

United Kingdom Confirms Extension of VAT Flat-Rate Scheme for Non-Deductible VAT Charged on Fuel Expenses in Company Cars in Northern Ireland

18 December 2023

Report from our correspondent Richard Curtis, Tax Author

HM Treasury has [published](#) a policy paper on the renewal of the existing derogation of a simplified measure to calculate VAT due on fuel allocated to the private use of company cars with respect to Northern Ireland. The [explanatory memorandum](#) confirms that the existing derogation from articles 16 and 168 of the [VAT Directive \(2006/112\)](#) for Northern Ireland, which was due to end on 31 December 2023, will continue to apply until 31 December 2026.

For previous reporting and details, see [Council of the European Union Proposes That United Kingdom Continue to Apply VAT Flat-Rate Scheme for Non-Deductible VAT Charged on Fuel Expenses in Company Cars \(20 November 2023\)](#) and [Council of the European Union Authorizes Continued Application of Derogation Granted to United Kingdom to Calculate VAT Due on Fuel Allocated to Private Use of Cars in Northern Ireland \(24 March 2021\)](#).

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