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VAT in the European Community

**APPLICATION IN THE MEMBER STATES,
FACTS FOR USE BY
ADMINISTRATIONS/TRADERS
INFORMATION NETWORKS ETC....**

Note

This document collates a range of basic information on the application of VAT arrangements in the Member States which has been obtained from the tax authorities concerned.

The sole purpose of distributing details of national provisions is to create a work-tool. In no way does this document necessarily reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

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- B E L G I U M -

VAT REGISTRATION

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

A foreign trader can obtain information about the Belgian VAT system from the following department:

Bureau central de TVA pour assujettis étrangers
Rue Van Orley 15
1000 BRUXELLES
Telephone: (32.2) 218 38 60

2. What are the circumstances governing the need to be VAT-registered?

VAT registration is normally necessary when the foreign trader carries out the following taxable transactions in Belgium:

- (i) supplies of goods and services other than services on which tax is payable by the customer;
- (ii) imports;
- (iii) intra-Community acquisitions.

When the trader is a taxable person whose supplies of goods or services do not give rise to the right to deduct input tax, he does not need to be registered in Belgium unless he carries out intra-Community acquisitions on which tax is chargeable or unless he is liable to pay tax as the recipient of certain services.

Taxable persons whose supplies of goods or services do not give rise to the right to deduct input tax and non-taxable legal persons are not required to be VAT-registered when their intra-Community acquisitions are subject only to excise duties.

Persons referred to only in Article 4(3) of Directive 77/388/EEC or in Article 28a(4) of that Directive (see Directive 91/680/EEC) need not be registered (see Annex 1).

Voluntary VAT registration is possible only in the situations covered by Article 50 of the Belgian VAT Code (see Annex 2); it is also necessary in such situations.

3. Please describe the procedures for issuing VAT identification numbers.

Persons subject to VAT registration must inform the authorities (Administration de la TVA, de l'enregistrement et des domaines) before they carry out any taxable transactions. There are special forms for this purpose, which interested parties can obtain from tax inspectorates. Where necessary, the information shown on the form must be supplemented by annexes giving, for example, the articles of association. The taxable person is notified of his VAT registration number after the information has been examined. For the registration of legal persons, it usually takes about fifteen days for the number to be issued; for individuals, the number is usually issued on the spot.

If the foreign taxable person has a permanent establishment in Belgium, he applies for his VAT number to the VAT inspectorate in whose area his main permanent establishment is situated.

If the foreign taxable person has no permanent establishment in Belgium, he must, before carrying out any operation in the country other than the supply of services on which tax is payable by the recipient, apply to the VAT central office for foreign taxable persons (Bureau central de TVA pour assujettis étrangers) for approval of a representative established in Belgium.

Appropriate forms are available from the central office, which notifies the taxable person of his VAT number.

VAT registration consequent upon the threshold for distance selling in Belgium being exceeded is valid from the date on which the threshold is exceeded until at least 31 December of the following calendar year.

If the threshold is again exceeded during that calendar year, and during any subsequent year, VAT registration continues to be valid until 31 December of the year following that in which the threshold was last exceeded.

For the rest, the VAT number is normally valid as long as transactions subject to tax continue to be carried out.

By way of derogation from the general rules described above, a taxable person not established in Belgium and whose sole business there is to import goods exempt from tax in Belgium pursuant to Article 28c(D) of Directive 77/388/EEC may have direct recourse to the services of a person already authorized in Belgium to represent this category of taxable person. He uses a VAT number notified by the VAT authorities to the said representative at the time of authorization.

- 4. Which threshold (in national currency) do you operate as regards intra-Community distance selling under Article 28b(B)(2) of the Sixth VAT Directive as amended by Directive 91/680/EEC?**

The threshold is BFR1.5 million.

- 5. Which threshold (in national currency) do you operate as regards acquisitions by non-taxable legal persons or exempt persons under the second subparagraph of Article 28a(1)(a) of the Sixth VAT Directive as amended by Directive 91/680/EEC?**

The threshold is BFR450 000 (ECU 10 000).

The ceiling for exemption for small enterprises pursuant to Article 24(2) of Directive 77/388/EEC, as amended, is BFR25 000.

TAX REPRESENTATIVES

- 6. What are the conditions governing the appointment of a tax representative?**

Any persons fulfilling the following conditions may be approved as tax representatives:

- (i) they must be established or domiciled in Belgium;
- (ii) they must be in a position to be parties to contracts;
- (iii) they must be solvent and in a position to pay the sums for which they are jointly and severally liable with the person they represent;
- (iv) they must have agreed to represent the foreign taxable person.

- 7. What are the rights and obligations of a tax representative?**

The tax representative has the same rights and obligations as the foreign taxable person since he acts on his behalf.

The representative is jointly and severally liable with the person he represents for the payment of any tax, interest and fines arising from transactions in Belgium.

8. What action can you take in the event of failure by a trader in another Member State to designate a tax representative in your territory?

The VAT, interest and fines payable could be collected from the Belgian party to the transaction involving the foreign trader. However, if that party can prove in good faith that he has paid to the supplier, whom he can identify, all or part of the tax due, his liability is reduced by the amount of tax he has paid.

INVOICES

9. What are the conditions governing the issue of an invoice?

- **who must issue an invoice?**
- **in what circumstances?**
- **in what timeframe relative to the supply concerned?**
- **what information must appear on the invoice?**

Unless the taxable person carries out only supplies of goods or services which are exempt under Article 44 of the VAT Code, and is therefore not entitled to deduct input tax, he must issue an invoice to the other party:

- (i) when he supplies goods or services;
- (ii) when tax is due on all or part of the price of the transaction before the supply of goods or services is complete;
- (iii) when all or part of the price is collected prior to an intra-Community supply of goods as referred to in Article 28c(A)(a) and (b) of Directive 77/388/EEC.

The invoice must be issued not later than the fifth working day of the month following that in which tax becomes payable on all or part of the price. For intra-Community supplies of goods, it must be issued not later than the fifth working day of the month following that in which any payment on account is made.

The following details must appear on the invoice:

- (i) date of issue and serial number in the sales journal;

- (ii) name or style of the taxable person; official address or company headquarters; taxable person's registration number in the commercial or trade register, where applicable; and VAT registration number issued to him by the Belgian authorities;
- (iii) name or style and address of the other party, and VAT registration number issued to that party by the Belgian authorities or, for supplies coming under Article 28c(A)(d) of Directive 77/388/EEC, name or style, address of the taxable person, VAT registration number issued to him by the authorities in the Member State of destination of the goods, and precise address of the establishment to which the goods are being transferred;
- (iv) (a) for transactions referred to in Article 28b(C), (D), (E) and (F) of Directive 77/388/EEC, number under which the customer is registered for VAT purposes and under which the service was supplied;
 - (b) for transactions under Article 28c(A)(a) of Directive 77/388/EEC, number under which the purchaser is registered for VAT purposes in another Member State;
 - (c) in cases where Article 28c(E)(3) of Directive 77/388/EEC is applicable, reference to that Article, number under which the taxable person is registered for VAT purposes in another Member State and under which he has effected the intra-Community acquisition and subsequent supply of the goods, and number under which the recipient of the goods is registered for VAT purposes pursuant to Article 50(1) of the Belgian VAT Code;
- (v) (a) date of supply of the goods or completion of the service or, where applicable, date on which the tax falls due or, if that date cannot be precisely determined, period over which the transaction is carried out;
 - (b) for intra-Community supplies of goods, date on which the taxable event takes place or date of full or partial payment;
- (vi) all the particulars needed to identify the transaction and to determine the tax rate applicable, in particular usual description of the goods and services supplied, quantities involved and purpose of the services;
- (vii) the details referred to in Article 28a(2)(a) and (b) of Directive 77/388/EEC for supplies of new means of transport, and make, model, year, cylinder capacity, engine rating, body model and chassis number for supplies of new or used cars or multi-purpose vehicles, date of first registration for used cars and used dual-purpose vehicles and, for maintenance work other than cleaning and for motor vehicle repairs, registration number of the vehicle;

- (viii) for each rate applicable, tax base and basic components of taxation;
- (ix) tax rate or rates applicable and amount of tax corresponding to each rate or, in cases where tax is payable by the other party, the words "Tax payable by the other party: Belgian VAT Code, Article 51(2)";
- (x) in cases where the transaction is not subject to tax, legal provision under which the transaction is exempt or the tax not chargeable;
- (xi) reference to any earlier document or documents in cases where several invoices or documents are issued for the same transaction; the invoice may not show an amount of tax payable by the other party that has already been charged;
- (xii) for the transactions referred to in Article 26a(B) and (C) of Directive 77/388/EEC, the words "Supply subject to the special arrangements for taxing the profit margin. VAT not deductible."
- (xiii) for the transactions referred to in Article 24 of Directive 77/388/EEC, the words "Small undertaking subject to the tax exemption scheme. VAT not applicable.";
- (xiv) any other details required by virtue of the Belgian VAT Code or the relevant implementing measures.

In accordance with the legal provisions applicable in Belgium on the use of languages (Article 52(1) of the Royal Decree of 18 July 1986 on the co-ordination of laws on the use of languages for administrative purposes), the essential details that must appear on invoices pursuant to the relevant laws or regulations must be drawn up by enterprises established in Belgium in the language (Dutch, French or German) of the region where the place of business is located.

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business do they apply to?

The taxable person is exempt from the requirement to issue an invoice when he supplies goods and services to private individuals for their own use.

This exemption does not apply to:

- (i) the supply of:
 - new or used motor vehicles of a cylinder capacity of over 48cc or engine power of over 7.2kw intended for the transport of goods or persons, and their trailers, including multi-purpose vehicles and camping trailers;
 - yachts, pleasure boats and canoes;
 - aircraft, hydroplanes, helicopters, gliders, spherical balloons or airships, and other similar aircraft, whether heavier or lighter than air, with or without an engine;
- (ii) the supply of buildings and the constitution, transfer and return of property rights not exempt from tax;
- (iii) the supply of building work and certain supplies and installation of goods in a building, and the supply of labour to carry out those transactions;
- (iv) transactions not specified at (iii) and intended for the construction of a new building as referred to in Article 4(4) of the Code;
- (v) sales with payment by instalments and hirepurchase;
- (vi) supplies of goods which, with regard to their nature, their packaging, the quantities sold or the prices charged, are clearly intended for business use, and supplies of goods of the same type as those in which the purchaser trades or which he usually intends for use in the conduct of his business;
- (vii) supplies to places or establishments not normally accessible to private individuals;
- (viii) supplies by producer firms or wholesalers;
- (ix) supplies of parts, accessories and equipment for the goods referred to at (i), and maintenance work, other than cleaning, and repair work on such goods, including the supply of goods to be used for such work, where their price, inclusive of VAT, exceeds BFR 500;
- (x) removal or safekeeping of furniture and related services;
- (xi) supplies of goods referred to in Article 28b(B)(1) of Directive 77/388/EEC.

PERIODIC VAT RETURNS

11. Under what circumstances is a trader obliged to submit a VAT return?

The following are obliged to submit periodic returns:

- (a) taxable persons other than those not entitled to deduct input tax;
- (b) taxable persons and non-taxable legal persons who are not required to submit returns:
 - * in cases where they are party to a contract with a taxable person who is not established in Belgium and has not appointed a representative for transactions in respect of which he is liable to pay tax pursuant to the first paragraph of Article 21(1)(a) of Directive 77/388/EEC;
 - * in cases where they are liable to pay tax by virtue of having received services or goods;
 - * in cases where they effect intra-Community acquisitions of goods taxable in Belgium.

Taxable persons not entitled to deduct input tax are taxable persons covered by the exemption arrangements provided for in Article 56(2) of the Belgian VAT Code and the taxable persons referred to in Article 44 of the Code who effect only supplies of goods or services in respect of which input tax is not deductible. Such taxable persons are excluded under 11(a) because they do not make monthly or quarterly returns. However, they are included by 11(b) in cases where they are liable to pay tax in Belgium either because they carry out intra-Community acquisitions of goods taxable in Belgium (beyond the threshold or option) or because they have received certain supplies of goods or services. They are then obliged to submit a return each time taxable transactions are carried out in the course of a calendar quarter. This return is known as a "special VAT return" and is covered by the last paragraph of point 12.

However, when these persons qualify for the derogation provided for in the second subparagraph of Article 28a(1)(a) of Directive 77/388/EEC, they must comply with the special arrangements described at point 13 when they acquire products subject to excise duty or new means of transport.

12. At what intervals are VAT returns and the associated payments to be made?

The return mentioned at point 11(a) must be submitted monthly, and tax must be paid by the due date of submission of the return.

Quarterly returns and payments are possible for taxable persons whose turnover does not exceed BFR20 million.

In this case, however, the taxable person must make monthly advance payments, settling the balance when the return is made.

The return referred to at point 11(b) must be submitted whenever a taxable transaction takes place during a calendar quarter. The tax due must be paid by the time that return has to be submitted.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses? If so, please give a description.

Taxable persons who do not submit the monthly or quarterly VAT returns referred to in the first and second paragraphs of point 12 and non-taxable legal persons carrying out intra-Community acquisitions of new means of transport must, if they qualify for the derogation provided for in the second paragraph of Article 28a(1)(a) of Directive 77/388/EEC, submit a return covering the intra-Community acquisition of new means of transport to the customs office at which the VAT is to be paid.

Where such persons who qualify for the above derogation carry out intra-Community acquisitions of excisable products subject to excise duties which are dispatched or transported pursuant to Article 7 of Directive 92/12/EEC, they must submit the excise document of release for consumption to the excise office at which the VAT is to be paid. This document replaces the VAT return.

14. Do you operate simplified calculations of tax liability? If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

Simplified calculations of tax liability exist only for the flat-rate scheme.

This scheme applies only to taxable persons who are natural persons or partnerships (excluding co-operatives) with an annual turnover of not more than BFR 20 million the bulk of which is realized from transactions with individuals that do not give rise to the issue of an invoice.

It consists in calculating annual turnover on a flat-rate basis, in particular on the basis of purchases, with profit margins being established by means of coefficients determined in advance by the authorities after having consulted the business groups concerned (see end of point 8).

This scheme not only simplifies collection of VAT and taxable persons' accounting obligations but also facilitates the task of the tax inspectors.

RECAPITULATIVE STATEMENTS

15. At what intervals are recapitulative statements to be submitted?

Quarterly.

16. Is any additional information required other than that set out in Article 22(6) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

- Full identification of customer
- A code T to identify the transactions referred to in the fifth paragraph of Article 22(6)(b) of Directive 77/388/EEC.

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of the Sixth VAT Directive as amended by Directive 91/680/EEC? If so, what are the related thresholds for applying such procedures?

No.

ADMINISTRATIVE REQUIREMENTS

18. Do you operate a flat-rate scheme? If so, to whom does the scheme apply?

The flat-rate scheme applies to small businesses, whether natural persons or partnerships (excluding co-operatives), with a turnover of not more than BFR 20 million which habitually supply movable goods or services to individuals and are exempt from the requirement to issue an invoice.

The flat-rate scheme is, in principle, available in all branches of business satisfying the above conditions provided that the business groups concerned have so requested and that it is feasible to establish flat-rate taxable amounts.

In practice, the flat-rate scheme is open to taxable persons carrying on business in a sector for which the authorities have fixed flat-rate taxable amounts (see list of sectors below), provided that the following conditions are met:

- (i) the taxable person is an individual or partnership (SNC, SCS or SPRL);
- (ii) the taxable person realizes at least 75% of his turnover under conditions that do not require the issue of an invoice; if more than 25% but less than 40% of turnover is subject to the requirement to issue an invoice, the authorities allow the application of flat-rate taxable amounts provided that the transactions involve a small number of major customers or that the transactions requiring an invoice involve goods in quantities not appreciably greater than those habitually supplied to private individuals;
- (iii) the taxable person's turnover does not exceed BFR 20 million.

The flat-rate scheme is at present open to the following:

general food retailers

butchers and pork butchers

home bakeries

cafés

hairdressers

dairymen and milkmen

pharmacists

doctors with dispensaries

ice-cream sellers
hardware shops
specialist retailers of fowl and game
shoe shops
cobblers
retail fishmongers
itinerant fishmongers
chip shops
textiles and leather goods shops
ironmongers
fairground operators
newsagents
booksellers
tobacconists.

Taxable persons who fulfil the conditions for the flat-rate scheme are automatically covered by it unless they opt for taxation under the normal arrangements.

The coefficients applied are determined on the basis of data collected throughout the country both by the authorities and by the business groups concerned from as many traders as possible in each sector.

These data enable the Committee on Flat-rate taxation to establish national averages.

There are at present three categories of flat-rate regulations according to the method used to calculate turnover:

(i) Flat rates established on the basis of profit margins

The taxable turnover of retailers is made up primarily of supplies of goods. The goods sold are divided into groups for each of which a coefficient is established on the basis of the average gross profit earned by retailers for goods in the group. Taxable turnover is calculated by applying these coefficients to the total amount of purchases and imports;

(ii) Flat rates established on the basis of presumed remuneration

For small businesses whose main activity is the supply of services, turnover is calculated by multiplying the presumed number of hours or days worked by the taxable person by the presumed hourly remuneration or daily receipts;

(iii) Flat rates established on the basis of normal return

For certain businesses turnover is calculated on the basis of the return on raw materials or on products purchased in Belgium or imported.

The coefficients vary from one sector to another, and they are adapted each year.

19. Do you operate simplified administrative requirements other than those already mentioned? If so, please give a description.

The Belgian VAT Code has introduced four special schemes to simplify administrative requirements.

(i) The flat-rate scheme involves determining taxable turnover in particular on the basis of purchases without the traders concerned having to record receipts on a day-to-day basis or to draw up an annual stock inventory;

(ii) Under the tax exemption scheme, those eligible are not required to make returns or to pay tax. No deductions are allowed.

Consequently, the administrative formalities are confined to an annual declaration of turnover. The declaration is accompanied by the list of taxable customers to whom the small business has supplied goods and services. Accounting requirements are kept to a strict minimum (filing of invoices, keeping of a receipts journal, list of capital goods, customer accounts);

- (iii) The special scheme for farmers does not impose any requirements relating to invoicing, returns or payment of tax. The other parties to contracts must, if they themselves are taxable persons (unless they are other farmers covered within the country by the special scheme for farmers) or non-taxable legal persons required to carry out intra-Community acquisitions in the Member State of arrival, refund the tax paid on the different components of the price of the agricultural product or service, which is determined on a flat rate. They are eligible for a deduction of that tax.

In this way, goods and services supplied by farmers are incorporated into the VAT system without farmers themselves being subject to excessive administrative requirements, with the exception of those deriving from their intra-Community transactions;

- (iv) Under the special arrangements for taxing the profit margin, which are applicable to second-hand goods, works of art, collectors' items and antiques, VAT is calculated on the basis of the difference between the purchase price and the selling price.

