

European VAT refund guide 2015



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European VAT refund guide 2015

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Introduction

Businesses operating in countries in which they are not established or VAT-registered (i.e. non-resident businesses) can incur significant amounts of VAT on expenses paid in those countries. In principle, non-resident businesses should be able to recover some or all of the VAT incurred, thereby reducing their costs.

The 2015 European VAT refund guide summarizes the rules and procedures to obtain VAT refunds in 31 European countries.

The information contained in this guide, which is current through 1 March 2015, has been compiled in cooperation with VAT professionals in Deloitte offices in all of the countries covered.

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Deloitte Global VAT refund services – Deloitte Revatic Smart

Foreign VAT recovery — Not only doing things right, but doing the right thing

Many businesses are missing refund opportunities in countries around the world that allow refunds of value-added tax (VAT). Even if you already claim VAT refunds, could you benefit from a potentially more efficient, automated process for filing and receiving those refunds?

Businesses that operate in countries where they are not established or VAT-registered often incur significant amounts of VAT on expenses paid in those countries. Some of the most common expenses for which non-resident companies incur VAT include:

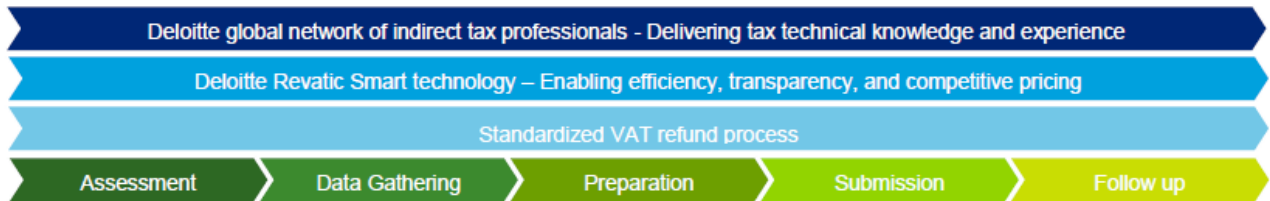
- Employee travel and lodging;
- Service charges from vendors;
- Co-location costs;
- Import VAT incurred on the movement of goods across borders;
- Clinical trials; and
- Local purchases of goods.

International businesses may incur great amounts each year in VAT for these types of expenses. In principle, non-resident businesses might be able to recover some or all of the VAT incurred on these expenses – a great opportunity to reduce tax costs.

Some businesses already claim non-resident VAT refunds. There may, however, be opportunities to improve the existing VAT recovery process through automation, which should in many instances reduce the time and costs to gather VAT expense information, prepare VAT refund claims, and submit the claims to tax authorities.

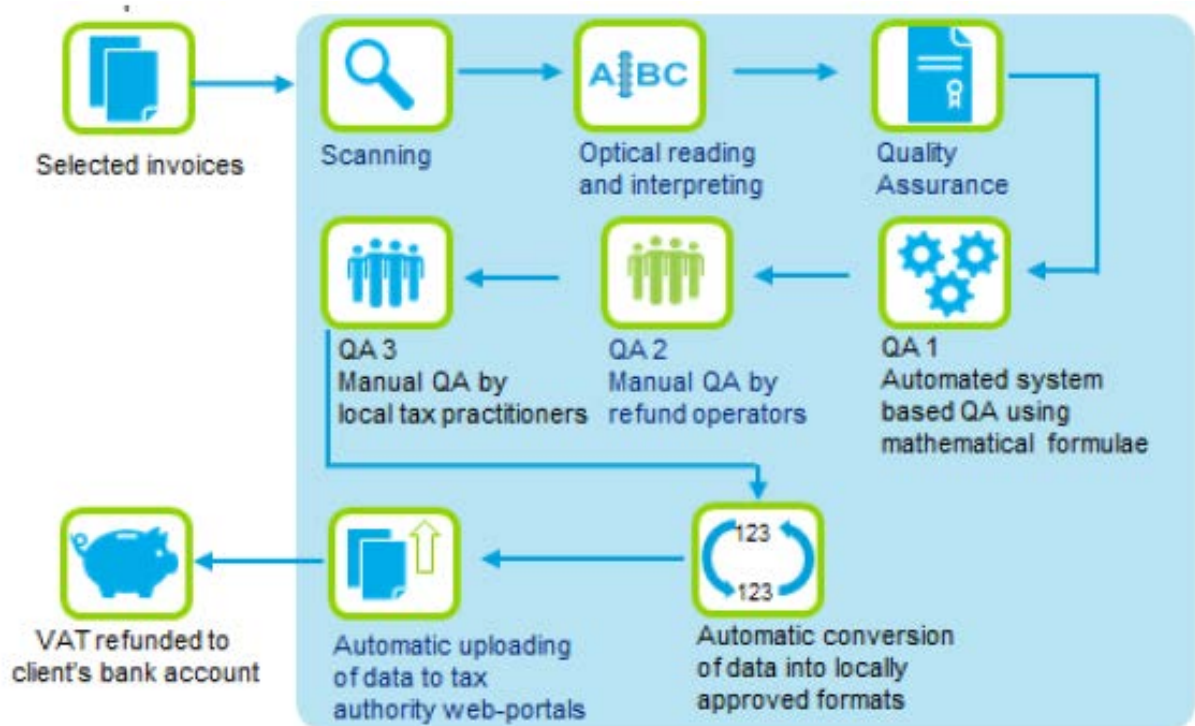
Our approach

With Deloitte's VAT compliance tool called Revatic Smart, we assist companies by



introducing automation to the global VAT recovery process.

Revatic Smart extracts data from invoices and receipts quickly and accurately by using optical character recognition (OCR) technology and then automatically calculates recovery restrictions on certain types of expenditure. It organizes the information into a predefined format, ready for submission to the tax authorities. Manually performing these tasks can often take months. However, automating the process, including all the way through the submission of the claims to the tax authorities, can potentially reduce



preparation time to a few days.

Combining the Revatic Smart technology with our extensive global experience allows us to offer numerous services that could be beneficial to companies seeking for refunds, including:

- A highly transparent, standardized, and efficient approach for recovering foreign VAT in a cost-effective manner;
- Automated and effective VAT recovery technology which reduces the risk associated with manual refund claims and the likelihood of rejection based on duplicate invoices, while accelerating the filing of refund claims;
- Advice from Deloitte's indirect tax specialists who possess significant VAT technical knowledge and experience globally.

Throughout the VAT recovery process, claims are tracked via a Deloitte Web portal. This provides an interactive environment in which a tracker shows which claims are being processed, which have been filed, the status of each claim, and any requests from tax authorities for additional information.

Contact details for more info on this service offering:

Global VAT refund team e-mail: berefunded@deloitte.com

VAT recovery in the EU

EU member states:

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom

The following non-EU countries (part of EFTA) also are included in the guide:

- Iceland
- Norway
- Switzerland

The EU directive that entered into force on 1 January 2010 (i.e. Directive 2008/09/EC) introduced a new procedure for businesses established and registered for VAT purposes within the EU to request a refund of VAT incurred in other EU member states. The directive allows EU businesses to submit a refund claim via the internet site of the tax authorities of the country in which the claimant is established (the previous system, known as the 8th VAT Directive system, required claims to be submitted on paper and in the country in which the VAT was incurred). In addition, new deadlines apply for submitting a claim and for the processing of refunds by the authorities. As under the previous rules, refund requests will be handled by the member state of refund, the amount refundable will be determined under the deduction rules of that member state and the payment of the refund will be made directly to the claimant by the member state of refund. While the new procedures should facilitate and expedite the processing of refund claims, businesses need to be aware of deadlines and issues connected with the process, making any necessary adjustments to their internal systems.

The changes made by Directive 2008/09/EC do not affect refund claims by businesses that are not established or VAT-registered in an EU member state; such businesses still recover VAT incurred in EU member states according to the procedure in the 13th VAT Directive.

The 2015 European VAT refund guide provides detailed information on the technical and practical aspects of the procedures under Directive 2008/09/EC, as well as information on refund claims under the 13th VAT Directive. The guide covers the procedures in the 28 EU member states and three of the European Free Trade Association (EFTA) countries: Iceland, Norway and Switzerland.

EU businesses (Directive 2008/09/EC)

Eligibility for refund

A business registered for VAT in one EU member state can reclaim VAT incurred in another member state. However, where the business is registered or otherwise liable or eligible to register for VAT purposes in a particular member state, it should register in that country and recover VAT through its VAT registration (periodic returns).

Applications to recover VAT under Directive 2008/09/EC will be rejected if the business has its residence, its seat or a fixed establishment and/or taxable supplies of goods or services in the EU member state in which the VAT was incurred.

Non-refundable VAT

The specific items of expenditure on which VAT is recoverable vary in each member state.

Services

Services are the supplies on which an EU business is most likely to be able to recover VAT incurred in another member state. However, following the implementation of the new rules on the place of supply of services (implemented on 1 January 2010), VAT incurred on acquired services in other EU countries has been substantially reduced, as these transactions normally must be reverse charged by the customer in its country of establishment.

Goods

The recovery of VAT on goods is more complex. Generally, the supply of goods from one member state to a customer in another member state is zero-rated (provided the customer is registered for VAT purposes elsewhere in the EU and its VAT registration number is provided to the supplier).

