

Tax Brochure

VAT | 2015

A European Comparison



The AGN European Region conducts annual surveys of corporate taxes, parent companies, self employed, value added (VAT), salary and social security and inheritance taxes. These surveys have been produced for a number of years and provide interesting comparisons from year to year and from country to country and give an insight into trends.

Introduction: Not only is it a condition of membership of the EU for all member states to have VAT but also for its main characteristics to be uniformly implemented. This should make cross border trading easy but in practice does not as there are numerous local variations which can lead to costly errors, penalties and high compliance costs.

Nevertheless VAT continues to demonstrate its popularity among fiscal authorities as its use has spread to almost every jurisdiction within the European Region. So the chance of failing to comply with local rules and thereby incur penalties, interest and other associated costs continues to grow.

The objective of the AGN Europe VAT survey is to collate data about the main characteristics of VAT as it is implemented in the European Region jurisdictions and to try to highlight the key differences between them. It also acts as the basis for the VAT Survey Brochure which is a useful reference source in respect of some of the main components of the VAT system.

Countries Covered: The 2015 VAT survey covers almost 30 countries including non EU members such as Liechtenstein, Norway, Russia, Serbia, Switzerland, Ukraine and Turkey, as well as providing key data for most EU member states.

Results of the 2015 Survey

The survey shows that there continue to be opportunities and pitfalls for businesses trading cross border. This is not unexpected in relation to non EU countries who may be influenced but are clearly not bound by EU VAT rules. What is more surprising is the degree of variation demonstrated by those jurisdictions that are inside the EU.

VAT Rates: VAT suffered on expenses incurred while away on business in other countries is, in theory, recoverable. In practice it often ends up being an additional cost and with VAT rates ranging from less than 10% up to 25% it can represent quite a substantial additional cost.

Add to this the wide variation of reduced rates leading to a high degree of complexity facing any business seeking to do business in another jurisdiction and thereby increasing compliance costs.

However for those that embrace the differences and make an effort to find out about them they can represent an opportunity to optimise VAT by taking these

differences into account when choosing where to site a new business.

VAT Registration: The huge variation in registration thresholds represents a trap for the unwary. Many businesses assume that VAT is a simple enough tax for it to be safely ignored when starting up a new business venture. This can lead to disastrous results. With VAT registration thresholds ranging from zero (Sweden and several other countries) to more than €100,000 (Russia) it is clear that local advice is essential and should be taken at an early stage.

Periodic VAT Returns: Even for those businesses that recognise their obligations and VAT register the complications continue. VAT reporting periods vary hugely and range from filing every month to annual filing.