The taxable dealer may apply the arrangements for taxing the margin in respect of the supply of second-hand goods, works of art, collectors' items and antiques only if these goods were supplied to him within the Community by the suppliers set out below, provided that the latter were unable to exercise any right to exemption from or refund of the tax, on their purchase, intra-Community acquisition or importation of these goods. The suppliers in question are either non-taxable persons or taxable persons, insofar as they have effected the said supplies exempt from value added tax in accordance with Article 44(2)(13) of the VAT Code or pursuant to the exemption scheme laid down by Article 56(2) of that Code when the supplies relate to investment goods; or other taxable dealers, insofar as the said supplies have been taxed under the special scheme for taxing the profit margin.

ANNEX 1Article 4

3. Member States may also treat as a taxable person anyone who carries out, on an occasional basis, a transaction relating to the activities referred to in paragraph 2 and in particular one of the following:

- (a) the supply before first occupation of buildings or parts of buildings and the land on which they stand; Member States may determine the conditions of application of this criterion to transformations of buildings and the land on which they stand.

Member States may apply criteria other than that of first occupation, such as the period elapsing between the date of completion of the building and the date of first supply or the period elapsing between the date of first occupation and the date of subsequent supply, provided that these periods do not exceed five years and two years respectively.

"A building" shall be taken to mean any structure fixed to or in the ground;

- (b) the supply of building land.

"Building land" shall mean any unimproved or improved land defined as such by the Member States.

Article 28a

4. Any person who from time to time supplies a new means of transport under the conditions laid down in Article 28c(A) shall also be regarded as a taxable person.

The Member State within the territory of which the supply is effected shall grant the taxable person the right of deduction on the basis of the following provisions:

- the right of deduction shall arise and may be exercised only at the time of the supply;
- the taxable person shall be authorized to deduct the value added tax included in the purchase price or paid on the importation or intra-Community acquisition of the means of transport, up to an amount not exceeding the tax for which he would be liable if the supply were not exempt.

Member States shall lay down detailed rules for the implementation of these provisions.

ANNEX 2

Article 50

1. The Department for VAT, Registration and Public Property shall issue a VAT identification number including the letters BE to any taxable person with the exception of taxable persons covered by Articles 8 and 8bis, taxable persons eligible for the arrangements provided for in Article 56(2), and taxable persons whose supplies of goods or services do not give rise to the right to deduct input tax.

However, a VAT identification number shall also be issued to non-taxable legal persons, taxable persons eligible for the arrangements provided for in Article 56(2) and taxable persons whose supplies of goods or services do not give rise to the right to deduct input tax in the following circumstances:

- (i) when they declare, pursuant to Article 53bis(2), that they have carried out an intra-Community acquisition of goods as a consequence of which the ceiling of BFR 450 000 specified in subparagraph (2)(ii)(b) of Article 25ter(1) has been exceeded;
- (ii) when they opt, pursuant to subparagraph (2)(ii) of Article 25ter(1), for taxation of all their intra-Community acquisitions of goods.

The taxable persons eligible for the arrangements provided for in Article 57 may not use their VAT identification number for the purpose of carrying out intra-Community acquisitions of goods other than products subject to excise duties unless they have previously submitted the declaration referred to at (i) in the second subparagraph or exercised the option referred to at (ii).

The persons who have been allocated an identification number in the situation described at (i) in the second subparagraph may use that number for intra-Community acquisitions of goods from the date on which the threshold was exceeded until 31 December of the following year. If the threshold is exceeded during the latter year and possibly subsequent years, they may continue to use this number which will remain valid until 31 December of the year following that in which the threshold was last exceeded.

2. A VAT identification number different from that provided for in paragraph 1 may also be allocated to other taxable persons.

Taxable persons covered by Articles 8 and 8 bis and referred to in this Article who do not need to be registered for VAT are the persons covered by Articles 4, 3 and 28a(4) of Directive 77/388/EEC.

- D E N M A R K -

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

If the trader has fixed address in Denmark or a fiscal representative in Denmark, he should contact the local tax-office, address and telephone number can be found in the local telephone-directory under the name of "Told- og Skatteregion".

If the trader does not have an address in Denmark or a fiscal representative in Denmark he can contact the following address in Denmark:

Told- og Skatteregion Sønderborg
Hilmar Finsens Gade 18
DK - 6400 Sønderborg
Telephone: +(45) 74 12 73 00
Telefax: +(45) 74 42 28 09

2. What are the circumstances governing the need to be VAT-registered?

All independent traders, co-operatives and other societies with an annual turnover in Denmark of goods and services liable to VAT in excess of DKR 20 000 must be registered with the Customs and Tax Administration.

Registration is not required for traders whose business consists exclusively of VAT-exempt transactions, apart from VAT-exempt traders whose acquisitions from other Member States exceed DKR 80 000 a year (see Question 5).

Traders having an annual turnover of goods and services liable to VAT which does not exceed DKR 20 000 are not liable to VAT and therefore need not be registered.

Traders from another Member State supplying goods under the distance selling regime to a non-registered person in Denmark must be registered if the total annual turnover exceeds DKR 280.000.

Foreign traders engaging in distance selling in Denmark may always opt for registration in Denmark, irrespective of the annual turnover ceiling of DKR 280 000.

Voluntary registration is only possible for traders providing VAT-exempt services in respect of real estate.

Traders who are voluntarily registered must pay tax on the services covered by the voluntary registration.

3. What are the procedures used to issue VAT identification numbers to foreign operators?

The application for VAT registration must be submitted not later than eight days before trading begins. For registration, a special application form is used that is obtainable from the Administration and is to be presented to the regional customs and tax office for the place where the business is established and will be registered. The trader is sent a certificate of registration, which gives the VAT identification number (SE no), VAT period, etc.

Foreign traders operating a business in Denmark that are liable to tax and have a permanent place of business in Denmark (subsidiary, etc.) are, like Danish businesses, required to register with the regional customs and tax office for the place where the business is established in Denmark (e.g. the address of a subsidiary).

If the foreign trader does not have a subsidiary, etc. in Denmark, he must be registered by a person whose permanent address is in Denmark or by an undertaking whose place and business is in Denmark.

The minimum period for registration is as follows:

- normal registration: none
- acquisitions by non-taxable traders from other Member States: two years
- distance-selling traders: two years
- voluntary registration: none

4. Which threshold will you be operating as regards intra-Community distance selling under Article 28 b (B) (2) of Directive 91/680/EEC (in national currency)?

ECU 35 000/DKR 280 000;

5. Which threshold will you be operating as regards acquisitions by non-taxable legal persons or exempt persons under Article 28 a (1) (a) of Directive 91/680/EEC (in national currency)?

ECU 10 000/DKR 80 000. (see Question 2)

6. What are the conditions governing the appointment of a fiscal representative?

If a foreign trader is registered by a representative resident in Denmark, both parties are jointly and severally liable for the payment of the VAT.

The application for registration must include, in addition to particulars regarding the foreign trader, particulars regarding the representative resident in Denmark; the application form must also be signed by the latter.

The representative must be a natural or legal person whose residency is in Denmark, and who accepts to act on behalf of the foreign trader.

7. What are the rights and obligations of a fiscal representative?

The Danish representative must submit VAT returns and recapitulative statements on behalf of the foreign trader.

The trader's accounts must be directly accessible at the premises of the Danish representative.

Rights similar to those of a duly registered trader in Denmark.

8. What action can you take in the event of failure by a trader in another Member State to designate a fiscal representative in your territory?

If a foreign trader carries on taxable business activities in Denmark without being registered by a Danish representative, the matter will be investigated and may result in a fine.

9. What are the conditions governing the issue of an invoice?

- who must issue an invoice?

- in what circumstances?

- in what timeframe relative to the supply concerned?

- what information must appear on the invoice?

An invoice must normally be issued for each supply of goods or services liable to VAT. Any statement of account issued may be substituted for the invoice. Invoices and statements of account must be issued when the supply is completed or immediately afterwards. Separate invoices must be issued in respect of payments on account.

Invoices, statements of account and credit notes must be consecutively numbered and issued in at least two copies. Invoices must contain at least the following particulars:

- the date of issue;
- the seller's name and address;
- the purchaser's name and address;
- the nature of the goods or services; the quantity (extent) and price;
- the amount of VAT.

An invoice must always be issued in respect of transactions in intra-Community trade. The invoice in such cases must give the VAT identification numbers of the supplier and of the purchaser. An invoice must always be issued in respect of distance sales.

Foreign traders registered in Denmark via a representative resident in the country must indicate on the invoices they issue to traders in Denmark the representative's name and address and the fact that he will be responsible for the settlement of VAT.

Copies of invoices and other accounting records must be kept at the representative's address.

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business do they apply to?

When sales to private consumers (persons not registered for VAT) are taking place the issue of an invoice may be omitted. Retailers and other enterprises supplying mainly to private consumers may also omit the issue of an invoice for other sales except when the purchaser requests an invoice. An invoice must always be issued in respect of distance sales from other Member States and supply of new means of transport.

11. Under what circumstances is a trader obliged to submit a VAT return?

Registered traders are invariably required to submit periodic VAT returns.

12. At what intervals are VAT returns and the associated payments to be made?

The VAT period is usually three calendar months; the return must be submitted and payment made within one month and ten days of the end of the tax period.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses?

Traders registered as operating in agriculture, forestry, fisheries, etc. must submit two VAT returns a year, each covering a six-month period. The return must be submitted within two months and twenty days of the end of the tax period. The tax period constitutes half of the trader's accounting year.

14. Do you operate simplified calculations of tax liability?

If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

No.

15. At what intervals are recapitulative statements to be submitted?

Statements are normally submitted for each calendar quarter. They must be submitted at the latest one month and ten days after the end of the corresponding quarter, as in the case of VAT returns.

16. Is any additional information required other than that set out in Article 22(6) of Directive 91/680/EEC?

No.

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of Directive 91/680/EEC?

If so, what are the related thresholds for applying such procedures?

Simplified procedures are provided for in the two areas described below:

Half-yearly statements. Traders registered as operating in agriculture and fisheries may submit particulars of their statements biannually in the following cases:

- where annual turnover does not exceed DKR 1.6 million;
- where annual supplies to other EC countries do not exceed DKR 120 000;
- where supplies do not include new means of transport.

Statements must be submitted not later than two months and twenty days after the end of the period.

Annual statements. Traders fulfilling the following conditions may confine the particulars they provide to the submission of an annual statement of purchasers' VAT numbers:

- where annual turnover does not exceed DKR 290 000;
- where annual supplies to other EC countries do not exceed DKR 120 000;
- where supplies do not include new means of transport.

The statement must be submitted not later than one month and ten days after the end of the calendar year.

18. Are there flat-rate schemes in operation and if so, what are the procedures used?

No.

19. Do you operate simplified administrative requirements apart from those already mentioned?

If so, please give a description.

No.

- G E R M A N Y -

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

General information about VAT and the new arrangements applicable to intra-Community transactions can be obtained from the following address:-

Bundesministerium der Finanzen
Referat Öffentlichkeitsarbeit
D - 53105 BONN

Telefax: (0228) 682-4629

2. What are the conditions for VAT-registration?

Anyone who carries out supplies, effects intra-Community purchases or provides services in the Federal Republic of Germany must be VAT-registered and must declare his turnover for tax purposes.

There is one important exception:

Where a foreign trader who is not VAT-registered in Germany effects taxable supplies of services and supplies of work within German territory and the recipient of the services is a trader or a legal person governed by public law, payment of the tax does not follow the general procedure. In such cases the recipient retains the tax and pays it to the tax office. Should the recipient be entitled to deduct input tax, the trader may issue an invoice on which VAT is not mentioned. The recipient of the service is then not required to pay tax to the tax office. In these cases the trader does not need to register for VAT purposes.

3. What are the procedures used to issue VAT identification numbers to foreign operators?

Traders must be registered with a tax office. Traders not established in Germany who become liable to pay VAT in Germany for the first time must apply for registration at the competent tax office. If the trader carries on his business from one of the States indicated in the Annex, the tax office competent for the taxation procedure is generally the one assigned to the particular State in question. If the business is carried on from another State, the tax office responsible is the one in whose district his main activities will be located. If it is not possible to ascertain a centre for his business activity, the decision is taken by the Bundesamt für Finanzen

(Federal Finance Office), Friedhofstraße 1, D - 53225 Bonn 3. The trader can ask for clarification of competence from the Federal Finance Office.

In principle, intra-Community VAT identification numbers are issued on written application to:

Bundesamt für Finanzen
Außenstelle
D - 66738-Saarlouis.

The application, for which there is no standard form, must include:

- the applicant's name and address;
- the tax number under which he is registered with the competent German tax office;
- the address of that tax office.

This application can also be taken to the local tax office where the trader would normally be registered.

There is no distinction between traders established in Germany and those who are not.

There is no minimum period for a VAT registration.

There are exemption reliefs for small traders and for flat-rate farmers. Tax offices keep no VAT records for either of these groups.

For small traders, the exemptions are based on turnover thresholds. VAT payable on turnover is not collected if gross turnover in the previous calendar year did not exceed DM 32,500 and is unlikely to exceed DM 100,000 in the current calendar year. This regulation only applies to traders established in Germany.

The exemption for flat-rate farmers does not depend on turnover thresholds.

4. Which threshold (in national currency) do you operate as regards intra-Community distance selling under Article 28b(B)(2) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

The threshold is DM200 000.

5. Which threshold (in national currency) do you operate as regards acquisitions by non-taxable legal persons or exempt persons under the second subparagraph of Article 28a(1)(a) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

The threshold is DM 25,000.

6. What are the conditions governing the appointment of a fiscal representative?

From 1997 it will be possible to appoint a tax representative in Germany - Articles 22a to 22e of the turnover tax law (Umsatzsteuergesetz).

The utilization of a tax representative is not obligatory (permissive provision).

The tax representative may be employed in cases in which a third-country trader has tax-free turnover in Germany and cannot deduct input tax (goods which are imported into Germany from the third country and are directly forwarded to other Member States).

Tax representatives may be:

- members of the tax advisory professions
- forwarding agents
- other commercial undertakings, insofar as they provide help with tax matters on arrival in connection with customs treatment.

7. What are the rights and obligations of a fiscal representative?

The tax representative has to fulfil the obligations of the trader established abroad as if they were his own. He has the same rights as the person he represents.

8. What action can you take in the event of failure by a trader in another Member State to designate a fiscal representative in your territory?

cf. 6 (permissive provision)

9. What are the conditions governing the issue of an invoice?

- who must issue an invoice?

The trader supplying the goods or services must issue an invoice. However, in the case of services provided by commission agents, the recipient of the services may issue the invoice.

- in what circumstances?

A trader who has carried out domestic taxable transactions must issue an invoice showing VAT separately if a customer who is also a trader so requests.

A trader making supplies to non-taxable customers may issue invoices with VAT.

For exempt intra-Community supplies, the trader must always issue invoices which make reference to the exemption.

Moreover, the trader must issue invoices with VAT for taxable operations carried out within the country in respect of:-

- Distance selling to customers without VAT identification numbers.
- Specific services of intermediaries and in particular those of commercial representatives
- Intra-Community services of transport including ancillary services and their procurement;

Work on movable tangible property and the appraisal of such property.

- in what timeframe relative to the supply concerned?

German law contains no provisions laying down a specific period after the supply of goods or services within which the invoice must be issued.

- what information must appear on the invoice?

Invoices must contain the following information:

- the name and address of the supplier;
- the name and address of the customer;
- the quantity and usual description of the goods supplied or the nature and extent of the services supplied;

- the date of supply of the goods or services;
- the consideration for the goods or services supplied;
- the amount of tax payable on the consideration.

Invoices for exempt intra-Community supplies must contain a reference to the exemption. Certain invoices must give the VAT identification number of the supplier and of the customer. Invoices for intra-Community supplies of new means of transport to certain customers must contain further particulars showing that it relates to "new means of transport".

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business do they apply to?

In German law there are no direct exemptions from the obligation to issue an invoice, but merely rules on a simplified invoice.

11. Under what circumstances is a trader obliged to submit a VAT return?

As a rule, all taxable persons registered as traders are obliged to submit provisional returns, in which they themselves calculate the advance payments, plus an annual VAT return.

12. At what intervals are VAT returns and the associated payments to be made?

By the tenth day following the end of each period covered by the provisional return, traders have to submit a provisional return using an official form, on which they are themselves required to calculate the tax (advance payment) for the period covered by the provisional return, generally a calendar quarter. If the amount of VAT for the preceding calendar year does not exceed DM 12 000, the period covered by the provisional return is a calendar month. If the amount of VAT for the preceding calendar year does not exceed DM 1 000, the tax office can exempt the trader from the obligation to submit a provisional return. If there is a surplus in their favour of more than DM 12 000 for the previous calendar year traders may, subject to certain time limits for making the application, choose the calendar month instead of the calendar quarter as the period covered by the provisional return.

The advance payment is due on the tenth day after the end of the period covered by the provisional return.

In addition for each calendar year the trader has to submit a VAT return, using an official form.

The return for the calendar year must be made no later than 31 May of the following year.

If the tax due on the basis of this return is greater than the advance payments made or alternatively no form of other periodic returns/advance payments have been made, then the balance due must be paid within one month following submission of the declaration.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses?

Small traders who do not opt for VAT registration and flat-rate farmers do not have to submit VAT returns.

14. Do you operate simplified calculations of tax liability?

If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

On application, the tax office may allow a trader:

1. whose total turnover in the previous calendar year did not exceed DM 250,000, or
2. who is exempt from the obligation to keep books and records and to draw up regular accounts on the basis of annual stock-taking, or
3. in so far as he generates his turnover from activity as a member of a liberal profession

to calculate tax on the basis of the consideration received rather than the agreed consideration. If the exemption at 2 is limited to individual segments of the trader's activity and if the condition at 1 is not satisfied, then the authorization to calculate tax on the basis of the agreed consideration must be confined to those segments of activity. If the trader changes the method of calculating VAT, transactions must not be double-counted or remain untaxed.

This does not apply to disposals of businesses.

15. At what intervals are recapitulative statements to be submitted?

As a rule, recapitulative statements must be submitted for each calendar quarter and by the tenth day after the end of the quarter in which the trader effected intra-Community supplies or movements of goods.

Where the tax office has released a trader from the obligation to submit a VAT return and make advance payments, the recapitulative statement may be submitted in respect of each calendar year, provided that:

1. the amount of his supplies of goods and services in the previous calendar year did not exceed DM 400,000 and is unlikely to exceed this amount in the current calendar year,
2. the amount of his intra-Community supplies of goods in the previous calendar year did not exceed DM 30,000 and is unlikely to exceed this amount in the current calendar year,
3. the supplies of goods at 2 above do not consist in deliveries of new cars to customers with VAT identification numbers.

The recapitulative statement is to be submitted only in respect of the calendar year in which the trader effected the intra-Community supplies or movements of goods.

16. Is any additional information required other than that set out in Article 22(6) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

No.

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

If so, what are the related thresholds for applying such procedures?

Yes. The threshold values are DM 400 000 and DM 30 000 (see reply to Question 15).

ADMINISTRATIVE REQUIREMENTS

- 18. Are there flat-rate schemes in operation and if so, what are the procedures used?**

Flat-rate schemes have been introduced for:

- traders for whom much the same conditions regarding taxation principles exist and who are not obliged to keep books and records or to draw up regular accounts on the basis of annual stock-taking;
- farmers and foresters.

