

EU VAT refund

May 22, 2014

Entrepreneurs established all over the world are in principle entitled to a refund of EU VAT that has been charged to them. This newsletter explains how this EU VAT can be reclaimed.

Can the EU VAT be reclaimed?

In order to qualify for a VAT refund, the following conditions have to be met:

- The entrepreneur needs to have a correct and original invoice;
- The invoice has to be addressed to the entrepreneur;
- The VAT is correctly charged; and
- The costs relate to transactions that give right to a refund of VAT.

On the next pages you will read more about the refund procedures for entrepreneurs established inside and outside the EU.

Should you require any further information about VAT refund requests, please do not hesitate to contact Jayant Rakhan +31 (0)30 258 70 00 j.rakhan@bakertillyberk.nl

How can Baker Tilly Berk assist you?

Preparing and submitting a VAT refund request (electronic and paper format) can be very time-consuming since specific information has to be checked and reported per invoice. Baker Tilly Berk would be pleased to do this work for you.

Furthermore, we can inform you about specific refund regulations per country. In this respect, we would like to mention that our experience is that countries are very strict in approving VAT refund requests. Small mistakes in the refund request can lead to a refusal of the entire VAT refund. Therefore, we strongly advise you to contact us for assistance with submitting VAT refund requests.

EU VAT refund for EU entrepreneurs

Procedure

Entrepreneurs who are established in the EU can reclaim EU VAT by submitting an electronic VAT refund request to their local tax authorities. For example, a Dutch entrepreneur can reclaim French VAT via the Dutch tax authorities. Vice versa, a French entrepreneur can reclaim Dutch VAT via the French tax authorities.

The local tax authorities will forward the request to the tax authorities of the country to which the VAT relates. The foreign tax authorities will determine whether the entrepreneur is entitled to a refund of the VAT. Each country has its own rules regarding the refund of VAT incurred on specific costs (for example, fuel, hotel, restaurant and catering costs) and therefore the tax authorities of each country will check the refund request in detail.

If an entrepreneur is entitled to a VAT refund, the VAT will be refunded by the foreign tax authorities directly to the entrepreneur, without interference of the tax authorities in the country of the entrepreneur.

Deadline

A VAT refund request has to be submitted ultimately on September 30th of the year following the year in which the VAT was incurred. Therefore, a VAT refund request for VAT that was incurred in the year 2013 has to be submitted ultimately on September 30th, 2014.

Warning: Dutch entrepreneurs have to receive login details from the Dutch tax authorities in order to submit a VAT refund request. Since it might take a few weeks before the login details are sent by the Dutch tax authorities, we advise you to request login details as soon as possible.

**Keep in mind the
deadline of
September 30th!**



EU VAT refund for non-EU entrepreneurs

Procedure

Entrepreneurs who are not established in a country in the EU can reclaim EU VAT by submitting a paper form to the tax authorities in the country to which the VAT relates. For example, an American entrepreneur can reclaim Dutch VAT via the Dutch tax authorities.

Entrepreneurs who are not established in the EU have to (among other things) include a certificate of tax status and the original invoices with the VAT refund request. After processing the VAT refund request, the tax authorities will return the original invoices to the entrepreneur.

The tax authorities will determine whether the entrepreneur is entitled to a refund of the VAT. This will be determined based on the VAT law of that country and can differ between the EU countries due to different rules for specific costs (for example, fuel, hotel, restaurant and catering costs).

We would point out that a couple of countries have a so-called reciprocity regulation. In short, this means that no VAT is refunded to entrepreneurs who are established in countries that do not have a VAT system. The Netherlands does not have such a regulation.

If an entrepreneur is entitled to a VAT refund, the VAT will be refunded by the tax authorities directly to the entrepreneur.

Deadline

A VAT refund request has to be submitted ultimately on June 30th of the year following the year in which the VAT was incurred. Therefore, a VAT refund request for VAT that was incurred in the year 2013 has to be submitted ultimately on June 30th, 2014.

**Keep in mind the
deadline of
June 30th!**