains 29 March 2019. The definitive outcome and whether a transition period or delay will be agreed remains uncertain. Negotiations are ongoing and British Members of Parliament will have to vote again on the Brexit deal by 12 March 2019.

As part of Brexit preparations, the Belgian VAT authorities have sent letters to all UK companies with a direct Belgian VAT registration to stress the importance for said companies to appoint a fiscal representative before the UK leaves the EU, which will become mandatory once Brexit is effective. In addition, the authorities have already begun to accept requests for Belgian EORI numbers.

**Appointment of a fiscal representative**

The letter confirms that UK companies with a Belgian VAT number are obliged to request the appointment of a fiscal representative before the UK leaves the EU (i.e. before 30 March 2019 or – should the actual Brexit date be postponed or a transition period be agreed - before that later date).

The letter puts forward a so-called transition period of six months after Brexit to allow VAT authorities enough time to process all paperwork. During this six month transition period, the VAT authorities will consider and treat a UK company’s direct VAT registration to have already been converted to a VAT registration with a fiscal representative, even if it is not
yet officially transposed into the Crossroads Bank for Enterprises or the VIES database. However, this is only the case if the UK company has filed an application to appoint a fiscal representative in Belgium. As a reminder, the shift from a direct VAT registration to a registration with a fiscal representative might impact the VAT treatment of purchases (e.g. local purchases of goods/services from non-established suppliers and so-called immovable work (construction works etc.)).

The authorities re-emphasise the obligation to provide a security (in the form of a bank guarantee or cash deposit). As no further details on the security amount are mentioned, in theory, the normal rules apply (25% of theoretical VAT due per year).

Companies with UK EORI numbers

The Belgian authorities recently activated EORI numbers of many Belgian companies trading with the UK without an EORI number. The activation was completed without the companies having to submit a request (limited company information still needed to be submitted).

The authorities have confirmed that UK companies with a UK EORI number can also already file a request to activate a Belgian EORI number. The authorities stress that the Belgian EORI number will only be activated once the UK has effectively left the EU. In addition, by filing a Belgian EORI request, companies are committing to not request an EORI number in another Member State.

Next steps

The next steps and whether action must be taken immediately depends on your company’s Brexit strategy.

If you want to discuss the content of this alert of the next steps more in detail please contact your usual tax consultant at our Deloitte office in Belgium or:

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