- 19. Do you operate simplified administrative requirements apart from those already mentioned?**

If so, please give a description.

Further simplified administrative requirements are not envisaged.

Local offices responsible for dealing with the VAT of traders established abroad in accordance with the Regulation on VAT responsibilities (USZuständigkeitsV)

<u>State</u>	<u>Responsible tax office</u>
Kingdom of Belgium	Trier
Republic of Bulgaria	Neuwied
Kingdom of Denmark	Flensburg
Republic of Estonia	Rostock I
Republic of Finland	Bremen-Mitte
French Republic	Kehl
Hellenic Republic	Finanzamt für Erbschaftsteuer und Verkehrssteuern Berlin
United Kingdom of Great Britain and Northern Ireland	Hannover-Nord
Ireland (for corporations, associations of persons and estates)	Finanzamt für Körperschaften Hamburg-Ost
Ireland (for all other traders)	Hamburg-Nord
Italian Republic	München II
Republic of Croatia	Frankfurt am Main I
Republic of Latvia	Bremen-Mitte
Principality of Liechtenstein	Konstanz
Republic of Lithuania	Sömmerda
Grand Duchy of Luxembourg	Saarbrücken Am Stadtgraben
Republic of Macedonia	Finanzamt für Erbschaftsteuer und Verkehrssteuern Berlin
Kingdom of the Netherlands	Kleve
Kingdom of Norway	Bremen-Mitte
Republic of Austria	München II
Republic of Poland	Frankfurt/Oder
Portuguese Republic	Frankfurt am Main I
Romania	Dresden I
Russian Federation	Magdeburg II
Kingdom of Sweden (for corporations, associations of persons and estates)	Finanzamt für Körperschaften Hamburg-Ost
Kingdom of Sweden (for all other traders)	Hamburg-Nord
Swiss Confederation	Konstanz
Slovak Republic	Dresden I
Republic of Slovenia	Frankfurt/Oder
Kingdom of Spain	Frankfurt am Main I
Czech Republic	Dresden I
Republic of Turkey	Dortmund-Unna
Ukraine	Magdeburg II
Republic of Hungary	Zentralfinanzamt Nürnberg
Republic of Belarus	Magdeburg II

- G R E E C E -

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

A foreign trader may make a first contact with the Central VAT Office at:

Ministry of Finance
Directorate-General for Taxation
and Public Property
Directorate 14 - VAT and Indirect Taxation
Sina 2-4,
GR - 10672 ATHENS
Tel.: +301 3647203-5
Fax : +301 3645413 (provisional).

2. What are the circumstances governing the need to be VAT-registered?

Foreign and domestic legal and natural persons carrying out transactions which are liable to VAT have a tax identification number. The main transactions liable to tax are the supply of goods and services and the intra-Community acquisition of goods, within Greek territory, for a consideration, by way of trade.

Voluntary VAT registration is possible for certain traders, such as farmers under the special regime, legal persons not liable to VAT and other persons exempt from VAT but with no right to deduct VAT on their inputs.

There is exemption only for farmers (natural persons) subject to the special VAT regime, provided they do not carry out intra-Community transactions, do not keep accounts and do not process their produce. There is exemption, regardless of the size of their turnover.

3. What are the procedures used to issue VAT identification numbers to foreign operators?

The tax registration number is general and is issued in each case at national level to any person who is liable to tax (income tax, VAT etc.) and is established or earns income in Greece.

Each person has a single tax number. There is no separate number for VAT. The number is issued:

- (a) to natural persons when they submit a statement that they are starting trading, if they have not already been issued with numbers for income tax purposes;
- (b) to legal and other persons, when they submit declarations that they are beginning trading or are going through changes in their legal form.

If a foreign trader is legally established in Greece he should act exactly as described under question 3 above, that is he should submit a declaration that he is beginning trading to the local tax office for the head office of the enterprise, which will issue the tax number.

A trader not established in Greece must, before undertaking any activity which is liable to tax within Greece, appoint a representative, who will submit to the appropriate local tax office a declaration that he is beginning trading. A tax number will then be issued as described above.

A trader choosing to pay VAT is registered for a period of at least two years, unless he ceases trading definitively before that time. Tax numbers of natural persons are maintained, even if they cease trading, while those for legal and other persons are cancelled if the legal person is dissolved or changes its legal form.

4. Which threshold will you be operating as regards intra-Community distance selling under Article 28 b (B) (2) of Directive 91/680/EEC (in national currency)?

The threshold in national currency for distance selling is DRA 8 200 000 (ECU 35 000).

5. Which threshold will you be operating as regards acquisitions by non-taxable legal persons or exempt persons under Article 28 a (1) (a) of Directive 91/680/EEC (in national currency)?

The threshold in national currency for intra-Community acquisitions is DRA 2 500 000 (ECU 10 000).

6. What are the conditions governing the appointment of a fiscal representative?

In accordance with domestic legislation concerning VAT, the representative is appointed by the lodging of a copy of his authorizing document with the local tax office responsible for his income tax. The copy must be certified by the Greek consular authority for the place where the trader is established.

Who can be designated as a fiscal representative?

In accordance with Greek domestic law, any citizen may become a representative provided that he enjoys his full legal rights, that is he is aged 18 or over, that he is not under any judicial interdiction and has not been judged incompetent to manage his own affairs, that he is considered to be solvent as regards the discharge of the liabilities which he is assuming and that he is resident in Greece. In the case in point, the tax authority may require such guarantee as it considers necessary in order to safeguard the public interest.

7. What are the rights and obligations of a fiscal representative?

The representative has the same rights as the VAT-liable trader, viz.:

- (a) the right to deduction and refund of VAT;
- (b) exemption for certain transactions as provided for by law.

In the event of dispute concerning a tax inspection or action by the head of a local tax office, he has the right to propose an administrative solution to the tax inspector or to have recourse to the administrative courts; he is also entitled to confidentially concerning all tax information or documents.

A tax representative has all the obligations of the trader, i. e. submitting declarations concerning the beginning of trading and any changes in status.

Should he engage in intra-Community transactions, he must keep a separate record of material received from and goods dispatched to another Member State, and he must submit a recapitulative statement and use for such transactions his tax number, preceded by the prefix "EL".

He must submit to the local tax office the (provisional) returns provided for by law and the final VAT return and must submit a periodical return for each tax period. In the event of intra-Community acquisition of new means of transport, he must submit a special provisional return to the customs office where tax is to be paid. In the event of work being carried out under contract on immovable property, he must submit a declaration and pay the corresponding tax to the local tax office responsible.

In addition to the above obligations as regard VAT, the representative undertakes to fulfil the trader's obligations as regards other taxation (income tax, excise duties etc.).

8. What action can you take in the event of failure by a trader in another Member State to designate a fiscal representative in your territory?

If no tax representative is designated, a foreign trader liable to VAT who is not established in Greece cannot legally carry out VAT-liable transactions. This means that he is liable for the tax which the representative would have paid, plus any increases and fines provided for by law.

9. What are the conditions governing the issue of an invoice?

- who must issue an invoice?

- I. Any domestic or foreign natural or legal person operating on Greek territory and aiming to earn income from commercial, industrial or agricultural activity or a liberal profession is obliged to issue, keep and request invoices, when making sales to other businesses.

Joint ventures between businesses, the State, other legal persons which are not entrepreneurial, committees and associations of persons for non-profit purposes, foreign missions and international organizations are also subject to the obligations set out in the paragraph above.

- in what circumstances?

- II. The circumstances in which invoices must be issued are the following:
- (a) for the sale of goods on own account or for a third party or of the right to import, and the provision of services between businesses;
 - (b) when the business receives subsidies, financial aid, compensation, refunds of indirect taxes, of duties or of interest, levies, other miscellaneous income and sums credited to its account, provided this is acknowledged in writing;
 - (c) when goods belonging to third parties are sold by a representative or contract work is carried out;
 - (d) in the event of deductions or refunds not recorded on any other invoice;

- (e) in exceptional cases an invoice is issued by the purchaser when:
- the seller who is liable to issue an invoice refuses to do so;
 - the seller is a farmer covered by the special VAT regime and is not obliged to issue an invoice.

- in what timeframe relative to the supply concerned?

III. There are two cases involved as regards when an invoice is issued.

- (a) The supply of goods. In this case the invoice is issued when the goods are delivered or dispatched to the recipient. The invoice may be issued up to one month later, but always within the same tax year, provided carriage was covered by a consignment note (accompanying document) and the purchaser is a trader or the authorities or other legal person, including those referred to under point 1, engaging in intra-Community trade.
- (b) Supply of services. In this case the invoice is issued when supply is effected. Special cases are:
- (i) when the supply of the service is spread over time. The invoice is issued when part of the payment becomes due, for the part of the service provided;
 - (ii) in the case of technical works and installation, the invoice is issued within one month of provisional acceptance, provided this is within the same tax period as that acceptance.

- what information must appear on the invoice?

IV. The information to appear on the invoice. This is the date of issue, full identification of the parties, details of the transaction and the serial numbers of any consignment notes issued for movement of the goods concerned.

The full details of a trader are his full name or company name, profession, address, tax number and local tax office.

As regards state and equivalent bodies, inter-national organizations and foreign missions, at least the identification and address are to be given.

Full details of a transaction are considered to be the type of goods, the quantity, the unit of measurement, the unit price, the value or kind of services and the charge, broken down as necessary by VAT rate (or lack thereof). Any deductions are also noted.

The following are special cases for the issue of an invoice:

- (a) An invoice issued by the representative of a foreign firm gives not only the information mentioned above but also details of the bank paying the supply or crediting the account, details of the firm abroad and the number of the invoice or order form concerning the supply.
- (b) In the event of return of goods, deductions and other discrepancies, without VAT and referring to previous transactions, a credit invoice is issued showing not only details of the parties concerned, but also the kind, quantity, unit of measurement, price and value per VAT rate of the returned goods, the amount of deductions and any discrepancies, the serial number or numbers of the data concerning the transaction concerned by the return or the deduction granted, and the VAT. The above numbers are not required for discounts calculated on sales.

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business do they apply to?

The issue of invoices is not required in the following cases only:

- (a) sales of immovable property, plant, ships, motor vehicles, aircraft and the like, provided there is a sales contract, and of shares, bills, bonds etc.;
- (b) sales of non-mineral water, gas, electricity, thermal energy and the provision of telecommunications, postal, banking, stock exchange and financial services, provided that the undertakings selling those goods or services issue other documents including the information given on an invoice, apart from the tax identification number and the name of the local tax office concerned, and that a copy of those documents is handed to the customer;
- (c) sales of goods which cannot be marketed by the buyer, of a value per transaction of up to DRA 5 000, provided a retail receipt is issued.

For sales of goods or provision of services to the final consumer, an invoice is not issued but rather a retail receipt.

11. Under what circumstances is a trader obliged to submit a VAT return?

(Provisional) VAT returns are submitted by traders who:

- (a) sell goods or provide services which are subject to VAT;

- (b) acquire goods, by way of intra-Community transaction.

Nor are (provisional) returns submitted by small businesses selling goods worth less than DRA 1 800 000 or providing services worth less than DRA 600 000 per year.

12. At what intervals are VAT returns and the associated payments to be made?

Returns are submitted at different intervals depending upon the kind of records, within the meaning of the Tax Records Code, which the business keeps. More specifically:

- (a) Every month, by the 20th of the following month, if it keeps records of the third category or effects intra-Community acquisitions, transactions considered as intra-Community acquisition of goods and intra-Community supply of goods. Third-category records are kept by public and private companies, businesses with a turnover in excess of DRA 180 million, and businesses which wish to keep such records.
- (b) Every two calendar months, by the 20th of the month following, if they keep second-category records. Second-category records are kept by businesses with a turnover from goods between DRA 18 million and DRA 180 million or more than DRA 600 000 from the provision of services, those which provide medical, engineering, accountancy etc. services, whatever the level of income earned, and some other categories of business.
- (c) Every three calendar months, by the 20th of the month following, if they keep first-category records or no records. First-category records are kept by businesses with a turnover from the sale of goods of between DRA 1 800 000 and DRA 18 million.

The resultant tax has to be paid at the same time as the provisional VAT return is submitted. If it is not paid, the submission of a provisional return has no legal effect.

In addition, the trader has to submit a consolidated VAT declaration for each calendar year.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses?

Point 12 above does not apply in specific cases where the tax is paid under a special (provisional) declaration, e.g. a customer who is liable to pay VAT on intra-Community purchase of a new means of transport.

14. Do you operate simplified calculations of tax liability?

If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

Alternative ways of calculating tax liability apply to three categories of business:

- (a) small businesses which are either exempt or keep first-category records and whose tax liability is calculated by determining their turnover on an estimated basis (converting purchases into sales);
- (b) farmers subject to the flat-rate regime, tax liability being calculated by applying particular coefficients;
- (c) tobacco manufacture, where tax is calculated together with excise duty on petroleum products, on alcohol and alcoholic drinks, and on tobacco products. (Translators note: strict literal translation).

15. At what intervals are recapitulative statements to be submitted?

Recapitulative statements on intra-Community supply of goods are submitted by traders effecting such transactions, every three months.

16. Is any additional information required other than that set out in Article 22(6) of Directive 91/680/EEC?

Information additional to that provided for in Article 22(6) of Directive 91/680/EEC which is required to be entered in the recapitulative statements is as follows:

- (a) the local tax office
- (b) designation of goods to be processed (contract working).

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of Directive 91/680/EEC?

If so, what are the related thresholds for applying such procedures?

Further simplified procedures as regards recapitulative statements as provided for in Article 22(12) of Directive 91/680/EEC are not in use in Greece.

18. Are there flat-rate schemes in operation and if so, what are the procedures used?

There is a flat-rate scheme only for farmers, under Article 25 of Directive 77/388/EEC.

The farmers may be transferred to and from the special system, by their making a statement to the competent tax inspector in the first ten days of the first month of the tax year.

Reclassification applies from the beginning of the tax year in which the declaration is submitted and may not be revoked for a period of five years, if the farmer is reclassified under the normal system.

The VAT rate applied to sales of goods by farmers under the flat-rate scheme in Greece is zero. The goods concerned are fishery, forestry, crop and livestock products.

19. Do you operate simplified administrative requirements apart from those already mentioned?

If so, please give a description.

The answers to the above questions cover all cases where there are simplified administrative procedures for the implementation of VAT in Greece.

A request for a derogation for taxis is due to be discussed.

- S P A I N -**VAT REGISTRATION****1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?**

Foreign traders may contact:

Agencia Estatal de la Administración Tributaria (AEAT)
c/ Infanta Mercedes No 37
E - 28071 MADRID
Tel. (34.1) 583 89 76

There is a more formal - albeit normally slower - procedure for obtaining information on the classification or designation for tax purposes of a transaction or group of transactions, namely contacting the Directorate-General for Taxation (Dirección General de Tributos, c/ Alcalá No 5, 28014 Madrid) (see Article 107 of the General Law on Taxation). The taxable person himself (and not a lawyer's office or a firm of consultants) must submit the application.

As regards statistical declarations of trade between Member States (Intrastat), information may be obtained from:

Oficina Central Intrastat
c/ Guzmán el Bueno 137 - 2a planta
E - 28003 MADRID
Tel. (900) 200 497 (Ext. 507)
Fax. (34.1) 532 52 42
(34.1) 553 61 89

2. What are the conditions governing the need to be registered for VAT?

All taxable persons must identify themselves for tax purposes (tax register) by submitting a declaration (Form 036) specifying the VAT scheme under which they will pay tax.

In the case of foreign traders, Spanish law makes a distinction based on the manner in which they operate in Spain:

- a foreign trader who has what Spanish law calls a "permanent establishment in Spain" (i.e. office on Spanish territory) must apply for a registration number to the AEAT branch or office responsible for the area in which that establishment is located;

- a foreign trader who has no permanent establishment in Spain must register by applying through his tax representative to the AEAT branch or office responsible for the area in which the business will be carried on.

There are no exemptions from the obligation to register for VAT based on turnover thresholds. However, there are exemptions in the following cases:

- (a) persons who make only VAT-exempt lettings of real property, irrespective of the amount in question;
- (b) persons who make only supplies, on an occasional basis, of new means of transport exempt from VAT;
- (c) persons not established in the territory as defined for VAT purposes who make only intra-Community acquisitions of exempt goods which entitle them to a refund of tax.

Voluntary registration is not possible.

3. What are the procedures for issuing VAT registration numbers?

Any natural or legal person who intends to carry out taxable transactions must apply to the AEAT for a VAT registration number. This is done by submitting a tax return in accordance with the procedure described in point 2.

There is no minimum period of registration.

4. Which threshold will you be operating as regards intra-Community distance selling under Article 28b(B)(2) of Directive 91/680/EEC (in national currency)?

The threshold for intra-Community distance selling under Article 28b(B)(2) of Directive 91/680/EEC was fixed in the new law at PT4,550,000.

5. Which threshold will you be operating as regards acquisitions by non-taxable legal persons or other exempt persons under Article 28a(1)(a) of Directive 91/680/EEC (in national currency)?

The threshold for acquisitions by non-taxable legal persons or other exempt persons under Article 28a(1)(a) of Directive 91/680/EEC was fixed at PT1.3 million.

TAX REPRESENTATIVES

6. What are the conditions governing the appointment of a tax representative?

Taxable persons not established on Spanish territory are obliged to appoint a tax representative, as are persons or entities not established in the Community who wish to obtain refunds of tax.

The taxable person or his representative is obliged to notify the latter's particulars to the Spanish authorities within two months of his appointment.

The status of taxpayer not established on Spanish territory and the identity of the tax representative and his address in Spain must be notified to the authorities.

7. What are the rights and obligations of a tax representative?

A tax representative must be appointed before taxable transactions can be carried out and may be either a natural or a legal person provided that he is resident on Spanish territory.

He must be in a position to carry out the acts or dealings which representation requires; no obligation is laid down as regards his profession or legal status.

8. What action can you take in the event of failure by a trader in another Member State to designate a tax representative in your territory?

Failure to appoint a representative is regarded in Spanish law as a minor infringement since the obligation is designed to improve the efficiency of tax administration. It is penalized in accordance with the procedure laid down for such infringements.

INVOICES

9. What are the conditions governing the issue of an invoice?

- **who must issue an invoice?**
- **in what circumstances?**
- **what is the timeframe relative to the supply concerned?**

- what information must appear on the invoice?

The conditions governing the issue of invoices are set out in Royal Decree No 2402 of 18 December 1985. Traders are obliged to make out and hand over an invoice for each transaction which they carry out and to keep a copy or counterfoil, even in cases which, for VAT purposes, are classified as self-supply.

Invoices or documents serving as invoices must be issued at the time the transaction is carried out or, if the person to whom the goods or services are supplied is a trader, within thirtydays.

Each invoice and copy/counterfoil must include at least the following particulars:

- (i) number and, where applicable, series; the numbering must be consecutive, and the use of more than one series is allowed, especially if invoices are issued at several locations;
- (ii) name and surname (or style of firm), tax registration number, addresses of supplier and recipient or, where appropriate, address of permanent establishment in the case of non-residents.

