

Commission Takes Action Against Italy and the UK for Illegal VAT Practices

News

Thomas Wahl

As a follow up to the Paradise Paper leaks, the Commission launched infringement proceedings against Italy and the United Kingdom on 8 November 2018. The proceedings concern VAT practices in the yacht and aircraft sectors that are not considered in line with EU rules.

Italy is at fault for not levying the correct amount of VAT on the leasing of yachts. Second, the Commission found that Italy has illegal rules in place that favour the exemption of excise duties for fuel in chartered pleasure crafts used for personal purposes.

The UK abused VAT practices in the Isle of Man with regard to supplies for and the leasing of aircraft.

If Italy and the UK do not properly react within two months, the Commission can further proceed with the infringement proceedings.

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