

**The Fifth Trade Specialised Committee on VAT Administrative Cooperation and
Recovery of taxes under the EU-UK Trade and Cooperation Agreement**

Joint Minutes

2 October 2025

Item 1: Greeting and opening remarks by the Co-Chairs

The UK and the EU Co-chairs welcomed participants to the meeting.

Item 2: Adoption of the agenda

The provisional agenda, as published in advance, was adopted for the meeting.

Item 3: Taking stock of the use of the administrative cooperation and recovery assistance in 2024

The Parties presented information on their respective use of the measures under the VAT and Debt Protocol to the Trade and Cooperation Agreement regarding administrative cooperation and recovery assistance during the year 2024.

The Parties agreed that administrative cooperation arrangements established by the Protocol continue to work and function well. Some discrepancies were identified in the statistical data, and both Parties committed to resolving these issues.

The UK reminded delegations from EU Member States of the need to:

- use the correct legal basis when sending requests;
- respect the deadlines for transmitting the statistical data (as foreseen in PVAT.37);
- ensure that the statistical information is sent in the agreed format under Article 4 of Implementing Decision 04/2023.

The EU emphasised the importance of the cooperation, highlighting concrete cases where UK replies supported audits and fraud detection on the basis of requests for information from Member States' competent authorities. Others flagged structural barriers in recovery of claims against non-residents in the UK due to the DRD (Direct Recovery of Debts) procedure.

The UK informed the meeting that HMRC restarted direct recovery of debts procedure in a test and learn phase. The approach will be used for customers that have the money to pay but refuse to engage with HMRC.

The Parties also recognised that Decision No 1/2025 was approved via written procedure pursuant to Rule 9 of Annex 1 (Rules of procedure) to the Trade and Cooperation Agreement and published in the EU Official Journal on 21 August 2025. This decision concerns updates to the standard forms of communication between tax authorities, that are necessary to maintain their relevance and usability for the purposes of the Protocol and which is another recent step of the VAT Protocol implementation.

Item 4: Debt recovery threshold

The UK noted that changing the debt recovery threshold set out in the Protocol remains a priority, particularly in the context of further changes to the EU's Import One Stop Shop scheme which were announced by the EU earlier this year.

The UK pointed out that, as the existing framework for VAT administrative cooperation and debt recovery is clearly working well, requiring British businesses to have a fiscal representative to use the Import One Stop Shop under either the current arrangements, or under the future measures, is an unnecessary administrative burden.

The EU stated that their position on this has not changed and there are no plans to reopen it.

The UK concluded that the Parties should continue to discuss how to strengthen the joint working and cooperation between the UK and the EU.

Item 5: Any other business

No other topics were identified.

Item 6: Conclusions and next steps

The Co-Chairs agreed that the draft minutes shall be drawn up within 45 days from the end of the meeting and secretariats agreed to sign the minutes electronically.

The Co-chairs confirmed that the next Trade Specialised Committee would occur no later than December 2026.

Item 7: Closing remarks

The Co-chairs concluded the meeting and thanked delegates.

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