Where the person to whom the goods or services are being supplied is a natural person but not a trader, only that person's name, surname and identity card number need be given;

- (iii) description of transaction, and total consideration charged. In the case of a taxable transaction which is not exempt from VAT, the invoice must include all the information needed to determine the tax base, the tax rate applicable and the amount of tax charged. Where the tax is included in the price, the invoice need show only the tax rate applicable or the words "including VAT", if this is authorized under the VAT rules.

If the invoice covers the supply of goods or services which are subject to different rates of VAT, the part of the transaction covered by each VAT rate must be shown.

- (iv) The date and place of issue of the invoice.

An invoice must be made out and handed over in respect of any payments made prior to the transaction. A specific reference to any such payments must be included in the invoice.

No language requirements or special requirements for distance selling have been laid down by the new legislation.

10. Are there exemptions from the obligation to issue an invoice? If so, to what categories of business or person do they apply?

The invoice must cover all the supplies of goods and services made by traders in the course of their business. The trader must always provide an invoice including the provisions outlined in 9 above except where the recipient of the goods or services does not require a complete invoice to be issued in order to make the appropriate deductions in the tax base or the amount of tax due:

- (i) The use of toll motorways, transactions relating to activities covered by the special simplified VAT scheme, and certain transactions authorized by the competent tax authorities;
- (ii) Where the transactions are carried out by persons who do not rank as traders carrying on their business and the consideration for the transaction does not exceed PTA15 000;
- (iii) All supplies of passenger transport services, accommodation and catering services, parking, retailing, public showrooms and telephone services.

The above exemptions do not apply

- where the customer demands the issue of an invoice to enable him to deduct the VAT charged

- in the case of intra-Community supplies or exports.

In the case of retail sales, it is possible to omit from the invoice the amount of tax included and the rate applied by adding the words "including VAT" after the price; in the few cases listed above, tickets with numbered counterfoils or, failing this, cash-register tickets may be used instead of invoices.

It is possible to indicate all the transactions carried out for a particular person in one calendar month (maximum period allowed) on a single invoice.

PERIODIC VAT RETURNS

11. Under what circumstances is a trader obliged to supply a VAT return?

In principle, all traders who are registered as persons liable to pay VAT are required to submit quarterly returns (monthly, in some cases), whether or not they carried out any transactions during the quarter (or month) in question.

Taxable persons must also draw up an annual recapitulative statement, to which they must attach copies of the returns for all the tax periods in the year.

12. At what intervals are VAT returns and the associated payments to be made?

The tax period is the calendar quarter. It may, however, be the calendar month, where the taxable person:

- (i) had a turnover in excess of PTA 1 000 million in the preceding calendar year;
- (ii) is authorized to apply for a refund of any tax credits in his favour at the end of each tax period;
- (iii) chooses to make monthly returns.

The return must conform to the specimen approved in each case by the Ministry of Economic Affairs and Finance; it must be submitted not later than the twentieth day of the month following the monthly or quarterly tax period, as the case may be.

13. Are there special arrangements for periodic VAT returns for small traders and/or certain categories of business or person?

If so, please specify.

Where simplified arrangements are applicable, a different form is used for the tax return. However, statements are submitted and payments made quarterly. An annual recapitulative statement must also be submitted.

14. Do you operate simplified calculations of tax liability? If so, on what criteria, to whom are such criteria applied and what is the nature of the simplification?

There are two special schemes which involve a simplified calculation of the tax due: the simplified scheme, and the proportional determination of the tax base (régimen de determinación proporcional de las bases imponibles):

- (a) The simplified scheme is applicable only to certain taxable persons whose annual turnover (all activities) does not exceed PTA 50 million and who have not expressly withdrawn from the scheme. The following transactions are not covered by the scheme:

- imports;
 - intra-Community acquisitions;
 - transactions carried out by persons or entities not established in the territory as defined for VAT purposes on behalf of traders who are established on that territory;
 - supplies of immovable assets, vessels and intangible assets;
- (b) The special scheme for the proportional determination of the tax base applies to retailers who habitually make supplies of goods subject to different rates of tax.

Taxable persons covered by the scheme determine their overall tax bases and apply to these the different rates of VAT.

RECAPITULATIVE STATEMENTS

15. At what intervals are recapitulative statements to be submitted?

Recapitulative statements must be submitted during the first twenty days of the month following each calendar quarter; the statement for the last quarter of the year must be submitted during the first thirty days of January.

16. Is any additional information required other than that set out in Article 22(6) of Directive 91/680/EEC?

As regards intra-Community acquisitions, the following information must be supplied:

- (a) name and registration number of the taxable person in the other Member State;
- (b) in the case of intra-Community acquisitions of tangible property (including new means of transport), contract work or other supply;
- (c) if the consideration for the transaction is expressed in another currency, the tax base must be converted into pesetas.

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of Directive 91/680/EEC?

If so, what thresholds will be used for such procedures?

The new Law provides for simplified procedures with regard to recapitulative statements.

Recapitulative statements covering the full calendar year may be submitted by the 30th of January in the following year where:

- the total amount of supplies of goods and services, excluding VAT, made during the previous calendar year does not exceed PTA 4.55 million;
- the total amount of exempt intra-Community supplies of goods made during the previous calendar year (which are not new means of transport) does not exceed PTA 1.3 million.

ADMINISTRATIVE REQUIREMENTS

18. Do you operate simplified administrative requirements? If so, please give a description.

- (a) A special compensatory charge scheme (régimen especial del recargo de equivalencia) applies to retailers (mostly natural persons, or entities covered by special income allocation arrangements) who sell specified articles or products.

Such retailers are not required to issue invoices or other documents serving as invoices in respect of transactions they carry out where the sale is made to persons who are not liable to pay VAT.

- (b) Special schemes for agriculture, stockfarming and fishing: owners of agricultural, livestock and fisheries holdings may officially opt out of this scheme when they submit their return on the commencement of their activity or during the month of December preceding the tax year during which their decision to opt out will take effect by way of submission of the relevant tax return.

Taxable persons covered by the scheme are not subject, as regards the pursuit of these activities, to all the requirements concerning assessment and payment of the tax or to the accounting requirements.

- 19. Do you operate simplified administrative requirements other than those already mentioned?**

If so, please give a description.

All the simplified administrative requirements currently applicable have been described above.

- F R A N C E -**VAT REGISTRATION****1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?**

If a foreign trader established abroad wishes to obtain information about the French VAT system, he should write to or telephone the following department:

Direction Générale des Impôts
Bureau des Relations Publiques
86-92, allée de Bercy
F-75012 Paris
Tel.: (33.1) 40.04.11.20

which will send him all the relevant information in the form of leaflets, brochures, etc. If necessary, he may also contact the tax attachés at the French Embassies in London, Bonn, Brussels, Rome and Madrid.

If the trader is established or represented in France, he can approach the tax office responsible for his place of establishment or ask his representative to approach that office on his behalf.

The Government has also introduced from 1 January 1993 a range of computerized answering services one of which, accessible via the Minitel network with the code 3615 IR SERVICE, will provide general information on intra-Community VAT.

2. What are the conditions governing the need to be VAT-registered?

All taxable persons operating in France are registered for VAT. Foreign traders are required to register in France as soon as they deliver goods or provide services there, either directly or via an intermediary with a permanent establishment. In the former case, they must appoint a tax representative.

Exemption from VAT registration requirements is governed by Article 22(1)(c) of the Directive of 16 December 1991, transposed as Article 286ter of the General Tax Code.

The following qualify for the exemption: taxable persons supplying goods on an occasional basis (in particular, individuals supplying new means of transport) and persons eligible for special arrangements (non-taxable legal persons, taxable persons whose acquisitions are below the threshold, flat-rate farmers) when the value of their intra-Community acquisitions did not exceed during the previous year, or does not exceed during the current year at the time of purchase, the threshold of FF 70 000.

Special arrangements also apply to small firms which can take advantage of the turnover threshold.

The arrangements cover all taxable persons, whatever their legal form and tax status (except for farmers under the simplified scheme); firms are exempt from paying the tax when the tax-exclusive value of their turnover during the previous year did not exceed FF70 000.

Persons other than taxable persons liable to pay VAT (non-taxable legal persons, exempt taxable persons, taxable persons whose acquisitions are below the threshold, flat-rate farmers) will be given a VAT identification number only when they declare that they have carried out transactions fulfilling the conditions for compulsory registration (i.e. the annual value of their intra-Community acquisitions exceeds FF70 000) or when they have opted for taxation.

They will be informed of their VAT number in writing either upon request or on the initiative of the tax department.

3. Please describe the procedures for issuing VAT identification numbers to foreign traders

Foreign taxable persons may apply for a VAT identification number:

- to the competent Business Formalities Centre (Centre de Formalités des Entreprises): e.g. chamber of trade or commerce, registry of the commercial court, depending on the activity being carried out. They inform the competent agency of the date they intend to commence trading. The VAT registration number is issued within fifteen days of the application.
- to the tax office responsible for the tax representative appointed to deal with tax formalities on their behalf if they are not permanently established in France.

The minimum theoretical period of VAT registration is one day, e.g. someone could start trading on 12 September 1993 and cease trading the same day.

4. Which threshold will you be operating as regards intra-Community distance selling under Article 28b(B)(2) of Directive 91/680/EEC (in national currency)?

The threshold (Article 258B of the General Tax Code) for the taxation of distance selling of movable tangible goods despatched to France is FF 700 000 exclusive of VAT.

5. Which threshold will you be operating as regards acquisitions by non-taxable legal persons or exempt persons under Article 28a(1)(a) of Directive 91/680/EEC (in national currency)?

The threshold (Article 256bis(I)(2) of the General Tax Code) for acquisitions by non-taxable legal persons or exempt persons under Article 28a(1)(a) of Directive 91/680/EEC is FF70 000 (ECU 10 000).

TAX REPRESENTATIVES

6. What are the conditions governing the appointment of a fiscal representative?

When VAT payments are due from a taxable person established or domiciled outside France, that person must appoint a representative domiciled in France to deal with the government department responsible for collection. The representative undertakes to fulfil the formalities incumbent on the taxable person and to pay the tax on his behalf (Article 289A of the General Tax Code).

From 1 January 1993, in order to take account of intra-Community transactions, the arrangements include two further conditions:

- the tax representative must himself be a person liable to pay VAT; this condition merely confirms in law a de facto situation;
- all foreign firms required to make returns in France must appoint a tax representative even if they are not liable to pay VAT.

Any taxable person, whether liable to pay VAT or exempt, may be appointed as a tax representative to deal with tax departments. Consequently, lawyers, consultancies, etc. may be tax representatives since their activities have been subject to VAT since April 1991 and the tax arrangements applicable to them were harmonized from January 1992 (as a result of the merging under French law of the professions of legal consultant and advocate, pursuant to Law No 90-1259 of 31 December 1992).

7. What are the rights and obligations of a tax representative?

The obligations of a tax representative comprise his own obligations and the obligations of the person he represents (statement of establishment, keeping of accounts, periodic returns of turnover, payment of tax).

Tax representatives enjoy the same rights as other taxable persons.

8. What action can you take in the event of failure by a trader in another Member State to designate a tax representative in your territory?

Foreign firms may not appoint more than one tax representative for all their transactions in France.

In the event of failure to appoint a representative, the VAT and any related penalties are payable by the other party to the taxable transaction by virtue of Article 289.A.1 of the General Tax Code.

This provision means that, if the foreign firm fails to meet its obligations, claims may be addressed to the French customer involved in the taxable transaction.

INVOICES

9. What are the conditions governing the issue of an invoice?

- **who must issue an invoice?**
- **in what circumstances?**
- **in what timeframe relative to the supply concerned?**
- **what information must appear on the invoice?**

The requirement to issue invoices now applies to all taxable persons (and not only those liable to pay VAT, as provided for in the earlier version of Article 289 of the General Tax Code). Consequently, it covers:

- any person independently carrying out an economic activity;
- any person who, on an occasional basis, supplies a new means of transport despatched or transported to the territory of another Member State.

The vendor is normally required to issue an invoice immediately upon the sale of goods or the supply of services, and the purchaser must demand an invoice.

The following information must appear on the invoice:

- name and address of parties;
- date of sale of goods or supply of services;
- quantity and description of goods sold or services supplied;
- unit price;
- the tax-exclusive total and the corresponding amount of tax charged must be shown separately for each rate of VAT;
- VAT identification numbers of vendor and acquirer for intra-Community supplies governed by Article 262ter of the General Tax Code, with a specific reference to exemption from VAT under Article 262ter(1) of the General Tax Code;
- for intra-Community supplies of services, the VAT identification numbers of supplier and customer;
- for intra-Community supplies of new means of transport, details of means of transport.

The list of information required to be shown on invoices including the obligation to show date and number was completed by Council of State Decree No 92-1244 of 27 November 1992, issued in implementation of Article 30 of Law No 92-677 of 17 July 1992.

French and foreign traders operating in France are, on principle, required to issue invoices in French.¹⁾ However, where invoices, which are annexes to accounts within the meaning of Article L.102B of the Tax Procedures Code, are drawn up in a foreign language, they must be accompanied by a certified translation from a sworn translator that must be produced upon demand to the authorities.

In the case of international contracts, French firms may issue invoices and settle payments in foreign currencies for transactions with foreign clients. The same conditions may also be applied to invoices and payments for certain transactions undertaken with other French companies.

¹⁾See Article 1 of Law No 75-1349 of 31 December 1975 on the use of the French language.

This does, however, have repercussions for the basis of assessment and chargeability of the tax where the corresponding transactions are subject to VAT in France. The special rules applicable are laid down and amplified in statutes (Article 266-1bis of the General Tax Code) and in administrative rulings.

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business or individuals do they apply to?

Non-taxable persons are not required to issue invoices.

PERIODIC VAT RETURNS

11. Under what circumstances is a trader obliged to submit a VAT return?

Persons who are habitually liable to pay VAT are required to submit a return giving their turnover as soon as they are identified as such, even when they have not carried out any taxable transactions ("zero return").

Taxable persons operating on an occasional basis must submit a return as soon as they carry out a transaction that renders them liable to pay VAT.

12. At what intervals are VAT returns and the associated payments to be made?

Depending on tax status, returns must be made monthly, quarterly or annually. Flat-rate taxable persons send in an annual return on the basis of which the tax department calculates the tax; one quarter of the annual tax is paid every three months. Firms subject to the simplified scheme make quarterly returns, which are brought together in an annual recapitulative statement.

Taxable persons may opt to make their returns and pay the tax as part of their accounting exercise; firms subject to the normal scheme send in monthly returns.

The arrangements for settling tax due also vary with tax status. In general, final due dates coincide with the deadlines for submitting returns. In some cases, advance payments may be made, enabling persons liable to pay VAT under the normal scheme to postpone for one month submission of their turnover return, on condition that they make an advance payment on the normal due date equal to at least 80% of the sum actually due. The balance is paid the following month.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or categories of businesses?

If so, please give a description.

Apart from the exemption schemes, there are two tax schemes for small and medium-sized taxable persons:

- the flat-rate scheme for persons whose annual turnover inclusive of all taxes and charges does not exceed:

FF 500 000 in the case of persons engaged primarily in selling goods, articles, supplies and produce to be taken away or consumed on the premises or in supplying lodgings;

FF 150 000 for other persons;

- the simplified scheme of taxation for firms whose annual turnover, while exceeding the limits for the flat-rate scheme, does not exceed:

FF 3 500 000 or FF 1 000 000 (see above classification).

Firms normally eligible for the flat-rate scheme may opt for the simplified scheme.

14. Do you operate simplified calculations of tax liability? If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

The simplified tax scheme is a scheme involving annual tax returns, with advance payments being made at intervals throughout the year.

The advance payments are calculated by applying the firm's coefficient to declared turnover. The coefficient is equal to the ratio obtained the previous year between tax payable before deduction of tax charged on investments and without taking account of VAT due on sales of movable investment goods, on the one hand, and total turnover on the other.

Transactions declared in the course of the year on summary forms are summarized and regularized on a special return submitted, in principle, by 1 April of the following year. Any remaining tax due must be settled by the same date.

Firms normally eligible for the simplified tax scheme can opt for the normal scheme.

RECAPITULATIVE STATEMENTS

15. At what intervals are recapitulative statements to be submitted?

France decided to introduce returns on trade in goods to serve two purposes: that of taxation, and that of statistical monitoring.

The returns are submitted monthly by traders. They may also be submitted by third parties (accountants, customs agents, transit agents, etc.) under the trader's responsibility, in which case they may relate only to individual operations. The department responsible will take steps to ensure appropriate consolidation and cross-checking.

16. Is any additional information required other than that set out in Article 22(6) of Directive 91/680/EEC?

All the statistical information required both when goods are brought in and despatched is in addition to that set out in Article 22(6) of Directive 91/680/EEC. It has to be sent in pursuant to INTRASTAT Regulation (EEC) No 3330/91 of 7 November 1991 on the statistics relating to the trading of goods between Member States.

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of Directive 91/680/EEC?

If so, what are the related thresholds for applying such procedures?

The simplified and optional procedures provided for in Article 22(12) of Directive 91/680/EEC cannot be operated in the context of a return intended to serve the needs of both statistics and taxation since the period within which statistical information must be made available is very short (within ten days of the end of the month during which the transactions were carried out) and identical for all traders, irrespective of the volume of their business.

ADMINISTRATIVE REQUIREMENTS

18. Do you operate a flat-rate scheme(s)? If so, to whom does the scheme(s) apply?

The flat-rate scheme is not based on a coefficient (such as a percentage of the sale price), but on a dual assessment of the VAT corresponding to the taxable turnover, due regard being had to the rates applicable, and of the deductible VAT on goods other than fixed assets and services. VAT charged on exceptional or unforeseeable

overheads is included only if these costs have actually been incurred. There are different rules for the deduction of VAT corresponding to goods that constitute fixed assets, depending on whether the year of purchase was the first or the second of the two-year period for which the flat rate is established.

19. Do you operate simplified administrative requirements other than only those already mentioned?

If so, please give a description.

Simplified administrative requirements for intra-Community traders are contained in the Community texts. These apply to the statistical information given on the return for trade in goods as provided for in Regulation EEC No. 3330/91; and the exemption from the obligation of appointing a fiscal representative in the Member State of the arrival of goods in the case of a triangular operation as provided for in Article 28(c)E of Directive 77/388/EEC

- I R E L A N D -

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

Enquiries by foreign traders with a view to carrying on business in Ireland should be addressed to:-

Taxes Central Registration Office,
Arus Brugha,
9/15, Upper O'Connell Street,
Dublin 1.
Telephone +3531 8746821
FAX +3531 8746078

General enquiries in relation to VAT legislation should be addressed to

The Revenue Commissioners,
VAT Branch,
New Stamping Building,
Dublin Castle,
Dublin 2.
Telephone +353 1 6792777
FAX +353 1 6795236

2. What are the circumstances governing the need to be VAT-registered?

For traders established in Ireland the position is as follows: - For supplies of services, traders with a turnover of IR£ 20,000 p.a. or more must register. For supplies of goods, traders with a turnover of IR£ 40,000 p.a. or more must register.

