

**Travel Law Forum
Athens – March 2018**

**Legal implications of Brexit for the
travel industry**

**Joanna kolatsis
Partner – Head of Aviation and Travel**



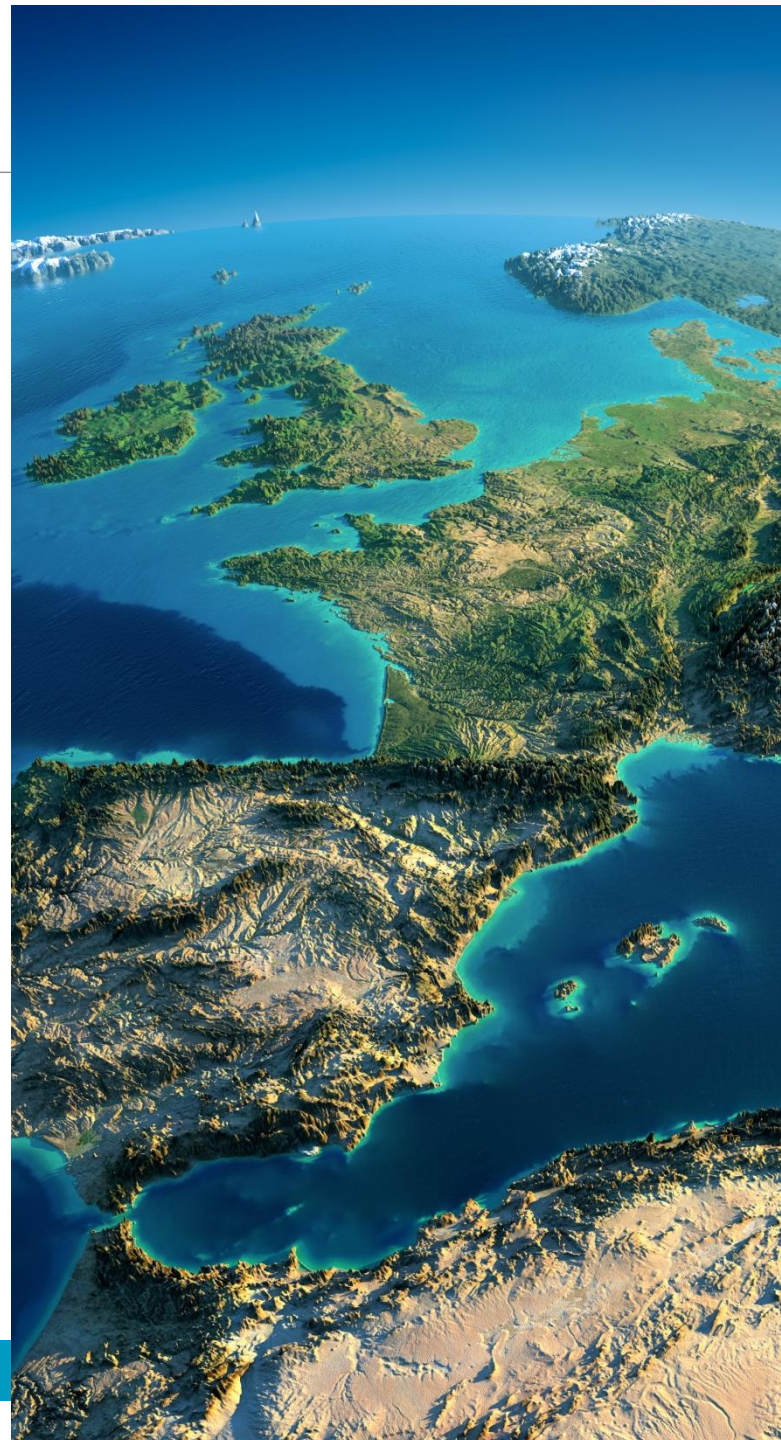
Legal implications of Brexit:

- Where are you based?
- Agency/operator?
- Commercial, tax and employment implications



