



**Collaboration between leading leisure marine representative bodies yields positive confirmation on post-Brexit VAT interpretation**

8 April 2021 - Following the UK’s withdrawal from the EU, there have been many questions which have caused confusion and uncertainty for the leisure marine sector both in the UK and in the EU27. Arguably, the biggest has been around the VAT status of recreational craft at the end of the transition period.

In an unprecedented declaration of unity, the International Council of Marine Industry Associations (ICOMIA), European Boating Industry (EBI), European Boating Association (EBA), British Marine (BM) and the Royal Yachting Association (RYA) joined forces to provide clarification on VAT and customs for recreational boating companies and users. Showing the value of cooperation and membership organisations, the five organisations have taken the exceptional decision to release this guidance to members and non-members.

The group put forward the key scenarios affecting boaters and are pleased to confirm that the Commission has now responded, validating the interpretation of the guidance and how VAT should be applied under the various examples. This follows a push led by the EBI with the European Commission to provide this important clarification. For the original document, please contact the participating organisations.

The positive confirmation of the scenarios should now also be recognised by each EU country in their dealings under this matter. Failure to do so could result in formal complaints being made to the Commission. Further clarification will be sought from the European Commission on the documentation required and interpretation of establishment of “person established in the customs territory of the Union”.

**VAT issues post-Brexit: FAQs**

The following acronyms are used:

TPE = The time at which the transition period ended – 31 December 2020, 23:00 UTC  
 VPS = VAT Paid Status: i.e. in free circulation  
 EU28 = EU before TPE, i.e. including UK  
 EU27 = EU after TPE, i.e. excluding UK

GB = England / Scotland / Wales excluding Northern Ireland  
 TA = Temporary Admission  
 RGR = Returned Goods Relief  
 UCC = Union Customs Code

The Union Customs Code referred to within this document can be found [here](#).

Scenario	Impact on VAT Paid Status (VPS)
<p><b>Scenario 1</b></p> <ul style="list-style-type: none"> <li>GB owned/registered pleasure craft</li> </ul>	<p style="text-align: center;"><b>✓ EU VAT Paid Status</b></p> <p>The boat retained EU VPS status.</p>

<ul style="list-style-type: none"> <li>● In free circulation (VPS) within EU28 pre-TPE and has supporting documentary evidence)</li> <li>● Within EU27 as at TPE</li> </ul>	
<p style="text-align: center;"><b>Scenario 2</b></p> <ul style="list-style-type: none"> <li>● GB owned/pleasure craft</li> <li>● In free circulation (VPS) in EU28 pre-TPE (and has documentary evidence)</li> <li>● Within an EU27 as at TPE</li> <li>● Boat leaves EU27 (for GB or elsewhere) and then returns to the EU27</li> </ul>	<p style="text-align: center;"><b>✓ RGR &amp; EU VAT Paid Status</b></p> <p>Boat is eligible to RGR on return to the EU27 and will have EU VPS, provided that all the conditions established in Article 203 UCC are fulfilled and, for VAT, that the boat is imported by the same person who exported it.</p>
<p style="text-align: center;"><b>Scenario 3</b></p> <ul style="list-style-type: none"> <li>● EU27 owned/registered pleasure craft</li> <li>● EU28 VPS pre-TPE (and has documentary evidence)</li> <li>● In EU27 as at TPE</li> <li>● VAT paid on original new purchase in GB a number of years ago</li> <li>● Subsequent ownership and location within the EU27</li> </ul>	<p style="text-align: center;"><b>✓ EU VAT Paid Status</b></p> <p>The boat keeps its Union status and it is therefore in free circulation with EU VPS.</p>
<p style="text-align: center;"><b>Scenario 4</b></p> <ul style="list-style-type: none"> <li>● GB owned/registered pleasure craft</li> <li>● Business owned</li> <li>● EU VPS before TPE</li> <li>● In EU27 as at TPE</li> <li>● Kept and used within the EU27</li> <li>● Long-term lease to individual for private use</li> <li>● GB VAT accounted for on annual lease charge</li> </ul>	<p style="text-align: center;"><b>✓ EU VAT Paid Status</b></p> <p>According to the information provided, the boat has Union status and keeps it unless the boat is taken outside the customs territory of the Union.</p>
<p style="text-align: center;"><b>Scenario 5</b></p> <ul style="list-style-type: none"> <li>● GB owned/registered pleasure craft</li> <li>● Owner is ordinarily resident in GB</li> <li>● Using boat within EU27 on TA</li> <li>● Owner has an EU27 holiday property where they keep the boat moored (in their name)</li> </ul>	<p style="text-align: center;"><b>✓ Temporary admission</b></p> <p>A person is established in the customs territory of the Union if he/she fulfils the conditions established in Article 5(31) UCC. If the person is not established in the customs territory of the Union, then he/she can declare the boat for temporary admission if it has non-Union customs status.</p>