Traders established in other Member States engaged in distance selling must register for VAT here if their sales to Irish customers exceed the threshold figure of IR£ 27,000 (i.e. 35,000 ECU).

Traders established in another Member State who are not established here and who make supplies in Ireland in the course of furtherance of business must immediately register. There is no threshold figure.

Traders whose business consists wholly of exempt supplies are exempt from registration. Traders making only zero-rated supplies are not exempt from registration.

Any trader making supplies in the course or furtherance of business may elect to be registered. Once registered, the trader takes on all the obligations of a taxable person.

3. What are the procedures used to issue VAT identification numbers to foreign operators?

Form TR1/TR2 must be completed and submitted to:

Taxes Central Registration Office,
Arus Brugha,
9/15, Upper O'Connell Street,
Dublin 1.
Telephone 353 1 8746821
Fax 353 1 8746078.

If in order, a VAT Registration number will issue.

4. Which threshold (in national currency) do you operate as regards intra-Community distance selling under Article 28b(B)(2) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

35,000 ECU, approximately IR£ 27,000.

5. Which threshold (in national currency) do you operate as regards acquisitions by non-taxable legal persons or exempt persons under the second subparagraph of Article 28a(1)(a) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

IR£ 32,000.

6. What are the conditions governing the appointment of a fiscal representative?

7. What are the rights and obligations of a fiscal representative?

8. What action can you take in the event of failure by a trader in another Member State to designate a fiscal representative in your territory?

Hitherto, the concept of fiscal representative has not been applied in Ireland. Instead a foreign based trader who became a taxable person in Ireland was permitted to register for VAT here in his own name. Such a person would be

- required to produce his records for inspection in the State when requested to do so and
- obliged to comply with all the various legal requirements (completion of returns etc.) required under national legislation.

These arrangements have worked satisfactorily in the past and the Revenue Commissioners have allowed similar arrangements to continue to apply from 1 January 1993.

It will be appreciated from the foregoing that appointment of a fiscal representative is not obligatory in Ireland and no specific legislation has been enacted to cater for fiscal representatives. However, where a foreign based trader specifically requests to be allowed appoint a fiscal representative the Revenue Commissioners are prepared to accede to this request. In such a case the proposed fiscal representative would be served with a notice in accordance with Section 37 of the VAT Act. This has the legal effect of making the fiscal representative liable to VAT in place of the foreign based trader.

Extract from VAT Act 1972, as amended:

SUBSTITUTION OF AGENTS ETC. FOR PERSONS NOT RESIDENT IN THE STATE

Section 37. Where a taxable person not established in the State supplies goods or services, the Revenue Commissioners may, where it appears requisite to them to do so for the protection of the revenue, deem a person who

- (a) acts or has acted on behalf of a taxable person in relation to such supplies, or
- (b) allows or has allowed such supplies to be made on land owned, occupied or controlled by him,

to have made such supplies in the course or furtherance of business from the date of service on him of a notice in writing to that effect.

9. What are the conditions governing the issue of an invoice?

- **who must issue an invoice?**

The taxable person

- **in what circumstances?**

In respect of supplies to another taxable person (and from 1/1/93 in respect of supplies to a taxable person in other Member States).

- **in what timeframe relative to the supply concerned?**

By 15th of the month following the month of supply.

- **what information must appear on the invoice?**

- The name, address and VAT No. of the person issuing the invoice
- Name and address of the person to whom the goods have been supplied
- date of issue of the invoice
- date of supply
- description of goods/services
- quantity
- price
- rate and amount of tax

Additionally, from 1/1/93 the VAT No. of the taxable person in the other Member State must also be shown in the case of intra-Community supplies.

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business do they apply to?

At present, there is no requirement on a VAT registered trader to issue an invoice to a non-taxable person within the State. National legislation has been revised in order to impose a requirement on persons engaged in distance selling to issue invoices to their customers.

11. Under what circumstances is a trader obliged to submit a VAT return?

Every person registered for VAT must submit a VAT return.

12. At what intervals are VAT returns and the associated payments to be made?

The standard period is two months, Jan/Feb, March/April, etc.. The return and payment must be furnished by the 19th day of the month following the VAT period. Monthly returns are available to persons in a constant refund situation. Again the return must be furnished by the 19th day of the following month. Small traders may be offered the facility of submitting one annual return for the year ending on the date to which accounts are made up. Again the return and payment must be furnished by the 19th day of the following month.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses?

See 12 above.

14. Do you operate simplified calculations of tax liability?

If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

Yes. In the case of retail outlets selling to private individuals where there are sales at a number of rates, there is a scheme for apportionment of the sales at the different rates by reference to the purchases.

15. At what intervals are recapitulative statements to be submitted?

Recapitulative statements are to be submitted quarterly but traders may be allowed, on application and under certain conditions, to submit monthly or annual returns.

16. Is any additional information required other than that set out in Article 22(6) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

No.

- 17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of the Sixth VAT Directive as amended by Directive 91/680/EEC?**

If so, what are the related thresholds for applying such procedures?

In respect of Article 22(12)(a), a taxable person may, on written application to the Revenue Commissioners, be authorised by the Commissioners to submit an annual recapitulative statement where the taxable person's supplies of goods and services do not exceed or are not likely to exceed IR£60,000 in a calendar year, and his intra-Community supplies do not exceed or are not likely to exceed IR£12,000 in that calendar year and provided such intra-Community supplies do not include the supply of new means of transport.

In respect of Article 22(12)(b), where a taxable person has been authorised to submit an annual VAT return (see 12 above), he may, on written application to the Revenue Commissioners, be authorised by the Commissioners to submit an annual recapitulative statement where the taxable person's supplies of goods and services do not exceed or are not likely to exceed IR£150,000 in a calendar year, and his intra-Community supplies do not exceed or are not likely to exceed IR£12,000 in that calendar year and provided such intra-Community supplies do not include the supply of new means of transport.

- 18. Are there flat-rate schemes in operation and if so, what are the procedures used?**

Yes. A flat rate scheme is available to persons engaged in an "Annex A" activity, e.g. farmers, freshwater fishing, forestry etc..

The rate is 2.8% of the sale price.

- 19. Do you operate simplified administrative requirements apart from those already mentioned?**

If so, please give a description.

No.

- I T A L Y -**VAT REGISTRATION****1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?**

Enquiries by foreign traders wishing to obtain information on the VAT system in Italy should be addressed to:

Ministero delle Finanze
Centro Informativo Tasse
Via Mario Carucci 99
I-00143 ROMA
Tel.: (39.6) 502 53 172
Fax: (39.6) 501 26 04

2. What are the conditions governing the need to be VAT-registered?

Anyone wishing to set up in business (including handicrafts) or in a profession must be VAT-registered (Articles 4 and 5 of Italian VAT Law DPR No. 633/72). There can be no exemption from registration. Voluntary registration is not possible. A person may, however, be registered by decision of the authorities in cases where he attempts to avoid payment of tax.

3. Please describe the procedures for issuing VAT identification numbers to foreign traders.

Foreign traders must report to the VAT office responsible for the area in which they are domiciled for tax purposes and fill in a "commencement of activity" form.

If a foreign trader has no permanent establishment, he may designate a tax representative.

There is no minimum period of VAT registration, which is valid until the activity in question ceases.

4. Which threshold will you be operating as regards intra-Community distance selling under Article 28b(B)(2) of Directive 91/680/EEC (in national currency)?

ECU 35 000 (LIT 54 million)

- 5. Which threshold will you be operating as regards acquisitions by non-taxable legal persons or exempt persons under Article 28a(1)(a) of Directive 91/680/EEC (in national currency)?**

ECU 10 000 (LIT 16 million)

TAX REPRESENTATIVES

- 6. What are the conditions governing the appointment of a tax representative?**

The tax representative must be resident in Italy.

The tasks entrusted to the representative must be held on official record, be the subject of a registered private agreement or be entered in a special register. The appointment of the representative must be notified to the other contracting party before the transaction is carried out.

- 7. What are the rights and obligations of a tax representative?**

The representative has the same rights and obligations as the person he represents - both are jointly and severally liable.

However, if only non-taxable or exempt activities are carried on, the representative's obligations may be restricted to the compiling and invoicing of intra-Community operations.

For distance sales, the representative must be an Italian resident.

- 8. What action can you take in the event of failure by a trader in another Member State to designate a tax representative in your territory?**

As yet, no action has been provided for.

INVOICES

- 9. What are the conditions governing the issue of an invoice?**

- **who must issue an invoice?**
- **in what circumstances?**

- **in what timeframe relative to the supply concerned?**
- **what information must appear on the invoice?**

Any taxable person who supplies goods or provides services is required to issue an invoice. The invoice must be issued at the time the goods are supplied or upon payment when services are provided.

The date and a consecutive serial number must appear on the invoice, together with the following information:

- names and addresses of the parties;
- VAT identification number of the vendor or service provider and, where appropriate, that of the purchaser or recipient of the services;
- quantity, type and description of the goods sold or services provided;
- unit price;
- the tax-exclusive total and the corresponding amount of tax charged must be shown separately for each rate of VAT;

There are no language formalities.

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business or individuals do they apply to?

Yes, those granted under Articles 22 and 36(1) of the Italian VAT Law (see below):

- A. Unless requested by the purchaser, there is no obligation to issue an invoice for:
1. deliveries of goods by vending machines, by mail, etc;
 2. hotel and catering services;
 3. passenger transport services;
 4. deliveries of printed matter on the street to customers' homes;
 5. services involving the safe-keeping and administration of banking securities and other services provided by financial institutions;
 6. transactions exempted under Italian law.

Taxable persons who have given the VAT office prior notice are not required to issue invoices or to be registered for transactions exempted from tax under the terms of Article 10 of the Italian VAT Law (except for certain transactions specified in points 11, 18 and 19 of that Article).

PERIODIC VAT RETURNS

11. Under what circumstances is a trader obliged to submit a VAT return?

VAT returns must be submitted by all VAT-registered persons, except farmers with a turnover of less than LIT10 million, and persons engaged in exempted activities.

12. At what intervals are VAT returns and the associated payments to be made?

VAT returns are submitted annually; payments are made monthly, before the 20th of the following month.

Taxable persons whose turnover in the preceding calendar year did not exceed LIT 360 million in the case of firms in the service, craft and professional sectors and LIT 1 billion in the case of firms engaged in other activities, may:

- (a) register their periodic assessments and make the corresponding payments not later than the fifth day of the second month following each of the first three quarters of the calendar year; if the tax payable does not exceed LIT 50 000, it must be paid together with the tax payable in respect of the following quarter;
- (b) pay the tax within the period specified for submitting the return.

In the case of taxable persons who are engaged both in the provision of services and in other activities and do not distinguish in their returns between services and other activities, the threshold of LIT 360 million applies to all activities carried out.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or categories of businesses?

If so, please give a description.

The following special regimes exist:

- special scheme for farmers;
- compensation scheme for firms which control, or are controlled by, other firms;
- travel agents (base from base);
- other special regimes are provided for in Articles 74 and 74b of Presidential Decree No 633/72 with respect to:
 - (a) trade in salt and tobacco;
 - (b) trade in matches;
 - (c) the sale of daily newspapers, periodicals, publication media and books;
 - (d) services supplied by persons operating public telephones, telephones made available for use by the general public, and public telephone boxes;
 - (e) the sale by licensed dealers of urban public transport tickets;
 - (f) entities and firms supplying public services which, because of their uniformity, frequency and size, entail invoicing for periods of more than one month may be authorized by the Minister for Finance to undertake the regular assessments referred to in Article 27 of Presidential Decree No 633/72 and to make payments on a quarterly instead of a monthly basis;
 - (g) shows and games;
 - (h) the sale of old iron and waste and scrap metal
 - (i) auction sales.

- 14. Do you operate simplified calculations of tax liability? If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?**

See answer to Question 13.

RECAPITULATIVE STATEMENTS

- 15. At what intervals are recapitulative statements to be submitted?**

Recapitulative statements have to be submitted either monthly, quarterly or annually, according to turnover.

- 16. Is any additional information required other than that set out in Article 22(6) of Directive 91/680/EEC?**

The statistical data required under Council Regulation (EEC) No 3330/91 (Intrastat) must also be provided.

NB: Recapitulative statements of purchases are also required.

- 17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of Directive 91/680/EEC?**

If so, what are the related thresholds for applying such procedures?

Yes, there are annual recapitulative statements in the case of taxable persons with a small turnover. Statements must be submitted:

- monthly in the case of intra-Community supplies or acquisitions exceeding LIT 150 million;
- quarterly in the case of intra-Community supplies or acquisitions exceeding LIT 50 million;
- annually in the case of intra-Community supplies or acquisitions totalling less than LIT 50 million.

18. Do you operate a flat-rate scheme(s)? If so, to whom does the scheme(s) apply?

No.

19. Do you operate simplified administrative requirements other than those already mentioned?

If so, please give a description.

No.

- L U X E M B O U R G -

VAT REGISTRATION

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

Foreign traders can obtain information from:

Bureau d'imposition X
de l'Administration de
l'Enregistrement et des Domaines
9B Boulevard Prince Henri
L-1724 LUXEMBOURG-VILLE
Tel.: (352) 44905-1

2. What are the conditions governing the need to be VAT-registered?

Any foreign trader carrying on the following taxable transactions must be VAT-registered in the Grand Duchy of Luxembourg:

- supplies of goods, including goods which have to be installed or assembled by the supplier or by a third party acting on his behalf, whether or not there is a commissioning test, and supplies of services made for consideration;
- intra-Community acquisitions of goods made for consideration;
- imports of goods;
- distance selling in so far as the place where the goods or services are supplied is located in Luxembourg (where the threshold of LFR 4.2 million is exceeded or the supplier opts to change the place of taxation);

The following are exempt from the VAT registration requirement:

- Taxable persons who carry out an activity exempt from VAT under the VAT Law are not required to register for VAT, provided they are not entitled to deduct input tax in respect of that activity;
- Taxable persons whose annual turnover, exclusive of tax, for the preceding calendar year did not exceed LFR 400 000;
- Taxable persons who supply goods or services in connection with their agricultural or forestry holding.

The expression "agricultural or forestry holdings" refers to the following activities:

- (a) agriculture proper, forestry, viticulture, fruit-tree cultivation and nursery management;
- (b) growing of fruit, vegetables, flowers and plants (including glasshouse cultivation) and the production of mushrooms;
- (c) rearing or fattening of animals and poultry farming, provided these activities are directly linked to cultivation of the soil;
- (d) beekeeping.

Exemptions based on turnover thresholds apply solely to the taxable persons referred to in the second indent above;

The threshold is LFR400 000.

Voluntary VAT registration is not possible.

Following the adoption of the Directive on simplification, the following case must be added to the exemptions from the VAT registration requirement:

A taxable person who is neither established nor registered for VAT in Luxembourg but who is registered for VAT in another Member State, and who makes an intra-Community acquisition of goods in Luxembourg under the following conditions:

- the intra-Community acquisition of goods is made for the purposes of a subsequent supply of those goods in Luxembourg by that taxable person;
- the goods thus acquired by that taxable person are directly dispatched or transported from a Member State other than that in which he is VAT-registered for delivery to the person to whom he subsequently supplies the goods;
- the recipient of the subsequent supply is another taxable person or a non-taxable legal person registered for VAT in Luxembourg;
- the recipient has been named as the person liable to pay the tax due on the supply made by the taxable person not established in Luxembourg.

3. What are the procedures for issuing VAT identification numbers to foreign traders?

Any natural or legal person applying for a VAT identification number must first be included in the national register of natural and legal persons. An application for registration is sent by the relevant department of the administration to the general registration office (Service du Répertoire Général). Following registration, the person in question is then included in the list of persons liable to pay VAT. He is then notified of his VAT registration number, which he must quote in all correspondence with the administration. He may also, at his own request, be given a VAT identification number to be used for any intra-Community transactions.

If, for any reason, a natural or legal person is already included in the general register, the registration procedure is more straightforward.

Foreign traders who do not have a place of business or a permanent establishment in Luxembourg may apply to the tax office at 1 above for a VAT registration number and, as regards intra-Community transactions, a VAT identification number.

Firms are not given a VAT registration or identification number until the tax office has received a declaration relating to commencement of a taxable economic activity. However, anyone who is registered by decision of the administration receives a registration number.

Foreign firms who carry on an economic activity (supply of services) in Luxembourg must apply to

Ministere des Classes Moyennes
Service des autorisations d'établissement,
6, Avenue Emile Reuter,
L-2937 LUXEMBOURG.

to obtain a licence to do business.

There is no minimum period of VAT registration.

However, in the event of full or partial cessation of their activity, taxable persons must notify their VAT office within fifteen days.

4. Which threshold will you be operating as regards intra-Community distance selling under Article 28b(B)(2) of Directive 91/680/EEC (in national currency)?

The threshold is LFR 4 200 000.

5. Which threshold will you be operating as regards acquisitions by non-taxable legal persons or other exempt persons under Article 28b(1)(a) of Directive 91/680/EEC (in national currency)?

The threshold is LFR 400 000 (see Articles 28m and 31 of the amended Sixth Directive). The option for rounding down has been used to set the threshold at the same level as the current small-business exemption in Luxembourg.

TAX REPRESENTATIVES

6. What are the conditions governing the appointment of a tax representative?

The tax representative can be any natural or legal person domiciled or established in Luxembourg. However, he must be approved by the administration, the latter's decision being taken in the light of the applicant's good repute, reliability and solvency. It should be pointed out that, instead of the appointment of a tax representative, the administration may require the lodging of a security or the issue of a banker's guarantee by an approved bank.

The administration may, in some cases, demand that a tax representative be appointed if the person liable to pay the tax is established abroad, viz.:

- for supplies of goods or services made for consideration in Luxembourg by a taxable person in the course of his business, with the exception of certain services, notably transport services;
- for intra-Community acquisitions made for consideration in Luxembourg by a taxable person in the course of his business or by a non-taxable legal person;
- for intra-Community acquisitions of new means of transport made for consideration in Luxembourg by a taxable person in the course of his business or by a non-taxable legal person or any other non-taxable person.

7. What are the rights and obligations of a tax representative?

The tax representative is jointly and severally liable with the person he represents for payment of the tax and of any fines.

He must, on behalf of the person he represents, meet every obligation which is binding on the latter under or pursuant to the VAT Law.

8. What action can you take in the event of failure by a trader established in another Member State to appoint a tax representative in your territory?

Failure to appoint a tax representative constitutes an infringement of the VAT Law and of the regulations adopted pursuant to that Law, and is punishable by a fine of between LFR2 000 and LFR200 000.

Under Article 2(4) of the Law of 28 December 1988 governing access to occupations in the craft sector, the distributive trades, industry and certain liberal professions, a person's application for a licence to set up in business may be rejected or his licence revoked if he deliberately evades payment of any tax to which he is liable by virtue of his occupation or profession.