Where goods have been acquired in another member state, VAT can be reclaimed provided no other VAT relief is available and that, as a result of the transaction, the company does not become liable to register for VAT purposes in that other member state.

With a few exceptions, if goods are purchased for resale, either within or outside the member state, the business will almost certainly have to register for VAT purposes in respect of the resale and will recover VAT through the VAT registration.

Direct VAT recovery, therefore, will only apply to goods delivered and consumed for business purposes within the charging member state (e.g. the purchase and use of local office supplies).

Making claims

Minimum amounts

Member states can set the minimum amount that may be recovered under each VAT refund application. The minimum for annual applications, or applications for the final part of a year, is EUR 50, but for interim applications, it is EUR 400. The table shows the current limits in each member state.

Items omitted from earlier interim applications usually can be included in later applications filed in the same year.

Time limits

The application period is on a calendar year basis and the application form must be submitted by 30 September of the following year (different due dates may apply for quarterly refunds). However, applications may relate to a period of less than three months where the period represents the remainder of a calendar year.

Minimum amounts for refund

Country	Annual	Interim
Austria	EUR 50	EUR 400
Belgium	EUR 50	EUR 400
Bulgaria	BGN 100	BGN 800
Croatia	HRK 400	HRK 3,100
Cyprus	EUR 50	EUR 400
Czech Republic	EUR 50	EUR 400
Denmark	DKK 400	DKK 3,000
Estonia	EUR 50	EUR 400
Finland	EUR 50	EUR 400
France	EUR 50	EUR 400
Germany	EUR 50	EUR 400
Greece	EUR 50	EUR 400
Hungary	EUR 50	EUR 400
Ireland	EUR 50	EUR 400
Italy	EUR 50	EUR 400
Latvia	EUR 50	EUR 400
Lithuania	EUR 50	EUR 400
Luxembourg	EUR 50	EUR 400
Malta	EUR 50	EUR 400
Netherlands	EUR 50	EUR 400
Poland	EUR 50	EUR 400
Portugal	EUR 50	EUR 400
Romania	EUR 50	EUR 400
Slovakia	EUR 50	EUR 400
Slovenia	EUR 50	EUR 400
Spain	EUR 50	EUR 400
Sweden	SEK 500	SEK 4,000
UK	GBP 35	GBP 295
Iceland	ISK 11,800	ISK 60,800
Norway	NOK 200	NOK 2,000
Switzerland	CHF 500	CHF 500

Procedure

Filing

As a general rule, the refund application must be submitted electronically through the portal of the tax authorities in the country in which the claimant is established at the latest on 30 September of the calendar year following the refund period. This deadline is in principle not extended.

IT requirements

All refund claims submitted according to the procedure in Directive 2008/09/EC must be filed electronically. However, the method of filing, certifications, format of files accepted and other IT requirements vary from country to country.

Supporting documentation

In the first phase of an application, most member states do not require any documentation other than the application form (filed in the country of residence). Once the application has been transferred to the state in which VAT was incurred, that state can request additional documentation, such as invoices (originals or copies), import documents or other supporting documents.

In this respect, the European Court of Justice recently ruled that in some specific cases, a non-resident business should be able to submit duplicate tax invoices where the originals have been lost for reasons beyond its control.

Refunds and appeals

Another important change introduced by Directive 2008/09/EC is the introduction of fixed time limits for the tax authorities to issue a decision on refund claims.

The member state of refund has four months to decide on the application, starting from the day it confirmed receipt of the claim. The term will be extended when additional information is requested and the claimant will be required to provide the information within one month. Once the member state of refund receives the additional information, it has two months to decide on the claim.

If the claimant does not provide the information requested, the member state of refund must decide on the claim within two months after the one-month period expires for the claimant to respond.

The directive also states that when additional information is requested by the member state of refund, it has at least six months to issue its decision on the claim. When more information is requested (after a first request), the final decision should be made within eight months of receipt of the application.

Once the tax authorities decide to issue a refund, it must be paid within 10 business days after expiration of the above deadlines. If payment of the refund is delayed, the tax authorities will have to pay interest.

Non-EU businesses (13th Directive)

The rules for non-EU businesses are similar to those for EU businesses, except that:

- Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Switzerland and the U.K. do not allow claims unless there is a reciprocity agreement or reciprocal treatment for the recovery of VAT and other turnover taxes with the country in which the non-EU business is established.
- A fiscal representative (for VAT refund purposes) may need to be appointed in some member states.
- Non-EU businesses usually must support claims with a certificate of “taxable status” rather than a certificate of VAT status. This should indicate that the non-EU business is a taxable person for business purposes in its own country (e.g. the form IRS 6166 for US established companies).

Additional conditions may apply by individual member states to allow non-EU businesses to recover VAT.

New structure of this VAT refund guide

In this 2015 edition, the refund guide has a slightly different structure compared to previous years. In order to facilitate the reading, this manual has been extended and is now divided in two main sections, covering:

- (i) What formalities are to be met if a country is **the member state of establishment** (i.e. for companies established in that specific country and claiming the refund of input VAT in another EU / non EU country), and
- (ii) What formalities/thresholds/requirements are to be taken into account if a country is **the member state of refund** (for EU and non EU companies claiming the refund of input VAT in that specific country).

This revamped presentation should enable companies to better define which requirements should be met, looking at where they are established and where they have incurred foreign VAT which they would like to get refunded.

Austria

Austrian VAT is known as “Umsatzsteuer” (USt) or “Mehrwertsteuer” (MwSt).

The standard VAT rate is 20%, and there are reduced rates of 12% and 10%. A special 19% rate applies in Jungholz and Mittelberg.

An extensive overview of the VAT rates applied in Austria can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint an Austrian fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive. However, the Austrian tax authorities do require the appointment of an Austrian person authorized to receive documents from the authorities (a “postal address” in Austria).

Austria is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to an Austrian established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically through the portal of the tax authorities of the country in which the claimant is established (<https://finanzonline.bmf.gv.at/> for Austrian claimants). If the application is submitted by a third party, the third party should be an Austrian Certified Public Accountant; it may not be a non-established company.

The Austrian authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements

For Austrian-established businesses, the preparation and filing of the claims form should be done through the web portal FinanzOnline. The information required to complete the form should be uploaded manually (i.e. on a line-by-line basis) or by upload of xml files.

For the manual upload, a maximum of 40 invoices per refund claim can be filed. Claims that have more than 40 invoices should be uploaded through xml files to be created via a specific software.

To access the FinanzOnline service, a claimant must apply for login codes with the tax authorities. Access to the web portal for submitting the VAT refund claim may be obtained by filing the Form FON1 with the Austrian authorities.

Non-EU countries (13th Directive equivalent)

This refers to an Austrian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for an Austrian established company, claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Austrian portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called U70 in Austria.

Austria is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Austria.

Eligibility for refund

A foreign taxable person is entitled to recover Austrian VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in Austria;
- The business does not have residence, its seat or a fixed establishment carrying out supplies of goods or services in Austria; and
- The business has not rendered any taxable supplies in Austria, except for:
 - Certain tax-exempt cross-border transportation from/to non-EU countries;
 - Supplies for which the reverse charge mechanism applies; and
 - Electronically provided supplies where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons.

Non-refundable VAT

VAT can inter alia not be recovered on:

- The purchase, hire, operation (including fuel & tolls) and repair of passenger motor vehicles, except driving school vehicles, taxis and hire car vehicles;

- Entertainment expenses, except for business lunches/dinners where the purpose of the meeting and the identity of the participants are documented.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Austrian VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in a calendar year and not more than one calendar year, except where the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application (for the remainder of the calendar year) also may relate to invoices or import documents not covered by previous applications with respect to transactions carried out during the calendar year concerned.

According to the Federal Ministry of Finance, it is not possible to submit another refund claim for the remainder of a calendar year. Thus, the last month (e.g. December) should not be included in the original claim if additional invoices could be received; in that case, the company will be able to include the additional invoices in the claim for the last month.

Proxy

It is recommended to upload a proxy as electronic scan-copy in English or German language together with the refund claim.

Supporting documentation

No supporting documents need to be submitted when filing the claim electronically, but the Austrian VAT authorities can request additional documents/information (e.g. original invoices, copies of invoices, import documents, etc.). This request can be sent by email.

E-invoicing

E-invoices are generally accepted and self-sufficient in order to claim input VAT via the EU (former 8th Directive) procedure.

There are no specific requirements/restrictions related to e-invoicing (besides the general requirements as described in the second EU Invoicing Directive) in Austria.

Refunds and appeals

The Austrian VAT authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim, notify the claimant by issuing the relevant assessment (also via electronic means) and repay the reclaimed amount;
- The authorities can reject the claim in whole or in part and notify the claimant by issuing the relevant assessment (also via electronic means); or
- The authorities can request additional information and notify the claimant (also via electronic means). The claimant must provide the information requested within the deadline stated on the request.

Notifications and assessments might be sent via electronic means (by e-mail or uploaded in the e-filing system) or sent in paper form.

Based on the Austrian VAT guidelines, the decision will be sent in the same way to the tax authorities of the claimant's country of residence, as the input VAT refund claim was sent to the Austrian tax authorities. The way of delivery is determined by the country of residence of the claimant (via the online portal of the country of residence or in paper form).

Companies, whose local tax authorities deny the delivery of the assessment/decision issued by the Austrian tax authorities, should receive the assessment/decision via e-mail (e-mail address stated in the input VAT refund claim, according to Rz 2838 of the Austrian VAT guidelines).

