



Italy | UK Post-Brexit News



Brexit: VAT registration in Italy for non-established UK businesses

Following the [VAT Brexit news](#) published on 5 January 2021, the Italian Tax Authorities (ITA) have completed their review of the '*Trade and Cooperation Agreement*' between the EU and the UK, signed on 24 December 2020 and provisionally in force as of 1 January 2021. Based on this review, the ITA have established that this agreement includes a '*Protocol on administrative cooperation and combatting fraud in the field of value added tax and on mutual assistance for the recovery of claims relating to taxes and duties*' that provides for reciprocal assistance in the field of indirect taxation, thus meeting the requirements laid down by the Italian VAT law for a foreign taxpayer - established in a country that is a party to that agreement - to be entitled to VAT register in Italy directly.

Therefore, with Resolution no. 7 of 1 February 2021, the ITA have clarified that:

- UK companies without an Italian VAT number can choose to register in Italy for VAT purposes either (i) directly or (ii) through the appointment of a fiscal representative;
- UK businesses that were previously VAT registered in Italy directly are entitled to continue doing business in Italy through direct VAT registration, without needing to switch to a fiscal rep registration. This means that the input VAT incurred by these companies after 1 January 2021 is recoverable via direct VAT registration with no risk of challenges and/or penalties;
- UK businesses that were previously VAT registered in Italy via appointment of a fiscal representative are entitled to continue doing business in Italy in the same way.

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Kind regards,

KPMG in Italy

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