INVOICES

9. What are the conditions governing the issue of an invoice?

- **Who must issue an invoice?**
- **In what circumstances?**
- **In what time frame relative to the supply concerned?**
- **What information must appear on the invoice?**

Any taxable person who independently and habitually carries out transactions which form part of an economic activity must, irrespective of the purposes or results of that activity and irrespective of the place where such transactions are carried out, issue an invoice or document serving as an invoice in respect of:

- goods and services supplied to another taxable person or to a non-taxable legal person;
- supplies of goods covered by the special arrangements for distance selling;

- supplies of goods dispatched or transported by him or a third party acting on his behalf or by the acquirer or a third party acting on the latter's behalf, outside Luxembourg but within the Community, to another taxable person operating in the course of his business or to a non-taxable legal person in another MemberState;
- supplies of new means of transport dispatched or transported to the acquirer by him or a third party acting on his behalf or by the acquirer or a third party acting on the latter's behalf, outside Luxembourg but within the Community, to:
 - (i) - a taxable person who supplies only exempt goods and services in respect of which no tax is deductible;
 - a taxable person eligible under the small-business exemption scheme;
 - a taxable person eligible under the flat-rate taxation scheme for agriculture and forestry;
 - (ii) non-taxable legal persons operating in the course of their business or non-taxable legal persons carrying out transactions not falling within the scope of VAT;
 - (iii) any other non-taxable person;
- transfers made by a taxable person or a third party acting on his behalf, outside Luxembourg but within the Community, for the purposes of his business (stocks and capital goods);
- payments on account received from another taxable person or from a non-taxable legal person before the goods or services are supplied.

The invoice or document serving as the invoice must be issued not later than the fifteenth day of the month following that in which the goods or services were supplied and, where a payment on account is made in respect of goods or services which have not yet been supplied, not later than the receipt of that payment on account.

The invoice or document serving as the invoice must show clearly the price, exclusive of tax, of each taxable transaction, the amount of tax corresponding to each rate and any exemptions.

The invoice must also give the following information:

- in the case of transport services, activities ancillary to transport, and services provided by intermediaries acting on behalf of another person in connection with the provision of intra-Community freight services: the VAT number identifying the supplier in Luxembourg and the identification number of the customer under which the service was supplied to him;

- where a taxable person transfers goods from his business to another Member State (stocks, capital goods): his VAT identification number in Luxembourg and his identification number in that other Member State;
- for supplies of new means of transport: particulars showing that the means of transport is new;
- for goods supplied following an intra-Community acquisition of goods by a taxable person who is neither established nor identified for VAT purposes in Luxembourg but who is identified for VAT purposes in another Member State to another taxable person or non-taxable legal person identified for VAT purposes in Luxembourg who is the recipient of the subsequent supply and who has been named as the person liable to pay the tax, the invoice must make explicit reference to the second indent of Article 18(4) and give not only the VAT identification number under which the taxable person made the intra-Community acquisition and the subsequent supply of goods but also the VAT identification number of the recipient of the supply of goods;
- the invoice or document serving as an invoice to be issued by the taxable person established abroad for supplies of goods and services for which the tax is payable by the recipient need give only the VAT-exclusive price of each taxable transaction.

The VAT Law does not lay down any specific obligations concerning the languages in which invoices should be drawn up. However, the official administrative languages in Luxembourg are French, German and Luxembourgish.

Moreover, the accounting arrangements for VAT lay down that taxable persons must arrange their accounting records in such a way that the information needed to calculate the tax payable is clearly accessible and easy to check.

Given that an invoice is an essential element of accounting, it must be made out in a language which the administration can understand. Within the Community, this obligation would be satisfied if the invoice were made out in one of two official Community languages, i.e. French or German.

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business do they apply to?

Luxembourg's VAT Law does not expressly provide for an exemption from the obligation to issue an invoice.

PERIODIC VAT RETURNS

11. Under what circumstances is a trader obliged to submit a VAT return?

Any taxable person who habitually and independently carries out transactions which form part of an economic activity must, irrespective of the purposes or results of that activity and irrespective of the place where such transactions are carried out:

- periodically declare and pay the tax chargeable;
- submit an annual return in respect of each tax period, which will correspond to the calendar year;
- keep proper accounts.

12. At what intervals are VAT returns and the associated payments to be made?

As a rule, taxable persons must, before the fifteenth day of each month, submit to the administration a return showing the amount of VAT that became chargeable during the preceding month in respect of the goods and services they supplied.

Taxable persons who are required to submit monthly or quarterly returns must, in addition, submit before 1 May each year an annual return in respect of the VAT which became chargeable during the preceding calendar year and must pay within that same period the balance of any tax chargeable, as shown on the recapitulative return.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses?

If so, please give a description.

- (a) Taxable persons whose annual turnover, exclusive of tax, during the calendar year preceding the tax period was more than LFR 4.5 million but not more than LFR 25 million may, before the fifteenth day of each calendar quarter, submit a return in respect of the VAT which became chargeable during the preceding calendar quarter and pay the said tax within that same period;
- (b) Taxable persons whose annual turnover, exclusive of tax, during the calendar year preceding the tax period was LFR 4.5 million or less may, before 1 March each year, submit an annual return in respect of the VAT which became chargeable during the preceding calendar year and pay the said tax within that same period;

- (c) Taxable persons who are required to submit monthly or quarterly returns must, in addition, submit before 1 May each year an annual return in respect of the VAT which became chargeable during the preceding calendar year and must pay within that same period the balance of any tax chargeable, as shown by that recapitulative return.

14. Do you operate simplified calculations of tax liability? If so, what are the qualifying criteria, to whom do they apply and what is the nature of simplification?

No.

RECAPITULATIVE STATEMENTS

15. At what intervals are recapitulative statements to be submitted?

A taxable person must, before the fifteenth day of each calendar quarter, submit a recapitulative statement listing the acquirers with a VAT identification number in another Member State to whom he supplied goods which were dispatched or transported by him or a third party acting on his behalf or by the acquirer or a third party acting on the latter's behalf, outside Luxembourg but within the Community, and in respect of which tax became chargeable during the preceding calendar quarter.

Under certain conditions, this statement will be submitted annually.

16. Is any additional information required other than that set out in Article 22(6) of Directive 91/680/EEC?

No.

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of Directive 91/680/EEC? If so, what are the related thresholds for applying such procedures?

Yes.

Taxable persons whose annual turnover, exclusive of VAT, is more than LFR 1.8 million but not more than LFR 4.5 million may submit a recapitulative statement before the fifteenth day of each calendar year if the total annual value,

exclusive of VAT, of the goods dispatched or transported by them or a third party acting on their behalf or by the acquirer or a third party acting on his behalf, outside Luxembourg but within the Community, does not exceed LFR 600 000 and does not include intra-Community supplies of new means of transport. However, taxable persons whose economic activity has ceased must submit a statement before the fifteenth day of the calendar quarter following that in which cessation occurred.

Taxable persons whose annual turnover, exclusive of VAT, does not exceed LFR 1.8 million may submit a simplified recapitulative statement before the fifteenth day of each calendar year if the total annual value, exclusive of VAT, of the goods dispatched or transported by them or a third party acting on their behalf or by the acquirer or a third party acting on his behalf, outside Luxembourg but within the Community, does not exceed LFR 600 000 and does not include intra-Community supplies of new means of transport. However, taxable persons whose economic activity has ceased must submit a statement before the fifteenth day of the calendar quarter following that in which cessation occurred.

ADMINISTRATIVE REQUIREMENTS

18. Do you operate flat-rate scheme(s) and to whom do they apply?

Yes, there are optional flat-rate schemes. Although they apply automatically, it is possible to opt for the standard scheme.

The schemes apply to taxable persons who supply goods or services in connection with their agricultural or forestry holding.

In the case of supplies of goods and services made by an agricultural or forestry holding, there is a flat-rate tax equal to:

- (a) 8% of the taxable amount for:
- goods which normally come from an agricultural holding and which were produced by the taxable person, including goods which have undergone primary processing using means normally utilized on an agricultural holding;
 - services which are normally used in the production or marketing of agricultural or forestry products and which are supplied by the taxable person using means which are normally utilized on an agricultural or forestry holding;
 - goods used by the taxable person for the purposes of his agricultural or forestry holding, including capital goods;

- (b) 4% of the taxable amount in the case of goods which normally come from a forestry holding and which were produced by the taxable person, including goods which have undergone primary processing using means normally utilized on a forestry holding but not including sawmill products.

**19. Do you operate simplified administrative requirements other than those already mentioned?
If so, please give a description.**

Yes.

The simplification relates to the arrangements for submitting VAT returns and paying tax.

- N E T H E R L A N D S -

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

Foreign traders may obtain information about the Dutch VAT system from:

Eenheid Belastingdienst Particulieren/
Ondernemingen Buitenland
Postbus 2865
NL - 6401 DJ Heerlen
Tel.: 31 45/5736666
Fax : 31 45/5742800

2. What are the circumstances governing the need to be VAT-registered?

Traders within the meaning of the Turnover Tax Law and engaging in taxable activities in the Netherlands must be registered and issued with a VAT number.

3. Please describe the procedures for issuing VAT identification numbers.

I. Firms not established in the Netherlands

(a) EC-established

- Foreign traders who are established within the EC must apply for registration to the tax department for foreign firms/individuals in Heerlen, which will then send him a questionnaire.

(b) Non EC-established

- Traders established outside the EC have to submit a declaration of their status as traders with their application for a VAT number to the tax department for foreign firms/individuals in Heerlen, and have to answer a questionnaire. On the basis of this declaration and the answers submitted, the status of trader will be ascertained and a VAT number issued.

Voluntary VAT registration is possible for traders intending to carry out taxable transactions in the Netherlands.

No minimum period is laid down for VAT registration.

- 4. Which threshold (in national currency) do you operate as regards intra-Community distance selling under Article 28b(B)(2) of the Sixth Directive as amended by Directive 91/680/EEC?**

The threshold for distance selling is HF£30 000 in the Netherlands.

- 5. Which threshold (in national currency) do you operate as regards acquisitions by non-taxable legal persons or exempt persons under the second subparagraph of Article 28a(1)(a) of the Sixth Directive as amended by Directive 91/680/EEC?**

The threshold for special traders and legal persons other than traders is HFL 23 000.

- 6. What are the conditions governing the appointment of a tax representative?**

Only traders established in the Netherlands are permitted to be registered as the tax representative of a foreign trader established outside the Netherlands. A tax representative must apply to the tax administration for a licence.

- 7. What are the rights and obligations of a tax representative?**

A tax representative acts in place of the taxpayer in all matters regarding the rights and obligations connected with the tax return and the payment of tax, including those obligations arising from the need to submit recapitulative statements.

The conditions are laid down in the licence (see point 6). They include the provision of a guarantee. In addition, there might be requirements regarding the recording of transactions for which he acts as representative.

The tax representative receives the same legal protection as any other taxable person.

- 8. What action can you take in the event of failure by a trader in another Member State to designate a tax representative in your territory?**

Under existing regulations fines may be imposed against a foreign trader who has undertaken taxable supplies in the Netherlands without being registered there and without completing a VAT return.

9. What are the conditions governing the issue of an invoice?

- who must issue an invoice?

- Traders are required to issue an invoice to other traders or legal persons other than traders in respect of services or goods they have supplied.
- Traders who supply goods under a distance-selling arrangement (televerkoop regeling).
- Private individuals who, through a legal fiction, become traders in respect of the supply of a new means of transport.

- in what timeframe relative to the supply concerned?

An invoice must be issued by the fifteenth day following the month in which the goods or services were supplied.

Where payment is made on account, an invoice must be drawn up in respect of such payment.

- what information must appear on the invoice?

The invoice must include the following particulars:

- the date on which the goods or services were supplied;
- the name and address of the trader who supplied the goods or services;
- the name and address of the trader to whom the goods or services were supplied;
- a clear description of the goods or service supplied;
- the quantity of goods supplied;
- in respect of some services such as transport and the like, and of supplies of goods from one Member State to another as intra-Community acquisition, the invoice must give the VAT identification number of both the trader supplying the goods or services and the trader to whom the goods or services are supplied;
- information necessary to determine whether a means of transport is new;
- the consideration paid;
- the amount of turnover tax payable in respect of the goods or services.

10. Are there exemptions from the obligation to issue an invoice? If so, to which categories of business do they apply?

- Traders who are exempt from administrative obligations under the special scheme for small undertakings are also exempt from the obligation to issue an invoice.
- Traders who are exempt from turnover tax under the scheme for agriculture, animal husbandry, horticulture and forestry are also exempt from the obligation to issue an invoice.

11. Under what circumstances is a trader obliged to submit a VAT return?

If issued with a return, a trader is obliged to submit it. Where a trader is not issued with a return but is liable to pay tax, he is required to request a return.

12. At what intervals are VAT returns and the associated payments to be made?

In principle, VAT returns have to be submitted and associated payments made every quarter.

Where a business fulfils certain conditions, that period is reduced to one month.

Returns may be submitted on a monthly basis at the request of the trader. Small traders may also submit returns annually.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses?

Traders for whom the VAT payable does not exceed HFL 2 000 a year are allowed to submit their VAT return annually.

14. Do you operate simplified calculations of tax liability?

If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

Traders having difficulties in meeting the deadline for calculating the correct amount of VAT due may obtain authorization to estimate the VAT due. For this there are two systems:

- a) The estimated amount for a return period (month or quarter) must be deducted from the correct amount in the following period.
- b) Traders submitting monthly returns may estimate the VAT due for the first two months of a quarter. The correct amount must be settled before the last month of the quarter.

15. At what intervals are recapitulative statements to be submitted?

Recapitulative statements must generally be submitted quarterly. There are, however, provisions for less frequent submission (see point 17 below).

16. Is any additional information required other than that set out in Article 22(6) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

Traders are requested to differentiate between ordinary supplies of goods and ABC supplies (triangular transactions) within their recapitulative statement. In addition, information must be supplied concerning processing work. The recapitulative statement also contains a special section for corrections.

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

If so, what are the related thresholds for applying such procedures?

The Netherlands will operate the following simplified procedures:

- the simplified procedure under Article 22(12)a of the Sixth VAT Directive as amended by Directive 91/680/EC (annual recapitulative statements) may be applied by traders with a turnover below HFL 80 000, provided the value of intra-Community supplies of goods does not exceed HFL 10 000;

- the simplified procedure under Article 22(12)(b) of the Sixth VAT Directive as amended by Directive 91/680/EC (recapitulative statements submitted for the same period as the trader's VAT return) may be applied by traders with a turnover below HFL 460 000, provided the value of their intra-Community supplies of goods does not exceed HFL30 000.

Traders who wish to avail themselves of these procedures have to apply to their tax administration.

18. Are there flat-rate schemes in operation and if so, what are the procedures used?

- Certain retail traders who have problems calculating the VAT due on the basis of cash receipts may apply a flat-rate scheme if their supplies of goods are subject to both the reduced and the standard rate of VAT. This possibility can only be applied if the traders have difficulties in apportioning the goods sold to the different tax rates. In this case the trader has the choice between different methods of flat-rate calculation.
- Operators of canteens can choose a special scheme similar to the method above.
- Traders applying the "scheme for farmers" are allowed not to invoice VAT to their customers. Traders purchasing goods from traders applying this scheme still have the right to deduct 5.6 % from the purchase price as input VAT.
- Traders coming under the scheme for farmers may apply to be treated as ordinary traders.

19. Do you operate simplified administrative requirements apart from those already mentioned?

If so, please give a description,

Under the 1968 Turnover Tax Law, traders other than legal persons who, after deduction of input tax, owe VAT not exceeding HFL 2 964 a year may be exempted from their administrative obligations.

- A U S T R I A -

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

General information and brochures concerning the new VAT regulations for intra-Community transactions can be obtained from the following offices of the Austrian tax administration:

Information concerning VIES:

Bundesministerium für Finanzen
Abteilung IV/2
Himmelpfortgasse 4-8,
1010 WIEN.
Tel: 514.33-0
Fax: 512 41 74

Information concerning Austrian VAT regulations and VAT law

Bundesministerium für Finanzen
Abteilung IV/9
Himmelpfortgasse 4-8,
1010 WIEN.
Tel: 514.33/2686
Fax: 513 98 61

Information concerning the verification of VAT identification numbers

UID - Büro des Bundesministeriums für Finanzen (CLO)
Erdbergstrasse 192-196
1034 WIEN
Tel: 0660/5310
Fax: 0660/5012

Information concerning the new VAT regulations (Turnover Tax Law 1994 (UStG 1994) and Internal Market Regulation)

Head of VAT section (Fachbereichsleiter) in each local tax office in Austria.

2. What are the conditions for VAT registration?

Anyone wishing to establish a business or profession in Austria has to be registered by a local tax office. Each trader has one tax number only. There is no separate number for VAT.

There are exemptions for small traders and for flat-rate farmers. For small traders, the exemptions are based on turnover thresholds.

3. What are the procedures used to issue VAT identification numbers to foreign operators?

Traders liable to pay VAT who have a tax number in Austria automatically receive a VAT identification number without having to apply for one, provided that they satisfy the requirements.

Other traders such as - non-taxable traders including small traders
- farmers subject to the flat-rate scheme
- non-taxable legal persons

do not receive the VAT identification number automatically.

These traders only become liable to pay intra-Community taxes if they exceed the acquisition-threshold of ATS 150 000 in the current calendar-year or did so in the previous calendar-year. If they fulfil the requirements as described, they can apply for a VAT identification number.

As a rule, VAT identification numbers for intra-Community trade are issued by the local tax office. Traders who require a VAT identification number for intra-Community acquisitions must make a written application for one on form U15.

This application has to be submitted to the local tax office at which the trader is to be registered for VAT.

In general no distinction is made between traders established in Austria and those who are not established.

Foreign traders applying for a VAT identification number, whether or not they have a permanent establishment, first have to obtain a tax registration number at the local tax office responsible for their enterprise or at the Graz-Stadt tax office.

The competent local tax office is usually the one in whose district the trader's representative is based.

If the foreign trader has no representative in Austria he has to apply for tax registration and for a VAT identification number at the following tax office:

Finanzamt Graz-Stadt
Conrad von Hötzendorfstrasse 14-18
8018 Graz.

Foreign traders also have to use form U15 to apply for a VAT identification number, indicating their name, address and tax registration number.

4. Which threshold (in national currency) do you operate as regards intra-Community distance selling under Article 28b(B)(2) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

In accordance with Article 3(5) of the Internal Market Regulation of the Turnover Tax Law 1994 (UStG 1994) a threshold of ATS 1 400 000 applies to intra-Community distance sales.

Traders who effect intra-Community supplies may opt for the application of Austrian VAT if this threshold is not reached.

5. Which threshold (in national currency) do you operate as regards acquisitions by non-taxable legal persons or exempt persons under the second subparagraph of Article 28a(1)(a) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

For the intra-Community acquisition of goods by non-taxable legal persons, exempt persons and flat-rate farmers, the threshold, in accordance with Article 1(4) of the Internal Market Regulation of the UStG 1994, is ATS 150 000. These "special traders" can also opt for the application of Austrian VAT if this threshold is not reached.