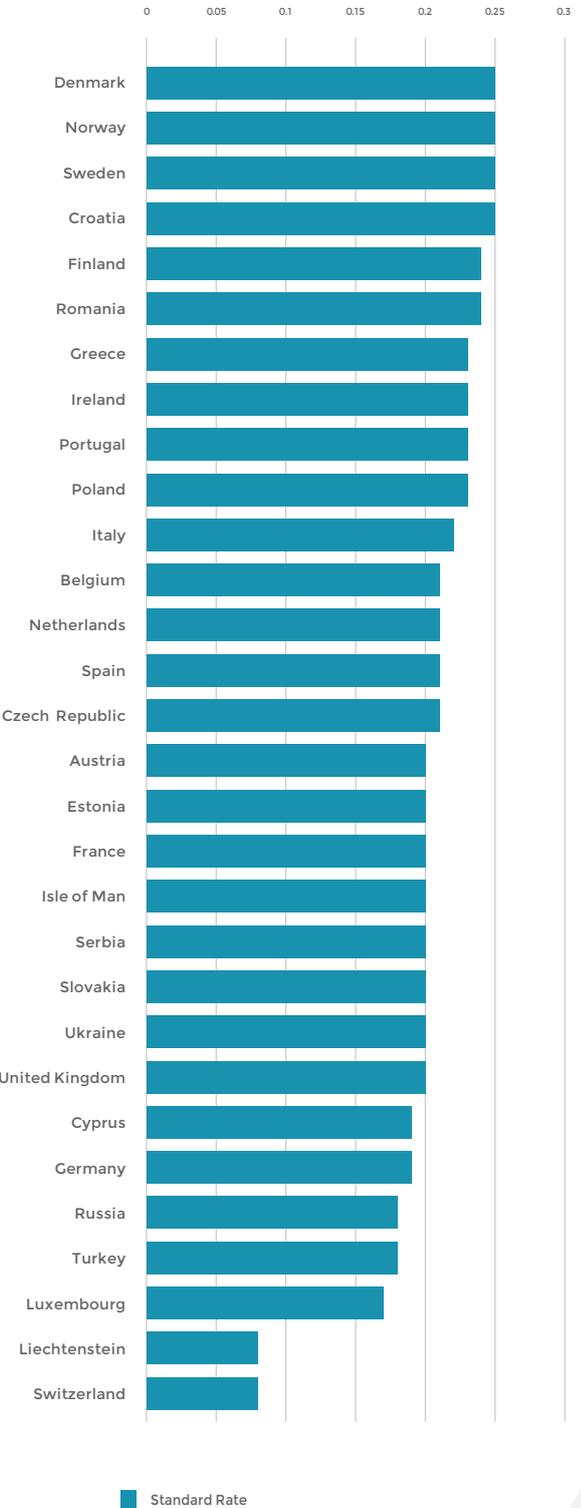
Likewise the time available for sending in the VAT returns can be as short as 10 days through to 60 days thereby adding to the complexities associated with complying with the local VAT rules.

Distance Selling: Similar variations can be noted from the distance selling thresholds in operation among the EU countries. In theory each member state should be using either the lower threshold of €35,000 or the higher threshold of €100,000. However, as the survey demonstrates, even this requirement has not been implemented uniformly.

Foreign Company VAT Recovery: The survey suggests that the online EU foreign company VAT refund system has improved the recovery times with many countries adhering to the statutory 4 month deadline. Many of the non-EU countries, on the other hand, do not operate any form of refund system.

Conclusion: VAT is often regarded as a simple tax that can safely be left to book-keepers to deal with. The data collected by AGN Europe demonstrates that this is very far from the truth and makes it abundantly clear that local advice taken at an early stage is essential.

Before taking or refraining from action in relation to the above, specific professional advice should be taken in the countries concerned.