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

A decision regarding the refund claim has to be issued.

If a refund is granted, it will be processed in Euro within 10 business days after the relevant period and paid to the bank account number provided to the authorities. The bank account can be held by the claimant, a proxy holder or any other person.

The Austrian tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

The whole refund claim might not be rejected because one of the submitted invoices was not correct/could not be provided in a readable/acceptable scanned copy or because a query on one particular invoice has not been answered, except if there was only one invoice submitted.

If the refund is not granted, the grounds for rejection of the application will be stated.

In practice, the causes of a rejection often are as follows:

- not deductible input VAT amounts;
- invoice requirements are not respected;
- place of supply is outside of Austria.

An appeal against the denied claim can be made to the Austrian tax authorities before the end of the first month following notification of the decision. The deadline will be stated on the decision. Furthermore, the addressee will be stated on the respective decision. The appeal should be in German.

Penalties might be levied by the Austrian tax authorities with respect to rejected refund claims in case of tax fraud.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Austria.

Eligibility for refund

Reciprocity between Austria and the country of establishment is not required for a non-EU business to request a VAT refund.

Non-refundable VAT

VAT can inter alia not be recovered on:

- The purchase, hire, operation (including fuel & tolls) and repair of passenger motor vehicles, except driving school vehicles, taxis and hire car vehicles;
- Entertainment expenses, except for business lunches/dinners where the purpose of the meeting and the identity of the participants are documented.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Austrian VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications with respect to transactions completed during that calendar year.

The application must be submitted to the Austrian tax authorities within six months from the end of the calendar year in which the tax became chargeable, i.e. by 30 June of the following year. Late claims will not be accepted and no extension of the deadline will be granted.

Application forms & Proxy

The application should be made on Form U5 issued by the Austrian tax authorities (other EU forms are not accepted). It must be completed in German and in Euro. Application forms can be obtained from the local VAT offices or at: https://www.bmf.gv.at/Service/Anwend/FormDB/_start.asp.

Upon accessing the site, the code designation of the requested form must be indicated (U5 for the input VAT application form, Verf18 for the relevant questionnaire and U70 for the certificate of taxable status). Alternatively, a search function can be used (in German).

Each invoice must be mentioned in the attachment to the application. Using an excel spread sheet to provide an overview of the claimed amounts generally is not permitted, even though this is often common practice.

The application must be signed by a person who is legally entitled to represent the company (e.g. managing director or other legal representative). Otherwise, an original authorization should be provided. The Austrian VAT guidelines refer to the decision of the EuGH of December 3, 2009; C-433/08, Yaesu Europe BV.

The form and supporting documentation must be sent to:

Finanzamt Graz-Stadt
Referat für ausländische Unternehmer
Conrad von Hötzendorfstraße 14-18
8018 GRAZ
Austria
T: + 43 316 88 10
F: + 43 316 81 76 08
www.bmf.gv.at

<https://www.bmf.gv.at/steuern/selbststaendige-unternehmer/umsatzsteuer/ust-kontakt-gs.html>

Applications cannot be filed electronically.

Supporting documentation

The following document must be submitted with the first application:

- Questionnaire Verf 18
https://www.bmf.gv.at/Service/Anwend/FormDB/_start.asp

The following documents must be submitted with each application:

- Original invoices, import documents, bills, vouchers, receipts or customs clearance forms (copies are not accepted);
- Original certificate of VAT status U70. The claimant must prove it is registered for VAT purposes in its country of residence. The certificate may not be older than one year. Foreign certificates are accepted if they at least contain the content in form U70.

E-invoicing

In the Austrian VAT Act and the respective guidelines, there is no comment regarding e-invoices in connection with input VAT refund claims regarding non-EU companies. Therefore, input VAT refund claims based on e-invoices might not be accepted by the Austrian tax authorities as they are entitled to request the provision of original invoices for reclaiming Austrian input VAT. It is therefore recommended for non-EU companies to request paper invoices from their suppliers for invoices subject to Austrian VAT.

Refunds and appeals

There is no timeframe binding the Austrian tax authorities for deciding on a 13th Directive refund claim.

- The authorities can accept the claim, notify the claimant by issuing the relevant assessment (also via electronic means) and repay the reclaimed amount;
- The authorities can reject the claim in whole or in part and notify the claimant by issuing the relevant assessment (also via electronic means); or
- The authorities can request additional information and notify the claimant (also via electronic means). The claimant must provide the information requested within the deadline stated on the request.

Notifications and assessments might be sent via electronic means, by e-mail, uploaded in the e-filing system or sent in paper form to the claimant, the agent or the Austrian tax representative (correspondence address).

There is no binding handling for refund claims filed by companies which are located outside the EU.

Normally, the refund will be paid out when the assessment regarding the refund claim was issued. However, there is no legal deadline when a refund has to be paid out.

According to the Austrian rules, no interests will be paid if the refund is not processed in a timely manner.

The whole refund claim might not be rejected because one of the submitted invoices was not correct/could not be provided in a readable/acceptable scanned copy or because a query on one particular invoice has not been answered, except if there was only one invoice submitted.

If the refund is not granted, the grounds for rejection of the application will be stated.

An appeal against the denied claim can be made to the Austrian tax authorities before the end of the first month following notification of the decision. The deadline will be stated on the decision. Furthermore, the addressee will be stated on the respective decision. The appeal should be filed in German.

Penalties might be levied by the Austrian tax authorities in case of rejected refund claims in case of tax fraud (Austrian Fiscal Penal Act).

On average, a refund takes between two and a half to seven months to be processed, in case no additional request is sent to the claimant.

Belgium

Belgian VAT is known as “Belasting over de Toegevoegde Waarde” (BTW) in Dutch and “Taxe sur la Valeur Ajoutée” (TVA) in French.

The standard VAT rate is 21%, and there are reduced rates of 12%, 6% and 0%.

An extensive overview of the VAT rates applied in Belgium can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Belgian fiscal representative to claim a VAT refund under Directive 2008/09/EC or the 13th Directive.

Belgium is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Belgian established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically (in French, Dutch, German or English) through the portal of the tax authorities of the country in which the claimant is established (<http://minfin.fgov.be/portail2/nl/e-services/intervat/index.htm> for Belgium-established companies). The request must be submitted by an authorized person, who should install the digital certificate needed to file the return on his computer or who should have the digital certificate available on CD ROM, USB Stick or Smartcard to be able to sign the application.

As from 1 March 2014, a new Intervat login procedure applies, resulting in more transparency and the possibility to have access to specific forms and information that are linked to VAT taxpayers. The access to the Intervat application is managed via the FEDIAM (Federal Identity and Access Management). The old access procedure to the Intervat application (via E-ID or digital certificate) nevertheless remains (e.g. non-established VAT taxpayers cannot apply the new login procedure). Access to specific forms and information will however not be available when applying the old access procedure.

The VAT refund claim can be submitted by a third party provided the third party has a digital certificate to sign the VAT refund application.

When being the member state of establishment, the Belgian VAT authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements

Belgian taxpayers registered for VAT purposes can file their refund claim electronically using the INTERVAT web service of the Belgian tax authorities.

Prior registration is not required. Access is granted using a Belgian E-ID card or a class 3 digital certificate (Isabel, Globalsign).

The preparation and filing of the form should be done through the website of the tax authorities. A file may be uploaded in XML format to complete the form. Guidance for filing the form is available at: <http://minfin.fgov.be/portail2/nl/e-services/intervat/calendrier.html>

The electronic form is divided into three main sections:

- General information relating to the taxpayer and the period for which the refund is requested;
- List of invoices in which each document can be manually typed in or all documents can be uploaded in XML format (the list of XSD schemes to be used is published on the website of the tax authorities);
- Annexes: scanned invoices/annexes can be uploaded taking the following into account:
 - Maximum one file per country for which a refund is requested;
 - File types accepted: JPEG, PDF or TIFF;
 - Maximum file size: 5MB; and
 - Standard scanning preference: Black and white/maximum 200 dpi.

Once the claim is submitted, the taxpayer will receive a confirmation from the website, referencing the number of the application.

Non-EU countries (13th Directive equivalent)

This refers to a Belgian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Belgian established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Belgian portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called 820 in Belgium.

Belgium is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Belgium.

Eligibility for refund

A foreign taxable person is entitled to recover Belgian VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in Belgium;
- The business does not have residence, its seat or a fixed establishment in Belgium; and
- The business has not rendered any taxable supplies in Belgium, except for:
 - Certain tax-exempt cross-border transportation from/to non-EU countries;
 - Supplies for which the reverse charge mechanism applies;
 - Supplies subject to occasional taxation; or
 - Electronically provided supplies where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons.

Non-refundable VAT

VAT cannot be recovered on:

- Manufactured tobacco;
- Spirits, except those intended for resale or supply during the performance of a service (e.g. bars, hotels and restaurants);
- Accommodation, meals and beverages under an accommodation or a catering contract, unless these costs are connected to a commercial/advertising event, incurred by a company's staff effecting outside supplies of goods or services or by taxable persons who in turn supply the same services for consideration;
- Entertainment expenses (although according to recent Belgian case law, expenses incurred in the framework of an advertising event may be considered recoverable).