6. What are the conditions governing the appointment of a fiscal representative?

A trader with no permanent residence or establishment in Austria must appoint a tax representative if he engages in intra-Community trade.

Like the trader himself, the tax representative is obliged to fulfil all obligations under tax law.

The following may be appointed as tax representatives:

- lawyers
- notaries
- forwarding agents who are members of the Austrian Chamber of Commerce
- any trader with a permanent establishment in Austria.

The rules concerning tax representatives are based on Article 27(4) and (5) of the Internal Market Regulation of the Turnover Tax Law 1994 (UStG 1994). Any trader with a permanent establishment in Austria may be appointed a tax representative by the GrazStadt tax office.

7. What are the rights and obligations of a fiscal representative?

The tax representative, who must also be the authorized party on which communications can be served, has the same rights and obligations as the trader himself.

The general rules on the rights and obligations of taxable persons and their representatives are laid down in the Federal Tax Code (Bundesabgabenordnung). They include, for example:

:

- the right to inspect records
- all rights in connection with the guarantee of legal proceedings including the right to lodge an appeal
- the obligation to submit periodic VAT returns

Tax representatives must fulfil the tax duties arising out of the foreign trader's economic activity in Austria.

8. What action can you take in the event of failure by a trader in another Member State to designate a fiscal representative in your territory?

9. What are the conditions governing the issue of an invoice?

- who must issue an invoice?

In accordance with paragraph 11 UStG 1994 every trader supplying goods or services on his company's behalf has to issue an invoice.

- in what circumstances?

Traders who carry out domestic taxable transactions must issue an invoice showing VAT separately if a customer who is also a trader requests it, and is making the acquisitions concerned for his business.

For supplies to non-taxable customers, traders may indicate the amount payable inclusive of VAT.

- what is the time-limit relative to supply concerned?

The Austrian VAT law contains no regulations concerning the time limit for issuing an invoice.

- what information must be given in an invoice?

Invoices must contain the following information:

- the name and address of the supplier
- the name and address of the customer
- the quantity and usual description of the goods supplied, or the nature and extent of the services provided
- the date of the supply of goods or services
- the consideration or basis of assessment for goods and services
- the amount of tax payable on the consideration.

For intra-Community trade the trader must indicate the VAT exemption in accordance with Articles 6(1) and Article 7 of the Internal Market Regulation UStG 1994. In accordance with Article 11(1) and (2) of the same regulation, the invoices must also show the VAT identification numbers of the supplier and of the customer.

10. Are there exemptions from the obligation to issue an invoice?

In Austrian law there are no concrete exemptions from the obligation to issue an invoice. However, simplified invoices may be issued if the amount involved does not exceed ATS2 000.

11. Under what circumstances is a trader obliged to submit a VAT return?

As a rule, every taxable trader must calculate his VAT debt in a periodic VAT return and pay VAT in advance. He must also submit a VAT return, using an official form, for each year of assessment. Additional payments have to be made within one month of submission of the return.

12. At what intervals are VAT returns and the associated payments to be made?

In accordance with paragraph 21 UStG 1994 the trader must submit his VAT return not later than the 15th day of the second month following the end of each calendar month (= VAT return period) to the tax office responsible for collection of VAT.

The VAT debt falls due 15 days after the end of each calendar month.

Traders are not required to submit a provisional return, but have to calculate the tax payable in respect of their VAT return themselves, using an official form. In accordance with paragraph 132 of the Federal Tax Code (Bundesabgabenordnung), the returns submitted and the books must be kept for seven years.

Persons entitled to refunds may submit provisional returns.

For traders whose turnover does not exceed AS 300 000 the return period is a calendar quarter.

In some cases - where turnover is less than ATS 300.000 or is irregular - the tax offices are allowed to exempt traders from the obligation to calculate an advance payment.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses?

Small traders, whose annual turnover does not exceed ATS 100 000 a year are not required to submit VAT returns. A special regulation also exists for flat-rate farmers who are generally not required to submit VAT returns.

14. Do you operate simplified calculations of tax liability?

If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

15. At what periods are recapitulative statements to be submitted?

Recapitulative statements, on the basis of Article 21(3) UStG 1994, must be submitted in respect of each calendar quarter, within one month of the end of the quarter, if the recapitulative statement is made using form U13 and U14.

If the trader is able to transmit the necessary information by electronic means, he may do so up to the 15th day of the second month following the end of the quarter.

Traders have to submit a recapitulative statement for any quarter in which they have carried out intra-Community supplies or other intra-Community trade in goods, but not for quarters in which no intra-Community trade was carried out.

The recapitulative statement must be submitted to the local tax office where the trader is registered for VAT.

If the basis of assessment undergoes any changes (e.g. because of a discount) this must be shown in a statement for the calendar quarter in which the change takes place.

But if the basis of assessment has to be corrected because of declarations which are erroneous or incomplete, corrections must be made on the original of the recapitulative statement within one month.

16. Is any additional information required other than that set out in Article 22(6) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

If so, what are the related thresholds for applying such procedures?

18. Are there flat-rate schemes in operation and if so, what are the procedures used?

19. Do you operate simplified administrative requirements apart from those already mentioned?

If so, please give a description.

- P O R T U G A L -

VAT REGISTRATION

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

Foreign traders can obtain information from:

Serviço de Administração do IVA
76 Av. João XXI
P - 1000 LISBOA
Tel.: (351.1) 793 66 73
Fax: (351.1) 793 65 28

2. What are the conditions governing the need to be VAT-registered?

All enterprises and individuals carrying on a commercial, industrial or professional activity for their own account must register for VAT purposes.

Following the changes introduced by Decree-Law No. 166/94 of 9 June 1994, enterprises exempt under Article 9 of the Portuguese VAT Code (Article 13 of the Sixth Directive) must also register for VAT purposes.

An option for taxation exists in respect of:

- (a) translators, interpreters and tourist guides;
- (b) vocational training;
- (c) meals provided for employees by employers;
- (d) hospitals, private clinics and rest homes;
- (e) farmers and agricultural enterprises;
- (f) leasing or letting of immovable property.

3. What are the procedures for issuing VAT identification numbers to foreign traders?

A foreign trader applying for a VAT identification number, whether or not permanently established in Portugal, must first obtain a registration number from the National Register of Legal Persons (Registo Nacional de Pessoas Colectivas) at the following address:

Registo Nacional de Pessoas Colectivas
Praça Silvestre Pinheiro Ferreira, 1-C
P - 1500 LISBOA
Tel.: (351.1) 774 12 75
Fax: (351.1) 778 37 24

Responsibility for issuing VAT identification numbers is expected to be transferred to the Direcção-Geral dos Impostos (Directorate-General for Taxation) in the near future. He must then submit a declaration of commencement of activities to the local tax office responsible for the area where his representative is based (Article 30 of the VAT Code) or, if he has no representative in Portugal, to the office of the third Lisbon tax district (Bairro Fiscal).

There is no minimum period of VAT registration.

4. Which threshold (in national currency) do you operate as regards intra-Community distance selling under Article 28b(B)(2) of the Sixth VAT Directive, as amended by Directive 91/680/EEC?

The threshold for distance selling in Portugal is ESC.3 million.

5. Which threshold (in national currency) do you operate as regards acquisitions by non-taxable legal persons or exempt persons under the second subparagraph of Article 28(a)(1)(a) of the Sixth VAT Directive, as amended by Directive 91/680/EEC?

The threshold for acquisitions by non-taxable legal persons or other persons exempt under Article 28 is ESC 1.8 million (ECU10 000).

TAX REPRESENTATIVES

6. What are the conditions governing the appointment of a tax representative?

A tax representative must be appointed by a non-resident taxable person who does not have a permanent establishment in Portugal and who supplies goods or services in Portugal.

The tax representative must be a taxable person registered for VAT purposes in Portugal.

7. What are the rights and obligations of a tax representative?

The tax representative is jointly and severally liable with the person he represents for fulfilment of all the latter's tax obligations.

He may request that all the goods of the person he represents be seized before he becomes liable to pay any debts incurred by that person. (Although that person is not permanently established in Portugal, it may be that he owns assets in Portugal.)

8. What action can you take in the event of failure by a trader established in another MemberState to appoint a tax representative in your territory?

If no tax representative is appointed, the recipient of the goods or services may be asked to pay the VAT, provided he is a taxable person.

INVOICES

9. What are the conditions governing the issue of an invoice?

- **Who must issue an invoice?**
- **In what circumstances?**
- **In what time frame relative to the supply concerned?**
- **What information must appear on the invoice?**

An invoice must be issued where the customer is a taxable person, even if he is exempt. An invoice must also be issued, irrespective of the customer's tax status, where the supply transaction consists in distance selling in another Member State.

The invoice must be issued not later than the fifth working day following that on which the tax becomes due in the case of domestic transactions and not later than the fifteenth day of the following month in the case of intra-Community transactions. The invoice must show:

- (a) name or business name and place of business or home address of the supplier of goods or services and of the acquirer, together with their respective VAT identification numbers;
- (b) quantity and usual description of the goods or services supplied, together with the information needed to determine the rate of tax applicable;
- (c) price, exclusive of tax, and other elements included in the taxable amount;
- (d) rates applicable and amount of tax due;
- (e) if appropriate, reason for tax not being charged.

In addition, when the invoice relates to new means of transport, the VAT arrangements for intra-Community transactions require that those means be identified, i.e. by giving the registration number, the serial number, the characteristics, and the mileage or sailing or flying hours as at the date of delivery, depending on whether it is a land vehicle, a vessel or an aircraft.

Under Article 28(6) of the VAT scheme for intra-Community transactions, an invoice must be issued for:

- (a) distance selling by Portuguese firms that does not exceed the thresholds applied by other countries;
- (b) distance selling by Community firms that exceeds the threshold;
- (c) distance selling by Community firms that does not exceed the threshold in cases where they have opted for taxation.

Note:

1. There are no language requirements concerning the issuing of invoices.
2. Invoices must be issued for sales to taxable persons, even if the customers are exempt from tax.

3. In triangular transactions, the vendor/taxable person B (MS2) must expressly designate on the invoice the buyer/taxable person C as being liable to pay the tax in respect of the transfer of goods in national territory (MS3)

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business do they apply to?

No invoice is required where the seller is a retailer and the buyer a private individual resident in Portugal.

PERIODIC VAT RETURNS

11. Under what circumstances is a trader obliged to submit a VAT return?

All traders who are not exempt under Article 9 (Article 13 of the Sixth Directive) or Article 53 of the VAT Code (Article 24 of the Sixth Directive) and not covered by the special scheme for small retailers must submit periodic VAT returns.

12. At what intervals are VAT returns and the associated payments to be made?

There are two intervals: monthly for taxable persons whose annual turnover exceeds ESC 40 million and quarterly for taxable persons whose annual turnover is less than ESC 40 million.

Monthly returns must be submitted and the associated payment made not later than the twentieth day of the second month following the month of the transaction.

Quarterly returns must be submitted and the associated payment made by the fifteenth day of the second month following the end of the calendar quarter.

**13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses?
If so, please give a description.**

There are taxation arrangements for traders who are natural persons and sell goods in the same State in which they buy them and whose volume of purchases totals less than ESC 10 million. They must submit their VAT return and make the associated payment to the local tax office by the end of the second month following each

calendar quarter. Retailers who have an organized accounting system or who are legal persons, and those carrying out imports, exports or intra-Community transactions do not qualify for these arrangements.

- 14. Do you operate simplified calculations of tax liability? If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?**

The traders referred to in point 13 who are covered by the special arrangements for small retailers pay the State 25% of the tax paid on goods acquired with a view to sale without further processing.

RECAPITULATIVE STATEMENTS

- 15. At what intervals are recapitulative statements to be submitted?**

A recapitulative statement is annexed to the monthly or quarterly return.

- 16. Is any additional information required other than that set out in Article 22(6) of the Sixth VAT Directive as amended by Directive 91/680/EEC?**

No information is required in addition to that specified in Article 22(6) of the Sixth VAT Directive as amended by Directive 91/680/EEC.

The form for the recapitulative statement must include triangular transactions (sales effected from Member State 2), in accordance with Article 22(6) of the Sixth Directive.

- 17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of the Sixth VAT Directive as amended by Directive 91/680/EEC?**

If so, what are the related thresholds for applying such procedures?

There are no plans to introduce simplified procedures for recapitulative statements.

ADMINISTRATIVE REQUIREMENTS

18. Do you operate flat-rate scheme(s) and to whom do they apply?

There is no flat-rate scheme other than that applying to small retailers.

- (a) Those qualifying for the special scheme for small retailers may opt for the normal scheme.
- (b) As already mentioned, the special scheme for small retailers involves payment to the State of 25% of the tax paid on goods purchased with a view to sale without further processing.

19. Do you operate simplified administrative requirements other than those already mentioned?

If so, please give a description.

There are plans to introduce, in certain cases, special simplified VAT requirements for small taxpayers.

- FINLAND -

VAT REGISTRATION

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

A foreign trader can obtain information from provincial tax offices. If the trader does not have a fixed establishment or immovable property in Finland, he should normally contact the provincial tax office of Uusimaa.

Uudenmaan lääninverovirasto
Ratapihantie 11
PL 5
00521 Helsinki
Telephone: 358 9 7311 427 (switchboard)
Telefax: 358 9 7311 4993

2. What are the circumstances governing the need to be VAT registered?

As a rule, anyone who carries out taxable supplies of goods or services by way of business has to be registered for VAT. Also, anyone who makes taxable intra-Community acquisitions in Finland has to be registered.

If a foreign trader has a fixed establishment in Finland and his annual taxable turnover is below 50 000 FMK he is not liable to VAT and therefore need not to be registered. The trader may, however, apply for registration.

A foreign trader who makes intra-Community acquisitions or sales in Finland must notify such acquisitions and sales and must be registered in Finland.

If a foreign trader does not have a fixed establishment in Finland, the buyer is normally liable to pay the tax and the supplier need not be registered. However, the supplier is always liable if

- the buyer is a private person,
- the buyer is a foreign person who does not have a fixed establishment in Finland and who is not registered there for VAT,
- the supplied service is passenger transport or a service referred to in Article 9 (2)(c) second indent of the sixth Directive, or
- the supply constitutes intraCommunity distance selling as referred to in Article 28b(B)(2) of the sixth Directive.

A foreign trader who has no fixed establishment in Finland may apply for registration. In that case he must appoint a fiscal representative who has his domicile in Finland. The tax administration may require a guarantee for the payment of tax from the trader.

Voluntary tax liability and registration is possible for traders letting immovable property.

Persons effecting intra-Community acquisitions of new means of transport or products subject to excise duty are not registered if they are not liable to pay tax for their other transactions.

3. Please describe the procedure for issuing VAT identification numbers

The application for VAT registration must be made when the trader begins the activity. The trader can be registered from the moment he begins to make purchases for his business. The application has to be made on a special application form.

The trader is informed of the registration and given a business identification number (1234567-8), if he has not been given one before. That number may be used as a VAT number in intra-Community trade if a country code FI is added in the beginning of the number and the hyphen is taken away (FI12345678). Natural persons who carry out intra-Community trade have to expressly apply for a VAT number .

If the trader wants to appeal against the registration he has to ask for a decision.

4. Which threshold (in national currency) will you be operating as regards intra-Community distance selling under Article 28b(B)(2) of the Sixth Directive as amended by Directive 91/680/EEC?

200 000 FMK/35 000 ECU

5. Which threshold (in national currency) will you be operating as regards acquisitions by non-taxable persons or exempt persons under Article 28a(1)(a) of Directive 91/680/EEC?

50 000 FMK/10 000 ECU

6. What are the conditions governing the appointment of a fiscal representative?

A foreign trader does not have to appoint a fiscal representative unless he wants to repeal the reverse charge mechanism (see Question 2). In that case, the domicile of the representative has to be in Finland and he must be approved by the tax office.

7. What are the rights and obligations of a fiscal representative?

A fiscal representative submits VAT returns on behalf of the foreign trader. The representative has to keep accounts and they must be accessible to the tax administration. The accounts have to be stored in Finland five years. The representative is not responsible for the payment of the tax.

8. What action can you take in the event of failure by a trader in another Member State to designate a fiscal representative in your territory?

(See questions 2 and 6.)

9. What are the conditions governing the issue of an invoice?

- who must issue an invoice?

The trader supplying the goods or services must give an invoice.

- in what circumstances?

Under the VAT Act, a taxable person who supplies taxable or zero-rated goods or services to another taxable person or to a legal person who is not a taxable person must issue an invoice. An invoice must also be issued when all or part of the consideration is collected prior to the supply.

Moreover the trader must issue an invoice in respect of distance selling, as referred to in Article 28b(B)(2) of the sixth Directive.

- in what timeframe relative to the supply concerned?

Finnish law contains no provisions laying down a specific period within which the invoice should be issued.

- what information must appear on the invoice?

Invoices must contain the following information:

- the usual description of the goods or services supplied,
- the date of supply of the goods or services,
- the consideration for the goods or services supplied exclusive of VAT,
- the amount of tax payable on the consideration, stated separately for each rate,
- if the supplier is registered for VAT in Finland, "ALV rek." or "Moms reg.",
- for exempt supplies, reference to the exemption,
- for exempt intra-Community supplies, the VAT identification number of the supplier and of the customer,
- for intra-Community supplies of new means of transport, a description sufficient to identify it as a supply of new means of transport, and
- for triangular transactions as referred to in Article 28e(E)(3) of the Sixth Directive, a reference to the triangular situation as well as the identification number of the supplier and the subsequent buyer.

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business do they apply to?

According to the VAT Act only traders who supply taxable or zero-rated goods or services to other traders or to legal persons who are not traders must issue an invoice. However, under the Accounting Act, everybody who carries out business or professional activity has to keep accounts and every accounting entry has to be based on a document.

PERIODIC VAT RETURNS

11. Under what circumstances is a trader obliged to submit a VAT return?

Every trader liable to pay VAT must submit a periodic VAT return.

12. At what intervals are VAT returns and the associated payments to be made?

The VAT period is usually one month; the return must be submitted and payment be made within one month and fifteen days of the end of the calendar month.

Moreover traders have to submit an annual declaration stating for each rate the tax payable for the calendar year within one month and fifteen days of the end of the year. The deadline for submitting the 1996 declaration is therefore 15 February 1997.

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of business?

In the field of agriculture, forestry and fisheries, the VAT period is one calendar year if the entrepreneur is a natural person or a combination. In this case, the return must be submitted and payment be made by February of the following calendar year.

**14. Do you operate simplified calculations of tax liability?
If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?**

No.

15. At what intervals are recapitulative statements to be submitted?

Statements are submitted for each calendar quarter within one month and fifteen days of the end of the quarter.

16. Is any additional information required other than that set out in Article 22(6) of the Sixth Directive as amended by Directive 91/680/EEC?

No.

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of the Sixth Directive as amended by Directive 91/680/EEC?

No.

- 18. Are there flat-rate schemes in operation and if so, what are the procedures used?**

No.

- 19. Do you operate simplified administrative requirements apart those already mentioned?**

If so, please give a description.