<p style="text-align: center;"><b>Scenario 6</b></p> <ul style="list-style-type: none"> <li>● GB or EU27 owned/pleasure craft</li> <li>● In free circulation within EU28 pre-TPE (and has documentary evidence)</li> <li>● No evidence of having been in the EU27 previously; or</li> <li>● Ownership has changed since it was last in the EU27</li> </ul> <p style="text-align: center;">In GB as at TPE</p>	<p style="text-align: center;"><b>EU VAT Paid Status Lost</b></p> <p>Article 203 UCC requires evidence of a previous export to the UK. The Commission guidance indicates that, in the absence of an export declaration, evidence of the previous movement of the boat to the UK is required. If the boat has never been in EU27 it is impossible to provide evidence of movement to the UK.</p>
<p style="text-align: center;"><b>Scenario 7</b></p> <ul style="list-style-type: none"> <li>● EU27 owned/pleasure craft</li> <li>● In free circulation within EU28 pre-TPE (and has documentary evidence)</li> <li>● Had previously been evidenced as being within the EU27 within the last three years</li> <li>● In GB as at TPE</li> <li>● Same owner who brought it out of EU27, returned to the EU27 within three years of departure</li> </ul>	<p style="text-align: center;"><b>? Documentation required</b></p> <p>It is for the Member State to decide whether the conditions for RGR is possible (Article 203 UCC) are met.</p> <p>Article 203 UCC requires evidence of a previous export to the UK. The Commission guidance indicates that, in the absence of an export declaration, evidence of the previous movement of the boat to the UK is required. Member State authorities must therefore assess whether that satisfactory evidence can be provided in this scenario.</p>
<p style="text-align: center;"><b>Scenario 8</b></p> <ul style="list-style-type: none"> <li>● GB owned/pleasure craft</li> <li>● In free circulation within EU28 pre-TPE (and has documentary evidence)</li> <li>● Had previously been evidenced as being within the EU27 within the last three years</li> <li>● In GB as at TPE</li> <li>● Same owner who brought it out of EU27, returned to the EU27 within three years of departure</li> </ul>	<p style="text-align: center;"><b>? Documentation required</b></p> <p>It is for the Member State to decide whether the conditions for RGR (Article 203 UCC) are met. Article 203 UCC requires evidence of a previous export to the UK. The Commission guidance indicates that, in the absence of an export declaration, evidence of the previous movement of the boat to the UK is required. Member State authorities must therefore assess whether that satisfactory evidence can be provided in this scenario.</p>

Commenting on the collaboration, Philip Easthill, Secretary General of the EBI, says; “We are delighted to have received the responses from the Commission that companies and boaters urgently need. Given the impact of Brexit on businesses and supply chains, clarity on VAT for second-hand boats is highly important. The cooperation of EBI with our partners has been key and we will continue to advocate for clarity on VAT issues through our channels at EU level.”



Lesley Robinson, CEO of British Marine, said; "Collaboratively working together with other leisure marine industry bodies is a highly successful way of collectively garnering results, and this recent clarity received on VAT issues post-Brexit will greatly benefit British Marine members and the UK leisure marine industry. The answers to these scenarios will be welcomed in particular by UK boat retailers and brokers to assist in maintaining a healthy trade of second-hand boats across the UK and EU."

Udo Kleinitz, Secretary General of ICOMIA, added; "The industry is affected by the changes in VAT regime through loss of boaters expenditure in marinas and tourism. Our members have asked us for support on this matter which is why the collaboration with EBI, BM and the user organisations helps in raising the profile and relevance of the topic with the applicable agencies."

**Any questions can be directed to the relevant leisure marine representative body via the details below:**

**British Marine:** [brexit@britishmarine.co.uk](mailto:brexit@britishmarine.co.uk)  
**EBA:** [admin@eba.eu.com](mailto:admin@eba.eu.com)  
**EBI:** [office@europeanboatingindustry.eu](mailto:office@europeanboatingindustry.eu)  
**ICOMIA:** [info@icomia.com](mailto:info@icomia.com)  
**RYA:** [cruising@rya.org.uk](mailto:cruising@rya.org.uk)

**ENDS**

#### **About British Marine**

- British Marine (the trading name of British Marine Federation Limited) is the trade association for the UK leisure, superyacht and small commercial marine industry.
- It has over 1,500 members drawn from both seagoing and inland sectors.
- British Marine represents an industry which employs more than 38,700 people in the UK.
- For more information about the work of British Marine and how to join, please visit the website: [www.britishmarine.co.uk](http://www.britishmarine.co.uk)

#### **About EBI**

- European Boating Industry (EBI) represents the European recreational boating industry at EU level. It encompasses all related sectors, such as boatbuilding, equipment manufacturing, marinas and service providers.
- The industry is a significant contributor to the European economy, representing 32,000 companies that employ over 280,000 people directly. The vast majority of the sector is made up of Small- and Medium-sized Enterprises.
- EBI is an established stakeholder at EU level, defending and promoting the interests of its members on key issues ranging from Single Market to blue economy, environmental policy, tourism, VAT, and trade policy, as well as other policy areas affecting the industry.
- For more information, please visit [www.europeanboatingindustry.eu](http://www.europeanboatingindustry.eu)

#### **About ICOMIA**



- The International Council of Marine Industry Associations - ICOMIA - is the international trade association representing the global marine industry since 1966.
- ICOMIA brings together national marine industry associations in one global organisation and represents them at an international level, presenting a strong and united voice when dealing with issues challenging the industry.

#### **About the RYA**

- The RYA has over 100,000 personal members and 1,500 affiliated clubs and classes, which represent some 350,000 active boaters throughout the UK. It is estimated that 4 million people in the UK take part in boating activity annually.
- We are the national body for dinghy, motor and sail cruising, all forms of sail racing, RIBs and sportsboats, windsurfing and personal watercraft and a leading representative body for inland waterways cruising.
- We also set and maintain an international standard for recreational boat training through a network of RYA-recognised training centres, world-class courses and educational material.
- We are committed to promoting all forms of boating and making them accessible to everyone. For more information please visit [www.rya.org.uk](http://www.rya.org.uk).