Partially refundable VAT

Motor vehicles used for passenger transport, including those that can be used for other activities besides the transport of passengers, and goods and services relating to such vehicles; in such cases, no more than 50% of the VAT can be recovered.

As from 2013, new rules with respect to the deduction of VAT on motor vehicles have been implemented in Belgium whereas only the VAT on the professional use of the motor vehicle can be reclaimed with an absolute maximum of 50%.

There are 4 methods to determine the deductible %:

- (i) deductible % based on the real professional kilometers driven (i.e. requires the VAT taxpayer to hold an administration per vehicle);
- (ii) deductible % based on the home-office distance (commuting travel) increased with a lump sum for private use and;
- (iii) a lump sum deductible % of 35%;
- (iv) a lump sum deductible % of 85% on light commercial vehicles that are mainly used for professional purposes.

As a result of the new rules, the private use of the motor vehicle is no longer subject to VAT (no longer VAT on the benefit in kind). In principle these new rules are not envisaged for non-established VAT taxpayers who incur Belgian VAT on motor vehicles.

The new rules (one of the 4 methods) will in principle be applicable for VAT taxpayers who have a presence in Belgium without having a permanent establishment for VAT purposes in Belgium and who consequently have to reclaim any Belgian VAT incurred via the refund procedure (e.g. representation office, sales people or administrative support people in Belgium, etc.).

It cannot be excluded that the VAT Authorities would also apply the lump sum deductibility % of 35% for non-established VAT taxpayers.

There are many exceptions to the restriction on the recovery of VAT related to motor vehicles, of which the most important are:

- Vehicles intended to be sold or leased by a taxable person whose particular economic activity involves the sale or leasing of motor vehicles;
- Vehicles intended to be used solely for passenger transport for hire or reward;
- New vehicles within the meaning of article 28a (2) of Directive 77/388/EEC forming the subject of supplies exempt under article 28c(A)(b). In that case, the amount deducted may only be equal to the amount of tax that the taxable person would have had to pay if the supply had not been exempt.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in a calendar year and not more than one

calendar year, except where the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

The application also may relate to invoices or import documents not covered by previous applications with respect to transactions completed during that calendar year.

More than one year-end refund claim (annual return) may be submitted, but this should be limited to the extent possible because some member states from which a refund is due may not accept more than one annual or year-end refund claim.

Proxy

A proxy will need to be provided if the VAT refund claim is submitted by a third party or when a third party would like to receive information from the VAT authorities on a particular VAT refund claim that was submitted by a claimant. An electronic proxy (PDF) is accepted. This PDF can be provided to the Belgian VAT authorities separately via e-mail.

Supporting documentation

The general threshold for the submission of an electronic copy of an invoice is where the taxable basis on the invoice or import document is EUR 1,000 or more (EUR 250 for invoices relating to fuel costs). The serial number used in the application form should be included on the documents.

The Belgian authorities can request additional documents/information (e.g. authorization document from a foreign taxpayer stating that the payment may be granted to a third party).

E-invoicing

The Belgian VAT authorities accept e-invoices if all conditions are met. It is advisable to include a copy (PDF) of the invoice in the VAT refund claim.

Refunds and appeals

The Belgian VAT authorities must issue their decision on a refund application within four months of receipt of the request:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject (in whole or in part) the claim and notify the claimant via registered mail;
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the notification.

An e-mail notification will always be sent by the authorities.

Queries can be sent to anyone (even a third party) but usually the VAT authorities will address their queries to the e-mail address mentioned on the VAT refund claim.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

The VAT refund claim will be considered as accepted if the Belgian VAT authorities fail to communicate their decision within the foreseen deadlines.

If a refund is granted, it will be processed in Euro within 10 business days after the relevant period to the bank account number provided to the authorities. This bank account can be held by the claimant, a proxy holder or any other person.

The Belgian tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

The whole refund claim can be entirely rejected if the requested information is not provided to the Belgian VAT authorities. Nevertheless, the Belgian VAT authorities will in first instance send a reminder to the claimant to inform that they are waiting for additional information. If the information is then still not provided, the Belgian VAT authorities can then reject the whole VAT refund claim.

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal against the denied claim may be made to the Belgian VAT authorities by e-mail before the end of the third calendar year following the notification of the rejection decision.

Some practical causes of rejection usually used by the Belgian authorities are for example: not replying to queries, not providing the requested information, claiming VAT that is not (yet) reclaimable, etc.

Penalties can be imposed if the claimant has tried to claim VAT incorrectly (similar to the penalties that are imposed to Belgian VAT taxpayers)

The Belgian VAT Authorities usually process VAT refund claims within a period of three to four months.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Belgium.

Eligibility for refund

Reciprocity is not required.

Non-refundable VAT

VAT cannot be recovered on:

- Manufactured tobacco;
- Spirits, except those intended for resale or supply during the performance of a service (e.g. bars, hotels and restaurants);

- Accommodation, meals and beverages under an accommodation or a catering contract, unless these costs are incurred by a company's staff effecting outside supplies of goods or services or by taxable persons who in turn supply the same services for consideration;
- Entertainment expenses (although according to recent Belgian case law, expenses incurred in the framework of an advertising event may be considered recoverable).

Partially refundable VAT

Motor vehicles used for passenger transport, including those that can be used for other activities besides the transport of passengers, and goods and services relating to such vehicles; in such cases, no more than 50% of the VAT can be recovered.

As from 2013, new rules with respect to the deduction of VAT on motor vehicles have been implemented in Belgium whereas only the VAT on the professional use of the motor vehicle can be reclaimed with an absolute maximum of 50%.

There are 4 methods to determine the deductible %:

- deductible % based on the real professional kilometres driven (i.e. requires the VAT taxpayer to hold an administration per vehicle);
- deductible % based on the home-office distance (commuting travel) increased with a lump sum for private use and;
- a lump sum deductible % of 35%;
- a lump sum deductible % of 85% on light commercial vehicles that are mainly used for professional purposes.

As a result of the new rules, the private use of the motor vehicle is no longer subject to VAT (no longer VAT on the benefit in kind). In principle these new rules are not envisaged for non-established VAT taxpayers who incur Belgian VAT on motor vehicles.

The new rules (one of the 4 methods) will in principle be applicable for VAT taxpayers who have a presence in Belgium without having a permanent establishment for VAT purposes in Belgium and who consequently have to reclaim any Belgian VAT incurred via the refund procedure (e.g. representation office, sales people or administrative support people in Belgium, etc.).

It cannot be excluded that the VAT Authorities would also apply the lump sum deductibility % of 35% for non-established VAT taxpayers.

There are many exceptions to the restriction on the recovery of VAT related to motor vehicles, of which the most important are:

- Vehicles intended to be sold or leased by a taxable person whose particular economic activity involves the sale or leasing of motor vehicles;
- Vehicles intended to be used solely for passenger transport for hire or reward;
- New vehicles within the meaning of article 28a (2) of Directive 77/388/EEC forming the subject of supplies exempt under article 28c (A)(b). In that case, the amount deducted may only be equal to the amount of tax that the taxable person would have had to pay if the supply had not been exempt.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 200; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 25.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, except where the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications with respect to transactions completed during that calendar year.

The application must be submitted to the Belgian VAT authorities at the latest on 30 September of the calendar year following the refund period. An extension of the deadline will not be granted.

Proxy

A proxy will need to be provided if the VAT refund claim is submitted by a third party or when a third party would like to receive information from the VAT authorities on a particular VAT refund claim that was submitted by a claimant. An electronic proxy (PDF) is accepted. This PDF can be provided to the Belgian VAT authorities separately via e-mail.

Application forms

The application can be made on Form 821, issued by the Belgian tax authorities (other EU forms will be accepted if they at least contain the content as in Form 821. The application must be completed in triplicate in Dutch, French or German and in Euro. Application forms may be obtained at the address mentioned below.

While forms supplied by the tax authorities of any EU member state are accepted, it is preferable to have the form printed in the same language as the one in the application.

Each invoice must be mentioned and provided in the attachment to the application form.

An excel spread sheet may be used to provide an overview of the claimed amounts. The application must be signed by a person who is legally entitled to represent the company (e.g. managing director). Otherwise, a letter of authority should be provided.

The form and supporting documentation must be sent to:

Centraal Bureau voor buitenlandse belastingplichtigen
Dienst terugbetalingen
Financietoren
Kruitduinlaan 50, Bus 3626 (Verdieping 18/R)
1000 BRUSSEL
België

Or

Bureau Central de TVA pour les Assujettis Etrangers (BCAE)
Service de remboursements Tour Des Finances
Boulevard du Jardin Botanique 50 – boit 3626 (Etage 18/R)
1000 BRUXELLES
Belgique
T: + 32 2 577 40 40
F: + 32 2 579 63 58
vat.refund.ckbb@minfin.fed.be
www.minfin.fgov.be

Supporting documentation

The following documents must be submitted with each application:

- Original invoices, import documents or credit notes (copies are accepted if the originals are lost and the copies are certified by the supplier). The serial number used in the application form must be included on the documents;
- When outgoing transactions have been carried out:
 - A copy of the relevant contract(s);
 - A copy of the outgoing invoice(s).
- When reverse charge transactions have been carried out:
 - A certificate from the co-contractor stating that he actually paid the Belgian VAT due.
- An original certificate of VAT status confirming that the claimant is registered for VAT purposes in its country of residence. The certificate may not be more than one year;
- A translated and legalised letter of authority if a third party submits an application on the behalf of the claimant; and
- A letter describing the activities of the company, the transactions carried out in Belgium and the persons who have declared the Belgian transactions (with an email address if possible).