There are special procedures for paying and declaring VAT for intra-Community acquisitions of new means of transport and products subject to excise duty.

- S W E D E N -

1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?

If the trader has a fixed address in Sweden, he should contact the local tax office where he is registered. Its address and telephone number can be found in the local telephone directory under "Skatteförvaltningen".

If the trader does not have an address in Sweden or if he has a tax representative in Sweden, he can contact the tax authority in Stockholm at the following address:

Skattemyndighet i Stockholms län
Skattekontor Riks
S-106 61 Stockholm
Sweden

Tel.: 08-694 1000 (from abroad: +468 694 1000)
Fax: 08-642 9261 (from abroad: +468 642 9261)

2. What are the circumstances governing the need to be VAT-registered?

A foreign trader who carries out taxable transactions in Sweden is liable to pay tax in Sweden and must register for VAT purposes with the Swedish tax administration. Registration is not required for traders whose business consists exclusively of VAT-exempt transactions, unless the value of their taxable acquisitions from other Member States exceeds SEK 90 000. Voluntary registration is possible even if their acquisitions do not exceed this limit. It is also possible where immovable property is let in Sweden.

3. Please describe the procedure for issuing VAT identification numbers.

An application for VAT registration must be submitted not later than two weeks before trading begins using a special application form obtainable from the tax administration, which must be submitted to the tax office for the area in which the business is established and will be registered. The trader is sent a certificate of registration indicating the VAT identification number, reporting period, etc. Foreign traders carrying on taxable business via a subsidiary in Sweden are, like Swedish traders, required to register with the local tax office for the place where the business is established in Sweden (e.g. the address of the subsidiary). If the

foreign trader does not have a subsidiary in Sweden but carries on business from a permanent establishment in Sweden, e.g. a branch, he must register with the tax authority of the County of Stockholm. This also applies if the trader does not have a permanent establishment in Sweden, in which case he must be registered by a person with a permanent address in Sweden or by a business with a permanent establishment or activity in Sweden. The person who is to represent the foreign trader must be approved by the tax authority.

4. Which threshold (in national currency) do you operate as regards intra-Community distance selling under Article 28b(B)(2) of the Sixth VAT Directive?

SEK 320 000.

5. Which threshold (in national currency) do you operate as regards acquisitions by non-taxable legal persons or exempt persons under the second subparagraph of Article 28a(1)(a) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

SEK 90 000.

6. What are the conditions governing the appointment of a tax representative?

The representative must be a natural or legal person resident in Sweden and approved by the tax authorities. If a foreign trader is registered by a representative in Sweden, it is still the trader who is liable for the payment of the VAT.

7. What are the rights and obligations of a tax representative?

The tax representative must submit the VAT returns and statements on behalf of the foreign trader. The trader's accounts must be directly accessible at the premises of the Swedish representative. The rights are similar to those of a duly registered trader.

The Swedish Tax Administration can require that a bank guarantee is set up for the calculated VAT payments.

8. What action can you take in the event of failure by a trader in another Member State to designate a tax representative in your territory?

If a foreign trader carries out taxable transactions in Sweden without being registered by a Swedish representative, the matter will be investigated and may result in additional tax, arrears charges and fines.

9. What are the conditions governing the issue of an invoice?

- **who must issue an invoice?**
- **in what circumstances?**
- **in what timeframe relative to the supply concerned?**
- **what information must appear on the invoice?**

An invoice must normally be issued for each supply of goods or services and for prepayment concerning such supplies. The invoice must indicate payment amounts and tax and any other information relevant to the determination of tax liability and the right to deduction. It must therefore contain the following information:

- payment amounts,
- VAT amounts
- name and address of the person issuing the document (or other information acceptable for the purpose of identification),
- the name and address of the person receiving the document (or other information acceptable for the purpose of identification),
- the nature of the transaction,
- the place where the goods are received,
- the registration number of the person issuing the document, and
- the VAT identification number of both the supplier and the purchaser in case of intra-Community supply.

Tax debiting may be implemented as a result of the amounts on the invoice being stated

- either as a payment exclusive of VAT, with the VAT amount added, or
- as payment including VAT, with a separate specification of VAT.

If the usual method of rounding off to the nearest krona is applied, it may also be applied to the VAT amount.

Exemptions from compulsory invoicing are also granted where a settlement is made between seller and purchaser in accordance with a statement drawn up by the purchaser. Such a statement must contain the same information as is required for an invoice

An invoice must always be issued in respect of transactions in intra-Community trade. The invoice in such cases must give the VAT identification numbers of the supplier and of the purchaser.

Copies of invoices and other accounting records must be kept at the representative's address.

10. Are there exemptions from obligation to issue an invoice? If so, to which categories of business do they apply?

There is an exemption from compulsory invoicing when a settlement is made between a seller and purchaser in accordance with a statement drawn up by the purchaser. Such a statement shall contain the same information as is required for an invoice.

11. Under what circumstances is a trader obliged to submit a VAT return?

Registered traders are always required to submit periodic VAT returns.

12. At what intervals are VAT returns and the associated payments to be made?

There are two ways of reporting VAT, either in a VAT return or in an income-tax return.

Two possible reporting periods exist for VAT reported in a VAT return: a month and a year. Certain traders with an annual turnover of no more than SEK 200 000 may submit a return once a year. Other traders must file a return every month. The payment deadline is the same as the deadline for submitting the VAT return. The return must be submitted and the tax paid not later than 35 days after the end of the reporting period. If the trader's annual turnover is greater than SEK 40 million, the return must be submitted and the tax paid not later than 20 days after the end of the reporting period.

VAT may be reported using an income-tax return if the trader's annual turnover does not exceed SEK 1 million and the trader is in any case required to file an income-tax return. VAT and income tax are paid by means of debiting.

- 13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of business?**

No, see question 12.

- 14. Do you operate simplified calculations of tax liability?**

If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

No.

- 15. At what intervals are recapitulative statements to be submitted?**

Statements are normally submitted for each calendar quarter. Some traders may also submit the recapitulative statement once a year. They must be submitted by the seller not later than 35 days after the end of the reporting period.

- 16. Is any additional information required other than that set out in Article 22(6) of Directive 91/680/EEC?**

No.

- 17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of Directive 91/680/EEC?**

If so, what are the related thresholds for applying such procedures?

No.

18. Do you operate a flatrate scheme? If so, what procedures apply?

No.

19. Do you operate simplified administrative requirements apart from those already mentioned?

If so, please give a description.

No.

- UNITED KINGDOM -**1. If a foreign trader wants to obtain information about your VAT system, whom should he contact?**

If the trader has a UK address or has appointed a tax representative or agent, he should approach the local VAT office, whose address and telephone number will be in the local telephone directory under 'Customs and Excise'.

If he has no address or representative in the UK, he may approach

Aberdeen VAT office
Custom House
28 Guild Street
Aberdeen AB9 2DY
United Kingdom.
Telephone: + 44 1224 844844
Fax: + 44 1224 844611

2. What are the circumstances governing the need to be VAT-registered?

If a business makes taxable supplies in the UK and the total value of those supplies in the immediately preceding 12 months exceeds, or in the coming 30 days is expected to exceed, the UK VAT registration threshold (currently £ 48,000) it will be liable to register for VAT in the UK.

DISTANCE SELLING

Any business established in another EC state which sells goods, and is responsible for their delivery, to persons not registered for VAT in the UK, must register for VAT if the value of those sales to the UK exceeds £ 70,000 in a calendar year.

A trader may apply for exemption from VAT registration if its taxable supplies are wholly or mainly zero-rated.

A trader making only exempt supplies does not fulfil the criteria for UK VAT registration, i.e. is not making taxable supplies, and is therefore neither liable nor entitled to be registered.

VOLUNTARY REGISTRATION

NORMAL REGISTRATION

If a trader can satisfy Customs and Excise that their activities constitute a business for VAT purposes, i.e. it is making taxable supplies, it may register for VAT voluntarily.

A business may also register voluntarily if it can satisfy Customs and Excise it has a firm intention to make taxable supplies.

DISTANCE SELLING

A distance seller below the threshold of £ 70,000 may opt to make the place of supply the UK and must register here as a result.

ACQUISITIONS

a) NON-VOLUNTARY REGISTRATION

If a business is not registered for VAT in the UK and they acquire goods in the UK direct from a VAT registered supplier in another Member State, they will be required to register for VAT if the total value of these goods exceeds £ 45,000 in a calendar year.

b) VOLUNTARY REGISTRATION

A business may also register voluntarily if they can satisfy Customs and Excise that they make, or have a firm intention to make, relevant acquisitions.

3. What are the procedures used to issue VAT identification numbers to foreign operators?

VAT identification numbers (called registration numbers in the UK) are issued by local VAT offices.

When a business applies for VAT registration the local VAT office will check the details on the form(s) provided. Once satisfied the information is correct, the VAT office will issue a VAT registration number and advise the date of registration.

A certificate of registration showing the full registration details will be sent shortly afterward.

A foreign trader permanently established in the UK should complete form VAT 1. This must be sent, with any additional information asked for, to the local VAT office.

The minimum period of duration of a VAT registration is:

NORMAL UK REGISTRATION

No minimum limit.

DISTANCE SELLING

2 calendar years.

ACQUISITIONS

2 calendar years for voluntary registrations, otherwise no limit.

- 4. Which threshold (in national currency) will you be operating as regards intra-Community distance selling under Article 28b(B)(2) of the Sixth VAT Directive as amended by Directive 91/680/EEC?**

The UK distance selling threshold is £ 70,000.

- 5. Which threshold (in national currency) will you be operating as regards acquisitions by non-taxable legal persons or exempt persons under the second subparagraph of Article 28a(1)(a) of the Sixth VAT Directive as amended by Directive 91/680/EEC?**

The UK threshold is £ 48,000.

- 6. What are the conditions governing the appointment of a fiscal representative?**

An overseas business may appoint a fiscal representative voluntarily, or under certain conditions where the revenue may be at risk the UK authorities may direct the business to appoint a fiscal representative to act on his behalf in relation to value added tax.

Who can be designated as a fiscal representative?

Anyone resident in the UK who accepts appointment by the overseas business to act on its behalf.

- 7. What are the rights and obligations of a fiscal representative?**

- He has access to the independent VAT Tribunal.
- He may resign his appointment as Fiscal Representative if he so chooses.

- A tax representative is jointly and severally liable for compliance with UK VAT law. However, the tax representative would not incur criminal liability if he has acted entirely innocently.

8. What action can you take in the event of failure by a trader in another Member State to designate a fiscal representative in your territory?

If an overseas business fails to appoint a Fiscal Representative after the UK authorities have issued a Notice of Direction, the business may be required to provide security for tax.

9. What are the conditions governing the issue of an invoice?

- who must issue an invoice?

UK VAT registered persons.

- in what circumstances?

In respect of:

- (a) a supply to a taxable person in the UK
- (b) a supply to a person in another EC state
- (c) a distance sale
- (d) a payment on account received from a person in another EC state.

- in what timeframe relative to the supply concerned?

It must be issued within 30 days of the supply.

- what information must appear on the invoice?

Normal UK supplies

- an identifying number;
- the time of the supply;
- the date of the issue of the document;
- the name, address and VAT registration number of the supplier;

- the name and address of the customer;
- the type of supply - (i.e. sale, hire-purchase, loan, exchange, hire, lease or rental, process, sale on commission or sale or return);
- a description sufficient to identify the goods or services supplied;
- for each description, the quantity of the goods or extent of the services, the rate of VAT and the gross total amount payable excluding VAT in sterling;
- the rate of any cash discount offered;
- each rate and amount of VAT chargeable, in sterling; and
- the total amount of VAT chargeable, in sterling.

Where the supply is to a person in another EC state, the following additional information must be shown:

- the letters "GB" as a prefix to the suppliers VAT registration number;
- the VAT registration number, if any, of the customer in the other EC state, including the country identifier;
- where the supply is in respect of a new means of transport a description sufficient to identify it as a new means of transport;

and the gross amount payable need not be shown in sterling.

For Distance Selling there is a requirement to issue a tax invoice to a person in another Member State whether that person is registered for VAT or not in the other Member State.

10. Are there exemptions from the obligation to issue an invoice? If so, which categories of business do they apply to?

A tax invoice need not be issued

- (a) for a zero-rated supply where both supplier and customer are within the UK;
- (b) where the supply is to a person in the UK who is not registered for VAT.
- (c) if a Distance Seller established in another Member State is registered in the UK there is no requirement to issue a tax invoice where the UK customer is not VAT registered.
- (d) where an exempt supply is made to a customer within the UK or another Member State.

11. Under what circumstances is a trader obliged to submit a VAT return?

All VAT registered persons must submit VAT returns.

12. At what intervals are VAT returns and the associated payments to be made?

Traders who make payments:

Tax periods of 3 months, submission is required within 1 month of period end. Tax periods not based on calendar months are allowed, subject to approval. Payment of tax due must accompany the return.

Traders who receive repayments regularly:

Monthly (or 3 monthly returns if they wish).

13. Does a special regime as regards periodic VAT returns exist for smaller traders and/or certain categories of businesses?

Annual Accounting Scheme

Small traders with an annual taxable turnover of £ 300,000 or less (excluding VAT) may apply to use the Annual Accounting Scheme. If approved they are required to make three quarterly or nine monthly interim payments. The frequency of the payments depends upon the taxable turnover and the expected amount of the annual VAT liability. Traders with a liability of less than £100,000 will not have to make any compulsory interim payments.

All traders have the facility to make additional voluntary payments if they wish. Final balancing payments are made with the VAT return which is due two months after the end of the annual period.

VAT Notice 732 refers.

14. Do you operate simplified calculations of tax liability?

If so, what are the qualifying criteria, to whom do they apply and what is the nature of the simplification?

Cash Accounting Scheme

Small businesses with a taxable turnover of less than £350,000 may use the Cash Accounting Scheme.

If they use the Cash Accounting Scheme they can account for VAT on the basis of payments received and made, rather than tax invoices issued and received.

Retail Schemes

Retail Schemes are available to retailers only, and allow calculation of output tax in circumstances where no tax invoice is normally issued.

15. At what intervals are recapitulative statements to be submitted?

Quarterly

Annually

Monthly

In the latter two, depending on certain criteria being met.

16. Is any additional information required other than that set out in Article 22(6) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

No.

17. Will you operate simplified procedures as regards recapitulative statements as provided for in Article 22(12) of the Sixth VAT Directive as amended by Directive 91/680/EEC?

If so, what are the related thresholds for applying such procedures?

Yes. There are de minimis limits. Traders who meet certain criteria will not need to submit a recapitulative statement. If these criteria are fulfilled then an annual list of the VAT registration numbers of all customers in the EC supplied in that year will suffice. Value will **not** be required. The annual returns criterion referred to in question 15 is also a simplified procedure.

18. Are there flat-rate schemes in operation and if so, what are the procedures used?

A Flat Rate Scheme for farmers was introduced on 1 January 1993. Subject to certain conditions it is open to persons involved in "designated activities", based upon Annexes A and B of the Sixth VAT Directive 77/388/Article 25. The Flat Rate Scheme is optional.

What is the rate as a percentage of the sale price under the Flat Rate Scheme(s)?

The rate is 4 per cent.

19. Do you operate simplified administrative requirements apart from those already mentioned?

If so, please give a description.

No.

ANNEX

1

Member State	Threshold for application of the special scheme for acquisitions by taxable persons not entitled to deduct input tax and by non-taxable legal persons(1)		Threshold for application of the special scheme for distance selling(2)		Exemption for small enterprises (3) and (4)	
	National currency	Ecu	National currency	Ecu	National currency	Ecu
Belgium	450 000 BEF	10 000	1 500 000 BEF	35 000	225 000 BEF	5 000
Denmark	80 000 DKK	10 000	280 000 DKK	35 000	20 000 DKK	2 400
Germany	25 000 DEM	12 255	200 000 DEM	100 000	25 000 DEM	12 255
Greece	2 500 000 GRD	10 000	8 200 000 GRD	35 000	1 800 000 GRD or 600 000 GRD	6 000 2 000
Spain	1 300 000 PTE	10 000	4 500 000 PTE	35 000	-----	----
France	70 000 FRF	10 000	700 000 FRF	100 000	70 000 FRF	10 000
Ireland	32 000 IEP	41 600	27 000 IEP	35 000	40 000 IEP	50 000
Italy	16 000 000 ITL	10 000	54 000 000 ITL	35 000	----	---
Luxembourg	400 000 LUF	10 000	4 200 000 LUF	100 000	400 000 LUF	10 000
Netherlands	23 000 NLG	10 000	230 000 NLG	100 000	----	----
Austria	150 000 ATS	11 200	1 400 000 ATS	100 000	300 000 ATS	22 400
Portugal	1 800 000 ESP	10 000	6 300 000 ESP	35 000	2 000 000 ESP or 2 500 000 ESP	10 215 12 770
Finland	50 000 FIM	10 000	200 000 FIM	35 000	50 000 FIM	10 000
Sweden	90 000 SEK	10 000	320 000 SEK	35 000		
United Kingdom	48 000 GBP	65 500	70 000 GBP	100 000	48 000 GBP	65 500

(1) See second subparagraph of Article 28(a)(1) of Directive 77/388/EEC, as amended.

(2) See Article 28b, (2) of Directive 77/388/EEC, as amended.

(3) and (4) See Article 24(2) of Directive 77/388/EEC, as amended. This scheme is reserved for taxable persons established within the territory of the country.

VAT identification number

- BE** le numéro d'identification à la taxe sur la valeur ajoutée
BTW - identificatienummer
- DK** momsregistreringsnummer
- DE** Umsatzsteuer - Identifikationsnummer
- EL** Αριθμός Φορολογικού Μητρώου ΦΠΑ
Arithmos Forologikou Mitroou FPA
- ES** el número de identificación a efectos del Impuesto sobre el Valor Añadido
- FR** le numéro d'identification à la taxe sur la valeur ajoutée
- IE** value added tax identification no.
- IT** il numero di registrazione IVA
- LU** le numéro d'identification à la taxe sur la valeur ajoutée
- NL** BTW - identificatienummer
- AT** Umsatzsteuer - Identifikationsnummer
- PT** o número de identificação para efeitos do imposto sobre o valor acrescentado
- FI** arvonlisäverorekisteröintinumero
Mervärdesskatteregistreringsnummer (momsregistreringsnummer)
- SE** Mervärdesskatteregistreringsnummer (momsregistreringsnummer)
- GB** value added tax identification no.

ANNEX 3**ABBREVIATIONS**

	COUNTRY	CURRENCY
BELGIUM	BE	BEF
DENMARK	DK	DKK
GERMANY	DE	DEM
GREECE	EL	GRD
SPAIN	ES	PTE
FRANCE	FR	FRF
IRELAND	IE	IEP
ITALY	IT	ITL
LUXEMBOURG	LU	LUF
NETHERLANDS	NL	NLG
AUSTRIA	AT	ATS
PORTUGAL	PT	ESP
FINLAND	FI	FIM
SWEDEN	SE	SEK
UNITED KINGDOM	GB	GBP