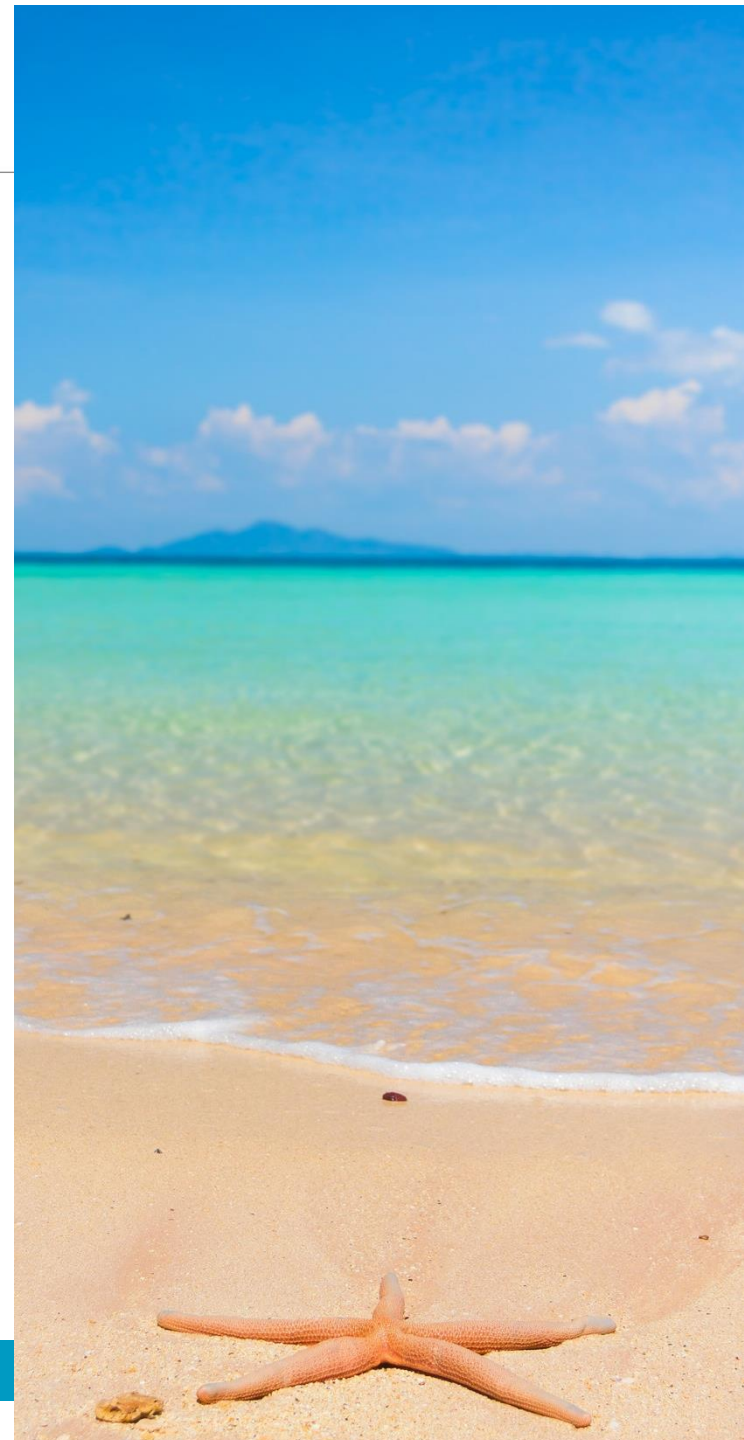
Where are you based?

- Physical location
 - PTD 2015 – place of establishment rule;
- Ownership and control (aviation – EC 1008/2008);
- Brexit clauses – contractual terms, ticket terms, tour operator and airline T and Cs
- Place of supply rules – VAT
 - Proposals to change to destination based system, cf PTD 2015;
 - Impact on travel patterns, e.g. where will vessels and aircraft be repaired and maintained?
 - Impact on turnaround time
- On-going uncertainty pending trade deal



Agency/operator?

- HMRC will challenge agency arrangements
- What is day-to-day economic reality?
- *Med Hotels & HMRC -v- Secret Hotels 2 [2014]*
- There are differences between definitions of agency across EU and therefore uncertainty as to how such an arrangement will be treated post-Brexit
- Greater importance on contract terms, clarity (definition of roles and scope), clear operating procedures – ambiguity is a costly foe
- cf PTD 2015 obligations and VAT TOMS



Commercial, tax and employment implications

- Contract clauses:
 - Ryanair and Thomas Cook T&Cs
 - Future proof agreements – post-Brexit review?
 - Review intra group company agreements
- Tax:
 - Corporate card payments
 - Corporation tax ‘tourism’
 - Jurisdictional compliance
 - Impact of new borders
- Employment
 - *HMRC -v- Jacobson* and *HMRC -v- Perfect* – CFA 2017
 - Workers, employees and agents – ‘gig’ economy, workers rights and tax accounting
 - Employment tax ‘tourism’



Thank you

Joanna Kolatsis

Partner – Head of Aviation and Travel

Hill Dickinson LLP

+44 (0)20 7280 9103

joanna.kolatsis@hilledickinson.com

A presentation by

HILL DICKINSON