The following information must be submitted with the application if VAT is recovered on motor vehicles:

- A copy of the certificate of registration;
- A description of the use of the motor vehicle; and
- A description of the use of the previous motor vehicle if it was purchased in Belgium.

E-invoicing

The Belgian VAT authorities accept e-invoices if the conditions are met. In principle, the e-invoices should be included on a CD-ROM but as this is a cumbersome procedure, it is advisable to include a print of the e-invoice in the VAT refund claim and include a statement that the print copies are e-invoices received by the claimant.

Refunds and appeals

The Belgian VAT authorities have to make a decision within six months as from the date of receipt of the VAT refund claim.

- The authorities can accept the claim and notify the claimant via electronic means (the original invoices will be returned to the claimant at the same time);
- The authorities can reject (in whole or in part) the claim and notify the claimant via registered mail;
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the notification.

In most cases, the VAT authorities will contact the claimant (or the person who has submitted the VAT refund claim) via e-mail (provided the VAT authorities have the e-mail address). In other cases, the VAT authorities will send their queries via registered mail. The decision on the VAT refund claim is always sent via mail, together with the original invoices.

Queries can be sent to anyone (even a third party) but usually the VAT authorities will address their queries to the claimant or to the person who has submitted the VAT refund claim.

The VAT refund procedure is not as such formalized as the “8th Directive” VAT refund claim. In general, the VAT authorities will send their queries before the end of the six month period. The claimant will be requested to provide the information within one month. Upon receiving the information, the VAT authorities will take their decision.

If a refund is granted, it will be processed in EUR within the same period (i.e. within 6 months as from the date of submission of the VAT refund claim)

If the refund is not processed in a timely manner, the claimant can file a request for late payment interests. Interests are not paid automatically (the claimant has to specifically request for them).

The whole refund claim can be entirely rejected if the requested information is not provided to the Belgian VAT authorities. Nevertheless, the Belgian VAT authorities will

in first instance send a reminder to the claimant to inform that they are waiting for additional information. If the information is then still not provided, the Belgian VAT authorities can then reject the whole VAT refund claim.

If the refund is not granted, the grounds for rejection of the application will be stated.

Some practical causes of rejection usually used by the Belgian authorities are for example: VAT refund claim submitted after the deadline or not replying to queries from the VAT authorities.

An appeal against the denied claim may be made to the Belgian VAT authorities before the end of the third calendar year following the notification of the rejection decision.

Penalties can be imposed if the claimant has tried to incorrectly claim VAT (similar to the penalties that are imposed to Belgian VATtax payers).

The Belgian VAT Authorities usually process a VAT refund claim within a period of three to four months.

Bulgaria

Bulgarian VAT is known as “Данък върху добавената стойност” (ДДС).

The standard VAT rate is 20%, and there are reduced rates of 9% and 0%.

An extensive overview of the VAT rates applied in Bulgaria can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Bulgarian VAT agent to claim a VAT refund based on Directive 2008/9/EC, although such an appointment should be made for 13th Directive claims.

Bulgaria is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers a Bulgarian established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically (in Bulgarian or English) through the portal of the tax authorities in the country in which the claimant is established: <https://inetdec.nra.bg/> for companies established in Bulgaria.

The application may be submitted by an authorized person and in that case, it should contain the following information about the authorized person:

- Name;
- VAT number or tax ID;
- Address and code of the country of establishment; and
- Email address.

When being the member state of establishment, the Bulgarian tax authorities will notify the taxable person once the request is forwarded to the member state of refund. Another notification will be given to the taxable person once the refund state confirms receipt of the application.

IT requirements

Bulgarian taxpayers registered for VAT purposes can file their refund claims electronically on the website of the Bulgarian tax authorities: <https://inetdec.nra.bg/>.

To access the online system, the claimant must:

- Submit an application to use the electronic services of the National Revenue Agency;
- Have Adobe reader installed; and
- Have an electronic signature issued by a provider certified by the Bulgarian Communications Regulation Commission.

A file may be uploaded to complete the form. The uploaded file should be in text format with coding UTF-8 and named "VATREFUND.CSV."

The electronic form is divided into three main sections:

- General information relating to the taxpayer, the relevant period and the amount of the refund claim;
- Information on the import documents;
- Information on purchase invoices; and
- Annexes: scanned invoices/annexes can be uploaded taking the following into account:
 - File types accepted: JPEG, PDF, TIFF or zip;
 - Maximum file size: 5MB.

Once the claim is submitted, the taxpayer will receive a confirmation from the website, referencing its application.

There is no maximum number of invoices to be submitted within the same refund claim or per year.

Non-EU countries (13th Directive equivalent)

This refers to a Bulgarian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Bulgarian established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Bulgarian portal is not to be used.

Another difference with the "8th Directive EU VAT refund procedure" is that a "certificate of taxable status" issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called "Удостоверение за доказване на регистрация в чужбина" in Bulgaria.

Bulgaria is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Bulgaria.

Eligibility for refund

A foreign taxable person is entitled to recover Bulgarian VAT if the following conditions are satisfied:

- The business does not have its registered seat, management address, fixed establishment, permanent address or usual residence in Bulgaria;
- The business is registered for VAT purposes in the EU country in which it is established; and
- The business has not rendered any taxable supplies in Bulgaria, except for:
 - Supplies subject to the 0% rate;
 - Transportation services and ancillary services; and
 - Supplies for which the reverse charge mechanism applies.
- The business uses the goods and/or services for taxable supplies made outside Bulgaria for which VAT should have been recoverable had the supplies been made in Bulgaria or for the above-mentioned taxable supplies in Bulgaria.

Non-refundable VAT

VAT cannot be recovered on:

- Goods or services intended for making VAT-exempt supplies;
- Goods or services intended for “not-for-consideration” supplies or for activities different than the economic activities of the person;
- Entertainment expenses;
- Acquisition of a motorcycle or passenger car (with less than five seats, excluding the driver’s seat), although certain exceptions apply;
- Goods or services related to the maintenance, repair, improvement or operation of a motorcycle or passenger car, as well as for transport services or taxi transport with a passenger car; and
- Goods that have been confiscated by the state or a building that has been demolished because it was unlawfully constructed.

Partially refundable VAT

A person is entitled to partial reimbursement of the tax regarding goods and services if in its member state of establishment, the person performs deliveries with right for VAT deduction, as well as deliveries with no such right. The amount of the tax is calculated on the basis of the information from the certificate, issued by the member state where the taxpayer is established.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than BGN 800 (approximately EUR 400); if the application relates to a calendar year or the remainder of a calendar year, the amount may not be less than BGN 100 (approximately EUR 50).

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application also may relate to invoices or import documents not covered by previous applications with respect to transactions carried out during that calendar year.

If the claimant receives additional invoices in the calendar year after submitting the refund claim, another claim can be submitted if it is for an amount greater than BGN 100.

Proxy

The right for VAT refund is exercised individually or through an agent authorized by the foreign taxpayer who acts on behalf of this taxpayer. A written power of attorney for authorizing an agent if the taxpayer exercises his right for refund via an agent shall be submitted to the competent revenue authority. The authorization shall be made in written for every request. The following data about the authorized agent shall also be provided, i.e. the name of the authorized person, VAT-identification number or tax reference number, the full address, including the code of the state where the person is established as well as its e-mail address.

Supporting documentation

Copies of invoices and import documents need not be submitted with each application. However, the Bulgarian tax authorities may request copies (or originals) of invoices and import documents after the VAT refund claim is submitted.

E-invoicing

E-invoices are generally accepted and self-sufficient in order to claim input VAT via the former 8th Directive procedure.

Refunds and appeals

The tax authorities should issue a decision within four months of the submission of the VAT refund claim, if no additional information is requested (see below).

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and so notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within of one month of receipt of the request.

The authorities must make a decision within two months from the date when the additional information was received or should have been received, but not less than six months from the submission of the initial refund request. Therefore, the maximum possible period for processing the VAT refund claim in case additional information is requested is eight months.

If no decision is issued in due time, the VAT refund claim is deemed rejected and an appeal can be submitted within 14 days of the day when the decision about the VAT refund claim should have been issued.

The VAT refund should be paid out within 10 days from the date when the decision was issued. The Bulgarian tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

The VAT refund claim may be partially rejected when an invoice was not correct or in case the requested information about the concerned invoice was not provided.

If the refund is not granted, the grounds for rejection of the application will be stated.

Some practical causes for rejection often referred to by the Bulgarian authorities are the following:

- Not enough evidence that a real supply took place;
- VAT registration requirement of the claimant in Bulgaria (claimant carried out taxable supplies or has a fixed establishment).

The time limit for the claimant to submit an appeal is 14 days after the date the decision has been received.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Bulgaria.

Eligibility for refund

Reciprocity is required. The following countries have reciprocity agreements with Bulgaria (and are included on a list published by the Ministry of Finance): Canada, Iceland, Japan, Korea (R.O.K.), Macedonia and Norway. However, as the list has not been updated recently, meaning that reciprocity should be analysed on a case-by-case basis.

