

VAT Compliance FAQs

1. What is VAT?

Value Added Tax (VAT) is an indirect tax levied on the supply of goods and services that can add between 5 – 27% to your company's business travel expenses. It is levied at every stage in the business cycle, itemised on the invoice and paid to the government in each state with the cost ultimately borne by the end consumer. VAT was established to encourage cross-border trade from one country to another and was designed to be neutral to the business if they go through the effort to recover their foreign VAT.

Applicable VAT rates vary from country to country and the tax is recognised under different names, including IVA (Italy), GST (Canada, Australia), MWST (Germany, Austria), TVA (France, Belgium) and MOMS (Scandinavia).

2. When should my business be registered in another country?

Your business is eligible or liable to VAT register in another country if you are carrying out taxable supplies in that country, and the obligation to account for VAT is not shifted to your customer.

This may include selling goods over the internet into another country. The obligation to register for VAT depends on a number of factors, such as the type of service performed, destination of the goods, status of your customer, etc. There are also VAT thresholds that apply.

3. What are the benefits of VAT registration?

VAT registration is a lawful obligation that is imposed on businesses carrying out taxable supplies in a particular jurisdiction, subject to conditions. Businesses that are eligible or liable to VAT register in a country are not entitled to apply for a direct VAT refund from that country. However, once your business has become VAT compliant by registering for VAT, it is also entitled to claim back VAT on purchases which it would otherwise not be able to get back.

When your business chooses Taxback International to assist you with the registration and subsequent filing and reporting obligations, you will be confident that your business is VAT compliant in that jurisdiction.

4. Can I get VAT back if my business is registered or required to be registered in the country where business expenses are incurred?

Yes.

You can still get the VAT back by reporting the VAT on purchases in your VAT return in that country. This may result in either over-payment that could be claimed, or in a VAT credit that can be offset against VAT liabilities.

5. Can Taxback International help my business if I am already registered for VAT?

Yes.

International VAT can be complex, time-consuming and challenging. Our international team of tax specialists will ensure that your VAT is managed in the most effective, cost-efficient and law compliant way.

- We can maximise your VAT refund by reviewing your domestic T&E expenses retrospectively for a number of years (Domestic VAT recovery);
- We can ensure that your current in-house VAT system covers all necessary aspects by carrying out a VAT Compliance review, VAT Expense review or Expense Code review;
- We can train your staff on various VAT related topics;
- We are your reliable ad-hoc VAT consultant.

6. How can I receive tax advisory and compliance services?

Taxback International offers decades of expertise to assist Torrents clients with all their global VAT compliance requirements. Our experts will assess the need to register for VAT in other jurisdictions and assist with the following services:

- VAT registration and deregistration
- VAT return preparation and submission
- Intrastat preparation and submission
- EC Sales Lists preparation and submission
- One Stop Shop (OSS) and Import One Stop Shop (IOSS) registration & representation
- OSS and IOSS return preparation and submission
- VAT technology solutions.

For bespoke assistance, please fill in the [online form](#) and our experts will be in contact with you shortly.