

**JOINT DECLARATION OF THE UNION AND THE UNITED KINGDOM IN THE JOINT COMMITTEE
ESTABLISHED BY THE AGREEMENT ON THE WITHDRAWAL OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND FROM THE EUROPEAN UNION AND THE
EUROPEAN ATOMIC ENERGY COMMUNITY**

of 24 March 2023

**on the VAT regime for goods not being at risk for the Union's internal market and on the VAT
arrangements for cross-border refunds**

The Union and the United Kingdom intend to examine the possibility to adopt a Joint Committee decision, based on Article 4 of Decision No 1/2023 ⁽¹⁾, providing for the rules on rates laid down in Article 98, read in conjunction with Annex III, of Council Directive 2006/112/EC ⁽²⁾ not to apply to certain goods, other than goods supplied and installed in immovable property located in Northern Ireland by taxable persons. That decision would only relate to such goods which by their nature and by the conditions under which they are supplied would be subject to final consumption in Northern Ireland, and in relation to which not applying the rules on rates laid down in Article 98, read in conjunction with Annex III, of Directive 2006/112/EC would not lead to a negative impact on the Union's internal market in the form of fiscal fraud risks and any potential distortion of competition. Such a decision should establish a detailed list that would be valid for five years. The Union and the United Kingdom indicate their willingness to evaluate and revise such a list on a regular basis.

The Union and the United Kingdom also intend to evaluate the current VAT arrangements for cross-border refunds under Council Directive 2008/9/EC ⁽³⁾ and Council Directive 86/560/EEC ⁽⁴⁾ and examine the need to adopt, if appropriate, based on Article 4 of Decision No 1/2023, a Joint Committee decision whereby any necessary adjustments would be laid down or refund arrangements would only be limited to the application of Directive 86/560/EEC. Such evaluation should take account of the administrative burden on taxable persons as well as administrative costs on tax administrations.

⁽¹⁾ Decision No 1/2023 of the Joint Committee established by the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community of 24 March 2023 laying down arrangements relating to the Windsor Framework (see page 61 of this Official Journal).

⁽²⁾ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1).

⁽³⁾ Council Directive 2008/9/EC of 12 February 2008 laying down detailed rules for the refund of value added tax, provided for in Directive 2006/112/EC, to taxable persons not established in the Member State of refund but established in another Member State (OJ L 44, 20.2.2008, p. 23).

⁽⁴⁾ Thirteenth Council Directive 86/560/EEC of 17 November 1986 on the harmonization of the laws of the Member States relating to turnover taxes – Arrangements for the refund of value added tax to taxable persons not established in Community territory (OJ L 326, 21.11.1986, p. 40).