Non-refundable VAT

VAT cannot be recovered on:

- Goods or services intended for making VAT-exempt supplies;
- Goods or services intended for “not-for-consideration” supplies or for activities different than the economic activities of the person;
- Entertainment expenses;
- Acquisition of a motorcycle or passenger car (with less than five seats, excluding the driver’s seat), although certain exceptions apply;
- Goods or services related to the maintenance, repair, improvement or operation of a motorcycle or passenger car, as well as for transport services or taxi transport with a passenger car; and
- Goods that have been confiscated by the state or a building that has been demolished because it was unlawfully constructed.

Partially refundable VAT

A person is entitled to partial reimbursement of the tax regarding goods and services if in its member state of establishment, the person performs deliveries with right for VAT deduction, as well as deliveries with no such right. The amount of the tax is calculated on the basis of the information from the certificate, issued by the member state where the taxpayer is established.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which the application is made may not be less than BGN 400 (approximately EUR 200); if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less BGN 50 (approximately EUR 25).

Time limits

The application must cover a period of no less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application also may relate to invoices or import documents not covered by previous applications that concern transactions carried out during that calendar year.

The application must be submitted to the Bulgarian tax authorities within six months from the end of the calendar year in which the tax became chargeable, i.e. by 30 June of the following year. Late claims are not accepted.

Proxy

The right for VAT refund is exercised individually or through an agent authorized by the foreign taxpayer who acts on behalf of this taxpayer. A written power of attorney for authorizing an agent if the taxpayer exercises his right for refund via an agent shall be submitted to the competent revenue authority. The authorization shall be made in written for every request. The following data about the authorized agent shall also be provided, i.e. the name of the authorized person, VAT-identification number or tax reference number, the full address, including the code of the state where the person is established as well as its e-mail address.

Application forms

The application must be made on a specific form prescribed by Ordinance N-10/24.08.2006 and signed by the VAT agent. The application must be completed in Bulgarian, although the name and address of the claimant must be completed in the official language of the country in which the claimant is established. The claim must be submitted in BGN. All invoices must be listed in attachment to the application form. An excel spread sheet may be used to provide an overview of the claimed amounts.

The form and supporting documentation must be sent to:

Territorial Directorate of the National Revenue Agency— Sofia
21, Aksakov Str.
1000 Sofia, Bulgaria
Tel. (+359 2) 98 59 38 01
Official website of the National Revenue Agency is: www.nap.bg

Applications cannot be filed electronically.

Supporting documentation

The following documents must be submitted with each application:

- Original invoices, import documents or credit notes (copies are not accepted). The serial number used in the application must be included on the documents;
- A summary of the submitted invoices. All invoices must be mentioned in the summary to provide an overview of the claimed amounts and an excel spread sheet may be used for this purpose. The summary is included in the application form;
- An original certificate of VAT status confirming that the claimant is registered for VAT purposes in its country of residence. The certificate may not be more than one year old;
- An original declaration from the non-resident business confirming that it did not have a place of business and did not undertake any taxable activities in Bulgaria during the period in respect of which it is making the claim and that the expenses were incurred only for business purposes; and
- An original power of attorney authorizing the VAT agent to represent the person before the tax authorities.

During the VAT refund procedure, the tax authorities may request additional documents.

E-invoicing

A printed version of e-invoices is generally accepted and self-sufficient in order to claim input VAT via the 13th Directive procedures.

Refunds and appeals

The tax authorities should issue a decision within four months of the submission of the VAT refund claim, if no additional information has been requested (see below).

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and so notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within of one month of receipt of the request.

The authorities must make a decision within two months from the date when the additional information was received or should have been received, but not less than six months from the submission of the initial refund request. Therefore, the maximum possible period for processing the VAT refund claim in case additional information is requested is eight months.

If no decision is issued in due time, the VAT refund claim is deemed rejected and an appeal can be submitted within 14 days of the day when the decision about the VAT refund claim should have been issued.

The VAT refund should be paid out within 10 days from the date when the Decision was issued.

The Bulgarian tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

The VAT refund claim may be partially rejected if an invoice is incorrect or in case the requested information about the concerned invoice was not provided.

If the refund is not granted, the grounds for rejection of the application will be stated.

Some practical causes for rejection often used by the Bulgarian authorities are the following:

- Not enough evidence that a real supply took place;
- VAT registration requirement of the claimant in Bulgaria (claimant carried out taxable supplies or has a fixed establishment).

The time limit for the claimant to submit an appeal is 14 days after the date the decision has been received.

Croatia

Croatian VAT is known as “Porez na dodanu vrijednost (PDV)”.

The standard VAT rate is 25%, with reduced rates of 13% and 5%.

It is not necessary to appoint a fiscal representative to claim a VAT refund; however, if appointed, the fiscal representative must be a domestic VAT taxpayer.

Croatia is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Croatian established company submitting an EU (former 8th Directive) claim in another EU member state.

Filing – form and time limits

A VAT refund application must be submitted electronically through the portal of the Croatian tax administration (available at: <https://eusustavi.porezna-uprava.hr/wps/myportal>). It can be filed directly by the applicant or by its proxy. The due date for filing is 30 September of the calendar year which follows the return period.

The Croatian tax administration will not forward the application to the competent authority in another EU member state in the following situations:

- the applicant is not regarded as a VAT taxable person; or
- the applicant only carries out supplies of goods and services which are exempt from VAT without right of deduction; or
- the applicant applies a special scheme for small enterprises.

The applicant may not file VAT refund claims for periods during which it was not registered as a VAT taxpayer.

The required data is currently entered manually on the portal, but the tax administration announced it has plans to develop an option to file the XML message format in the near future.

Refund period and minimum amounts

The refund period may not be longer than one calendar year or shorter than three months (except when it concerns a year-end).

If an application covers a period shorter than one calendar year but longer than three months, the requested VAT may not be lower than EUR 400 (approx. HRK 3,100). On the other hand, when an application covers a whole calendar year or the end of the year (i.e. November and December), the requested amount of VAT may not be lower than EUR 50 (approx. HRK 400).

The Croatian VAT legislation does not limit number of invoices that can be included in one claim.

Non-EU countries (13th Directive equivalent)

This refers to a Croatian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Croatian established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Croatia portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called “Potvrda o statusu obveznika PDV-a” in Croatia.

Croatia is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Croatia.

Eligibility for refund

A foreign taxable person is entitled to recover Croatian VAT if the following conditions are satisfied:

- The business does not have a residence, its seat or a fixed establishment in Croatia;
- The business did not perform any taxable supplies in Croatia during the refund period, except for:
 - Transport and ancillary services, which are VAT exempt; and
 - Supplies of goods and services taxed under reverse charge mechanism.

Non-refundable VAT

VAT related to following transactions cannot be recovered:

- Entertainment expenses;
- Acquisition and lease of aircrafts, vessels, cars and other means of personal transportation for leisure purposes, including all related goods and services;
- Supplies of goods and services exempt from VAT under articles 39 (exemption for certain activities in public interest), 40 (exemptions for other activities) and 114 (exemption for transactions with investment gold) of the Croatian VAT Act.
- Supplies of goods exempt from VAT under Article 41 (1) (i.e. exemption for intra-Community supplies of goods), and 45 (1) (2) (i.e. exemption for supply of goods dispatched or transported by or on behalf the customer not established within Croatia, except for goods transported by the customer for the equipping, fuelling and provisioning of any mean of transport for private use) of the VAT Act.

VAT charged in contradiction to the provisions (i.e. VAT charged where it should not be) of the law is non-refundable.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Croatian VAT.

Making claims

Minimum amounts

If an application covers a period shorter than one calendar year but longer than three months, the requested VAT amount may not be lower than HRK 3,100 (approx. EUR 400); if the application covers a calendar year or the end of the year (i.e. November and December), the VAT amount may not be lower than HRK 400 (approx. EUR 50).

Time limits

The application must cover a period of at least three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year except when it covers the end of a year (i.e. November and December). The application may also include invoices or import documents not covered by previous applications but relate to transactions completed during that calendar year to which the application relates. The due date for filing is the 30 September of the calendar year which follows the return period.

Proxy

A proxy is typically requested when the application is not filed directly by the applicant but by an agent. To ensure that there are no unnecessary delays in the procedure, such proxy should be provided together with the refund claim and it should be notarized. An electronic scan should suffice, but the tax administration may also request the filing of the original document. The Croatian VAT Act quotes Croatian and English as available languages in which additional documentation should be filed.

Supporting documentation

The Croatian authorities can request additional documents / information if needed (e.g. an authorisation document from the foreign taxpayer stating that the payment may be made to a third party).

E-invoicing

The Croatian VAT Act recognizes e-invoicing and provides requirements as mentioned in the Second EU Invoicing Directive. Since this is fairly new in Croatia, e-invoices are not common and the tax administration has not much practice in this respect.

Refunds and appeals

The Croatian tax administration must issue a decision on the refund claim within four months from the date of the filing:

- The authorities can accept the refund claim and notify the claimant via electronic means;
- The authorities can request additional information and notify the applicant via electronic means. The applicant must provide all information within one month of the request.

Queries / decisions will be sent to the person who actually filed the application. If the application is filed by a proxy holder, the queries / decisions will be sent to this person only.

The period in which the authorities must make a decision will be extended to six months in case additional information is requested or eight months in case the authorities request additional information after a first request.

