



# Navigating the EU Referendum

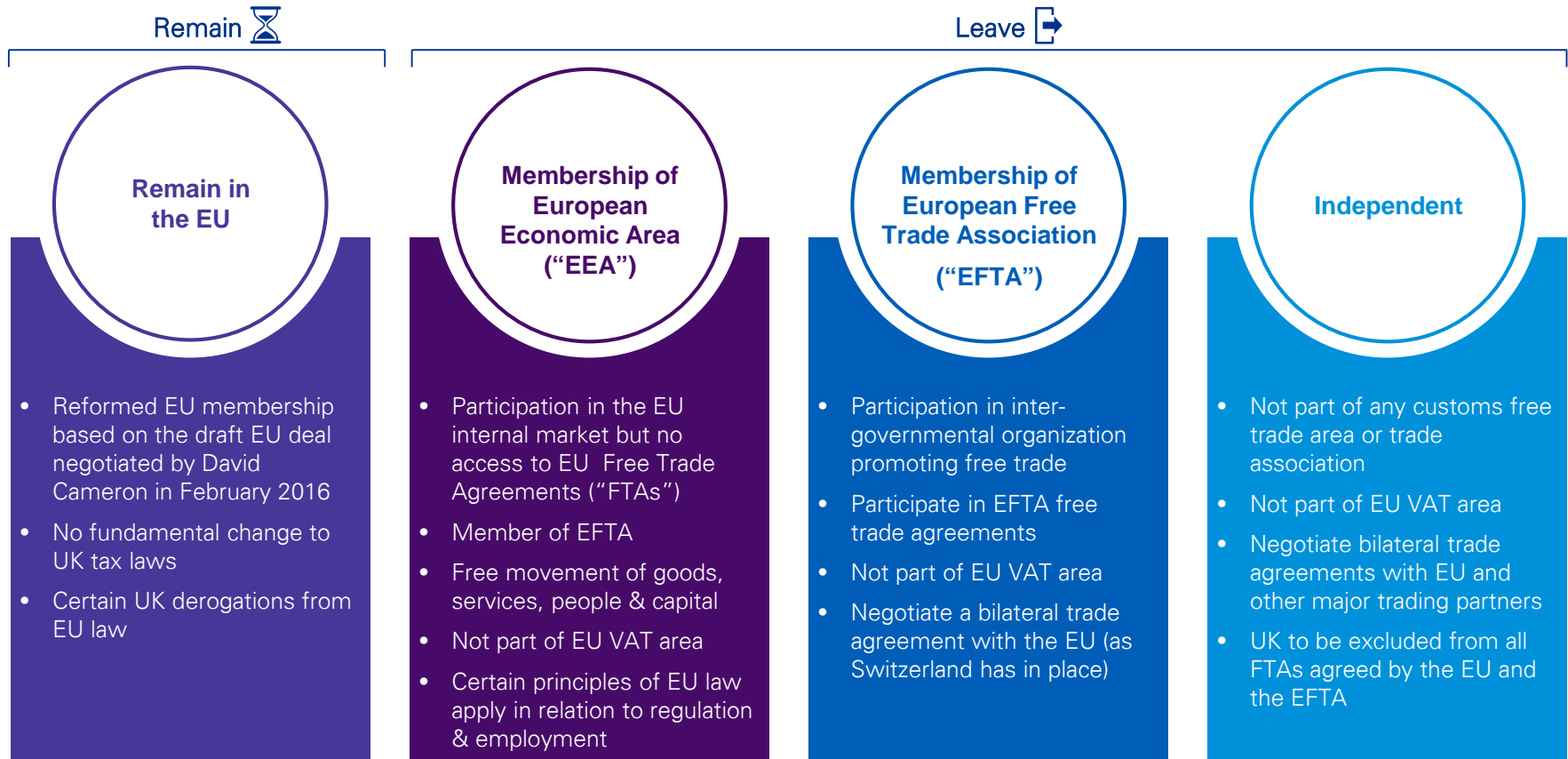
## A Tax Perspective

May 2016



# Post referendum scenarios

If the UK chooses to leave the EU it will have two years to negotiate the nature of the exit....



# Indirect tax

## **Access to internal market**

- Customs duty may apply to imports & exports
- No access to EU customs reliefs and special measures

## **EU excise duty directive**

- Excise duty no longer subject to EU rules & parameters

## **VAT is a tax regulated by consistent EU-wide rules**

- Intra-community supplies of goods and services will be treated as imports and exports between UK and Romanian companies
- No EU reliefs available e.g. triangulation relief, simplification measures for call-off stock, work on movable goods
- Sector specific EU schemes such as Mini One Stop Shop no longer applicable
- VAT refund Directive no longer applicable between UK and Romania

# Direct tax

## **EU Parent/Sub Directive**

- Romanian subsidiary companies no longer able to remit dividends free of WHT under the EU parent/sub directive

## **Interest and Royalties Directive**

- Payments of interest & royalties will attract WHT in certain circumstances

## **EU reliefs based on mergers directive**

- Potential loss of tax relief on certain company mergers, acquisitions and reorganization

## **Migration**

- Potential restrictions on free movement of people between Romania and the UK

## **Social security**

- Depending on nature of exit, EU/EEA reciprocal social security arrangements may no longer be available.

# Helping clients 'plan to plan'

EU referendum forum:

<https://kpmgeuref.online-event.co>



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