

UCC AND BREXIT

EFFECT ON TEMPORARY ADMISSION (TA) AND VAT

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UK TRADING WITH THE EU

	<i>Pre Brexit</i>	<i>Post Brexit</i>
VAT on imports of artwork into the UK from EU		
• B2B	X	5%
• B2C	Standard Rate	5%
VAT on imports of artwork into EU from UK		
• B2B	X	Reduced rate
• B2C	20%	Reduced rate
Customs Duty on imports of artwork into EU from UK visa versa	X	X

EU POST BREXIT

Average VAT Standard rate within the EU = 21%

Free Circulation Sale subject to the Standard rate.

Example:

£2m @ 21% = £420,000

£3m @ 21% = £630,000

UK ART MARKET OPEN FOR BUSINESS

UK TRADING WITH THE EU

Purchase of artwork by private collectors located in the EU

What have UK galleries to offer?

- EU artwork exhibited in London for sale
 - Transportation cost relatively low
 - No VAT on the export to the UK
 - No VAT on the export to the EU
 - Reimport to EU at the reduced rate : France 5.5%

UK TRADING WITH THE EU

Saving under example:

£2m VAT = £420,000 : reduced rate £110,000 – saving £310,000

£3m VAT = £630,000 : reduced rate £165,000 – saving £465,000

UK TRADING WITH THE EU

Effect on UK Galleries:

- Import VAT 5%
- Zero-rate export with 5% import VAT recoverable
- Cash flow
- Think “Temporary Admission” (TA)

TEMPORARY ADMISSIONS (TA)

- Import VAT suspended
- Re-export no import VAT payable
- If sold to UK customer:
 - TA discharged
 - Customer imports and pays 5% import VAT