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Country	Annual Tax declaration deadline	VAT Rates - Standard rate	VAT Registration:		Voluntary VAT Registration Allowed?	VAT Distance Selling Threshold	VAT Invoice - Statement of Why No VAT Applies?	Foreign Company VAT Recovery:						
			Threshold (annual turnover)	VAT Grouping				Eligibility of Non EU Business?	Claim Time Limit?	Representative Required?	Approximate Recovery Time?	Surrender of Original Invoices Required?	Proof of Payment Needed?	Certificate of Registration Required?
Austria	Jun-30	20.00%	€ 30,000.00	Y	Y	€ 35,000.00	Y	Y	EU Sep.30, Non-EU Jun.30	N	6	Y/N	N	N/Y (0)
Belgium	N/A	21.00%	€ 5,580.00	Y	Y	€ 35,000.00	Y	Y	30 june	N	6	Y	N	Y (0)
Croatia	28-Feb	25.00%	€ 30,500.00	N	Y	€ 35,000.00	Y	Y	Jun. 30	N	3	Y	N	C
Cyprus	N/A	19.00%	€ 15,600.00	Y	Y	€ 35,000.00	Y	Y	Sep. 30	N	4	Y	N	Y/O
Czech Republic	N/A	21.00%	€ 36,100.00	Y	Y	€ 35,000.00	Y	Y	Sep. 30	N	6	N	N	N
Denmark	N/A	25.00%	€ 6,600.00	Y	Y	€ 37,000.00	Y	Y	Sep. 30	N	8	Y	N	Y (0)
Estonia	N/A	20.00%	€ 16,000.00	Y	Y	€ 35,000.00	Y	Y	Sep. 30	N	4	Y	N	Y(0)
Finland	12-Feb	24.00%	€ 8,500.00	Y	Y	€ 35,000.00	Y	Y	Jun. 30 the following year	N	4	N	N	Y (0)
France	N/A	20.00%	€ 82,200.00	N	Y	€ 100,000.00	Y	Y	Sep. 30	N	2	Y	N	Y(0)
Germany	31-May	19.00%	€ 17,500.00	Y	Y	€ 100,000.00	Y	Y	Jun. 30	N	6	Y	N	Y (0)
Greece	N/A	23.00%	€ 10,000.00	N	Y	€ 35,000.00	Y	Y	Jun. 30	N	6	Y	Y	Y(0)
Ireland	N/A	23.00%	€ 75,000.00	Y	Y	€ 37,500.00	N	Y	Sept. 30	N	0	Y	Y	Y (0)
Isle of Man	N/A	20.00%	€ 103,878.00	Y	Y	€ 100,000.00	Y	Y	9months	N	4	N	N	Y/O
Italy	September	22.00%	€ 0.00	Y	Y	€ 100,000.00	Y	Y	Sep. 30	N	6	Y	Y	Y (0)
Liechtenstein	N/A	8.00%	€ 90,900.00	Y	Y	€ 90,900.00	N	Y	June 30	Y	3	Y	Y	Y/O
Luxembourg	30-May	17.00%	€ 25,000.00	N	Y	€ 100,000.00	Y	Y	Jun. 30	N	6	Y	N	Y (0)
Netherlands	March	21.00%	€ 0.00	Y	Y	€ 100,000.00	Y	Y	Jun. 30	N	6	Y	N	Y/O
Norway	10-Mar	25.00%	€ 6,250.00	Y	Y	€ 6,250.00	N	Y	Jun. 30	N	6	Y	N	Y
Poland	N/A	23.00%	€ 36,500.00	N	Y	€ 39,000.00	Y	Y	Sep. 30	Y	6	N	N	Y
Portugal	15-Jul	23.00%	€ 0.00	N	Y	€ 35,000.00	Y	Y	Sep. 30	Y	6	Y	N	Y (0)
Romania	N/A	24.00%	€ 65,000.00	Y	Y	€ 35,000.00	Y	Y	September 30	Y	6	Y	N	Y(0)
Russia	Quarterly, 25th day	18.00%	€ 106,667.00	N	Y	€ 0.00	Y	N	N/A	N	0	N	N	N/A
Serbia	N/A	20.00%	€ 70,349.27	N	Y	€ 0.00	Y	Y	June 30	N	1	Y	Y	Y/O
Slovakia	N/A	20.00%	€ 49,790.00	Y	Y	€ 35,000.00	Y	Y	9 Months	N	6	Y	N	Y (0)
Spain	January	21.00%	€ 0.00	N	N	€ 35,000.00	Y	Y	Jun. 30	Y	6	Y	N	Y (0)
Sweden	N/A	25.00%	€ 0.00	Y	Y	€ 32,000.00	Y	Y	Jun. 30	N	3	N	N	Y/O
Switzerland	Feb. 28 or August 31	8.00%	€ 82,000.00	Y	Y	€ 82,000.00	N	Y	June 30	Y	3	Y	Y	Y (0)
Turkey	N/A	18.00%	€ 0.00	Y	Y	€ 0.00	Y	Y	per Month,23	Y	2	Y	Y	Y/O
Ukraine	N/A	20.00%	€ 33,333.00	N	Y	€ 33,333.00	Y	N		Y	0	Y	Y	Y
United Kingdom	N/A	20.00%	€ 103,580.00	Y	Y	€ 89,509.00	Y	Y	9 months	N	4	Y	N	Y/O