If a refund is granted, it should be paid back within 10 business days from the expiry of a period within which the resolution should be issued to the bank account number provided to the authorities. The tax authorities shall transfer the refund to the non-resident's HRK account opened with a local bank in Croatia authorized for international business transactions, and specified on the refund application by the taxpayer or their representative. The transfer may also be made on a claimant proxy's bank account in Croatia or claimant's account opened with a bank in another Member State.

The costs of transfer are borne by the claimant.

If the claim is not processed in due time, late payments interests are due by the Croatian authorities. In practice, interests have to be requested at the moment of filing the claim, otherwise these will not be paid.

If the refund is rejected (in part or wholly), the grounds for rejection will be stated. The claimant can appeal to the Croatian tax authorities within 30 days from the date of rejection. The appeal should be in written form and send to the Tax Administration by post. It should be filed in Croatian language.

If one of the invoices does not comply with the VAT legislation, only that invoice will be rejected. Deficiencies of one invoice would not cause rejection of a whole claim.

The Croatian tax administration typically rejects the claims because invoices do not contain minimum of prescribed elements or due to deficiencies in determining the place of supply.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Croatia.

Eligibility for refund

Reciprocity between Croatia and the claimant's country of establishment is still required. Reciprocity is not specifically defined, the VAT Act is only quoting that the non-EU claimant is entitled to a VAT refund provided that the Croatian resident has the same right in the claimant's country of establishment.

Croatia only has reciprocity with following non-EU countries: Serbia (since 2 May 2012) and Switzerland (since 1 January 2011).

Non-refundable VAT

VAT related to following transactions cannot be recovered:

- Entertainment expenses;
- Acquisition and lease of aircrafts, vessels, cars and other means of personal transportation for leisure purposes, including all related goods and services;
- Supplies of goods and services exempt from VAT under articles 39 (exemption for certain activities in public interest), 40 (exemptions for other activities) and 114 (exemption for transactions with investment gold) of the Croatian VAT Act;
- Supplies of goods exempt from VAT under Article 41 (1) (i.e. exemption for intra-Community supplies of goods), and 45 (1) (2) (i.e. exemption for supply of goods dispatched or transported by or on behalf the customer not established within Croatia, except for goods transported by the customer for the equipping, fuelling and provisioning of any mean of transport for private use) of the VAT Act.

VAT charged in contradiction to the provisions of the law is non-refundable.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Croatia VAT.

Making claims

Minimum amounts

If an application covers a period shorter than one calendar year but longer than three months, requested VAT amount may not be lower than HRK 3,100 (approx. EUR 400); if the application covers a calendar year or the end of the year (i.e. November and December), the VAT amount may not be lower than HRK 400 (approx. EUR 50).

Time limits

The application must cover a period of at least three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year except when it covers the end of the year (i.e. November and December).

The application must be submitted to the Croatian tax authorities within six months from the end of the calendar year which is covered by claim, i.e. by 30 June of the following year. Late claims will not be accepted and no extension of the deadline will be granted.

Proxy

A proxy is typically requested when the application is not filed directly by the applicant but by an agent. To ensure that there are no unnecessary delays in the procedure, such proxy should be provided together with refund claim and it should be notarized. The tax administration requests the filing of an original document.

Application forms

The application must be submitted to Croatian tax administration - Local office Zagreb via ZP-PDV Form. It should be completed in Croatian (or English) and in HRK. The application form is available at http://www.porezna-uprava.hr/HR_obraci/Documents/POREZ%20NA%20DODANU%20VRIJEDNOST/ZP-PDV.pdf

Each invoice must be mentioned in the application form. Using an Excel spread sheet to provide an overview of the claimed amounts is not foreseen by the law, even though this is common practice and regularly accepted (according to practical experience).

The application must be signed by a legal representative, i.e. person authorized to represent the applicant as mentioned in the court registry excerpt (when the application is filed directly by the applicant) or by person who is named in a proxy (when application is filed via proxy).

The ZP-PDV form and supporting documentation must be sent to:

*Porezna uprava
Područni ured Zagreb
Avenija Dubrovnik 32
10000 Zagreb
Croatia*

Applications cannot be filed electronically.

Supporting documentation

The following documents must be submitted with the application:

- Original invoices;
- VAT Certificate (the claimant must prove it is registered for VAT purposes in its country of residence);
- Certified translation of the VAT Certificate; and
- Original proxy (when claim is filed via proxy).

Refunds and appeals

The Croatian tax administration must issue a decision on the refund claim within eight months of receipt of the claim. If the refund is rejected, the grounds for rejection will be stated. The claimant can appeal to the Croatian tax authorities within 30 days from the date of the rejection decision.

Queries / decisions will be sent to the person who actually filed the application. If the application is filed by a proxy holder, the queries / decisions will be sent to this person only.

The VAT act does not prescribe a deadline before which the approved refund has to be paid to a designated account. The payment account should be open in Croatia and the payment can be made to the proxy's account.

If the claim is not processed in due time, late payments interests are due by the Croatian authorities. In practice, interests have to be requested at the moment of filing the claim, otherwise these will not be paid.

If one of the invoices does not comply with the VAT legislation, only that invoice will be rejected. Deficiencies of one invoice would not cause rejection of a whole claim.

The claimant can appeal to the Croatian tax authorities within 30 days from the date of rejection. The appeal should be in written form and sent to the tax administration by post. It should be filed in Croatian.

The Croatian tax administration typically rejects the claims because invoices do not contain minimum of prescribed elements or due to deficiencies in determining the place of supply.

Cyprus

Cypriot VAT is known as “Foros Prostithemenis Axias” (ΦΠΑ).

As from 13 January 2014, the standard VAT rate is 19% and the reduced rates are 9% and 5%.

An extensive overview of the VAT rates applied in Cyprus can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Cyprus fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Cyprus is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Cyprus established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically (in English) through the portal of the tax authorities in the country in which the claimant is established (https://refund-eu.vat.mof.gov.cy/VATiSee/index_cyprus_vat_en.html for companies established in Cyprus).

The request may be submitted by the claimant or an authorized third party, which can be a non-established company, provided the third party has the access codes granted by the claimant.

The claimant must register to obtain access to the website of the authorities for filing the VAT refund claim: https://refund-eu.vat.mof.gov.cy/VATiSee/index_cyprus_vat_en.html.

When being the member state of establishment, the Cyprus tax authorities will issue an electronic confirmation of receipt of the refund claim.

IT requirements

Cyprus enterprises that are liable to register under Cyprus VAT law can claim the VAT paid for business expenses incurred in other European countries by submitting an electronic application on a dedicated website of the Cyprus VAT authorities.

An XML file can be uploaded for that purpose.

The application will be examined by the Cyprus VAT authorities and then forwarded to the tax authorities of the member state in which the business expenses were incurred for further examination before the latter authorities issue a refund.

To submit an electronic application for a VAT refund, a Cyprus business must:

- Read the Installation Guide for installing the VAT Refund System;
- Download and save the VAT Refund System on its computer (if the zip file of the VAT Refund System cannot be 'unzipped' on the taxpayer's computer, the WinZip program should be downloaded and run).

For more information on the above procedures, the claimant can call +357 22 601852 or send an email to: operations@vat.mof.gov.cy

Prior registration is not necessary to access the system.

The electronic form is divided into six main sections:

- Section A—Information about the claimant (i.e. general information relating to the taxpayer and the period for which the claim is made);
- Section B—Information about the representative of the claimant;
- Section C—Bank account details for the refund;
- Section D—Information about the operations at import (i.e. supplier's name, address, telephone number, country prefix, description of the goods, a description of the transactions, deductions (e.g. pro rata calculations, etc.);
- Section E—Information about the purchases (i.e. reference number of invoices, issuing date of invoices, supplier's name, address, telephone, country, prefix, country code, identification number, a description of the goods, a description of the transactions, taxable amount, deductions (e.g. pro rata calculations, etc.);
- Section F—Attachments (i.e. file type, name and description).

Once the claim is filed, the taxpayer will receive an instant confirmation from the website, referencing the application.

An automatic upload is possible to prepare the claim, although no specific software is required. The uploaded file can be in PDF, JPEG, TIFF or in a zip format. The maximum size of the files in total may not exceed 5MB.

Non-EU countries (13th Directive equivalent)

This refers to a Cyprus established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Cyprus established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Cyprus portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. In Cyprus, this form is called ‘VAT 109’.

Cyprus is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Cyprus.

Eligibility for refund

A foreign taxable person is entitled to recover Cyprus VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in Cyprus;
- The business does not have residence, its seat or a fixed establishment in Cyprus;
- The business has not rendered any taxable supplies in Cyprus, except for:
 - Certain tax-exempt cross-border transportation from/to non-EU countries;
 - Supplies for which the reverse charge mechanism applies;
 - Supplies subject to occasional taxation; and
 - Electronically provided supplies where the foreign taxable person opted for the application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons.

Non-refundable VAT

VAT cannot be recovered on:

- Non-business supplies; if a supply has both business and non-business purposes, VAT can be reclaimed only on the business portion of the supply;
- Supplies or imports of ordinary passenger cars;
- Certain second-hand goods, e.g. cars and antiques for which the VAT margin scheme is used;

- Business entertainment and hospitality expenses, except the provision of entertainment to employees, and if the claimant is a corporation, the provision of entertainment to directors or persons otherwise engaged in the company's management, unless the provision of entertainment in these cases is incidental to the provision of entertainment to other persons;
- Supplies used or to be used to make a supply in Cyprus; and
- Goods and services, such as hotel accommodation, purchased for resale and that are for the direct benefit of travellers.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Cyprus VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application is for a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50 (or equivalent currency for each member state).

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application also may relate to invoices or import documents not covered by previous applications and which concern transactions completed during that calendar year.

In such case, the claimant can submit another claim (an annual claim) that can cover any expenses not previously claimed. No further claims can be made once an annual claim is submitted. A submitted claim can be corrected, although amounts cannot be changed. It should be noted that some countries do not allow claimants to amend an application for a VAT refund in another EU member state.

Proxy

A proxy is not required.

The follow up on a claim can be done electronically by any person having the login details. The VAT authorities will contact the claimant (if needed) via email or telephone. If the claimant contacts the authorities, they generally will provide the claimant with the information requested. Each country will carry out an examination as to whether the claimant exists, but will not check its contact details. If a claimant does not respond to contact by the authorities within one month, the claim will be automatically rejected.

As the member state of refund, the Cypriot authorities will not request a third party to provide a copy of a power of attorney to be able to follow up on the status of a claim. Any person with the access passwords can follow up. The access codes can be obtained from the claimant, its representative or another party that received the passwords from the claimant or its representative.

Supporting documentation

The general threshold for the submission of an electronic copy of an invoice is where the taxable basis on the invoice or import document is EUR 1,000 or more. However, where the invoice relates to fuel costs, the threshold for providing a copy is set at EUR 250. The serial number used on the application form should be included on the documents.

The Cyprus VAT authorities can request additional documents/information if needed.

E-invoicing

According to the EU invoicing requirements, e-invoices are generally accepted in order to claim input VAT.

Refunds and appeals

The Cyprus VAT authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the refund claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via registered mail; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of the request.

The queries/decision will only be sent to the address mentioned on the registration form.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request. The progress of the VAT refund application is updated online.

If a refund is approved, it will be processed in EUR within 10 business days of the decision to the bank account number provided to the authorities. This bank account can be held by the claimant, a proxy holder or any other person.

The Cyprus tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

If the refund is rejected, the grounds for rejection will be stated. The claimant can appeal to the Minister of Finance and request the re-examination of the application within 60 days from the date of the rejection letter or decision.

Alternatively, the claimant can appeal to the high court within 75 days from the date of the rejection letter or decision. The claimant can appeal either by letter or by email. The acceptable languages are English and Greek.

It usually takes 4-5 months for the refund claims to be refunded, if the authorities do not request any additional information.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Cyprus.

Eligibility for refund

Reciprocity is required. If a non-EU country allows recovery of VAT or other turnover taxes by Cyprus businesses, Cyprus will permit the recovery of VAT by businesses from that country. However, where the non-EU country has a recovery mechanism, but does not specifically allow VAT recovery by Cyprus businesses, Cyprus VAT will not be recoverable. Cyprus has concluded reciprocity agreements with Israel and Switzerland.

Non-EU businesses do not have to appoint a Cyprus fiscal representative, although the VAT Commissioner may request it.

Non-refundable VAT

VAT cannot be recovered on:

- Non-business supplies; if a supply has both business and non-business purposes, VAT can be reclaimed only on the business portion of the supply;
- Supplies or imports of ordinary passenger cars;
- Certain second-hand goods, e.g. cars and antiques for which the VAT margin scheme is used;
- Business entertainment and hospitality expenses, except the provision of entertainment to employees, and if the claimant is a corporation, the provision of entertainment to directors or persons otherwise engaged in the company's management, unless the provision of entertainment in these cases is incidental to the provision of entertainment to other persons;
- Supplies used or to be used to make a supply in Cyprus; and
- Goods and services, such as hotel accommodation, purchased for resale and that are for the direct benefit of travellers.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Cyprus VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amounts for which application is made may not be less than EUR 205. If the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 25.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application also may relate to invoices or import documents not covered by previous applications with respect to transactions carried out during that calendar year.

The application must be submitted to the Cyprus VAT authorities within six months from the end of the calendar year in which the tax became chargeable (i.e. by 30 June of the following year). Late claims will not be accepted and no extension of the deadline will be granted.

Proxy

In case an agent submits the application on behalf of the claimant, a proxy should be provided to the Cyprus Authorities along with the original form.

Application forms

The application should be made on Form VAT 109 issued by the Cyprus VAT authorities. The form can be obtained from the local VAT offices or downloaded (see below).

The application must be completed in Greek and be signed by a person who is legally entitled to represent the company: managing director, the chairman or the agent that has a letter of authority.

All invoices must be listed in the attachment to the application form. An excel spread sheet may be used to provide an overview of the claimed amounts.

The form and supporting documentation must be sent to:

Minister of Finance
Customs and Excise Department
VAT Service
1471 Nicosia
Cyprus
T: +357 22 601834
F: +357 22 660484
www.mof.gov.cy/ce

Supporting documentation

The following documents must be submitted with each application:

- An original certificate of taxable status, which must have been issued within the past year;
- An original certificate from the local authorities showing that the entity is registered for business purposes in that country. This certificate must contain:
 - The name, address and official stamp of the authority;
 - The business name and address;
 - The nature of the business;
 - The business registration number; and
 - Original invoices.

E-invoicing

According to the EU invoicing requirements, e-invoices are generally accepted in order to claim input VAT.

Refunds and appeals

- The authorities can accept the refund claim and notify the claimant via letter;
- The authorities can reject the claim in whole or in part and notify the claimant via letter; or
- The authorities can request additional information and notify the claimant via letter. The claimant must provide all information within one month of the request.

The queries/decisions will be sent to the claimant, except if there is a proxy that confirms that the agent submits the refund application on behalf of the claimant, then the queries/decisions will be sent to the agent.

The Cyprus tax authorities will not be liable for late payment interest if the refund is not processed in a timely manner.

If the refund is not granted, the grounds for rejection of the application will be stated. The time limit for an appeal is 30 days after the date of the VAT authorities' reply.

Czech Republic

Czech VAT is known as “Daň z přidané hodnoty” (DPH).

The standard VAT rate is 21% and there are two reduced rates of 10% and 15%.

An extensive overview of the VAT rates applied in the Czech Republic can be found at: http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf

It is not necessary to appoint a Czech fiscal representative to claim a refund of Czech VAT based on Directive 2008/09/EC or the 13th Directive.

Czech Republic is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Czech established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

If the VAT is incurred in another EU member state, the form should be completed and filed through the web portal of the Czech tax authorities. The application can be submitted by the claimant or a person authorized to act on behalf of the claimant under a valid power of attorney. The authorization to submit VAT refund claims can be obtained by a resident or non-resident third party by completing the form that can be found at: https://adisdp.mfcr.cz/adistc/adis/idpr_pub/auth/LoginPage.faces

The claimant must have an electronic signature or databox. A third party must obtain the electronic signature or databox before registering on the portal. International electronic signatures are generally not accepted by the Czech authorities.

The Czech tax authorities will issue a confirmation of receipt of the refund claim.

IT requirements

The claimant can upload a document in XML format to the electronic portal: https://adisdp.mfcr.cz/adistc/adis/idpr_pub/epo2_info/popis_struktury_detail.faces?zkratka=DPHZVD

No specific software is required for this upload, except for the obligation to use a digital signature or login data for databox.

A digital certificate can be obtained from the provider of certification services (certification authority). Three different authorities in the Czech Republic are authorized to issue certificates (První certifikační autorita a.s, E-identity a.s. and PostSignum). The certification authority must be provided with originals of two forms of identification of the future holder of an electronic signature and an in-person meeting must be held between the recipient of the electronic signature (or a representative holding a notarized power of attorney) and the certification agency. The originals of ID cards or notarized copies should be presented.

There is no maximum number of invoices which can be submitted through a refund claim or per year. However, the application allows to upload the documents for a total size of maximum 5 MB.

Non-EU countries (13th Directive equivalent)

This refers to a Czech established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Czech established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Czech portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called “Rozhodnutí o registraci k DPH” in Czech Republic.

Czech Republic is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive claim) in the Czech Republic.

Eligibility for refund

An EU business registered for VAT in another EU member state is entitled to recover Czech VAT if the following conditions are satisfied:

- The business has not been registered or liable to be registered for VAT in the Czech Republic in the relevant period;
- The business does not have residence, its seat or a fixed establishment in the Czech Republic; and

- The business has not performed any taxable supplies in the Czech Republic in the relevant period, except for:
- Certain tax-exempt supplies (cross-border transportation from/to non-EU countries); and
- Supplies for which the reverse charge mechanism applies.

Non-refundable VAT

VAT cannot be recovered on business representation and entertainment expenses.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Czech VAT. However, if the company is entitled to partial VAT recovery in its country of establishment, it would be also entitled to partial VAT refund.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount of VAT for which the application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year shorter than three months, the VAT amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application also may relate to invoices or import documents not covered by previous applications with respect to transactions carried out during that calendar year.

A claimant may submit more than one refund claim for the remainder of a calendar year (e.g. where a claimant has submitted a refund claim for the remainder of a calendar year but then receives additional invoices, the claimant can submit a corrected refund claim within the relevant deadlines).

Proxy

The claimant can authorize any third party under a power of attorney to act on behalf of the claimant during the VAT refund process. The power of attorney needs to be delivered to the tax authorities as a hard copy prior the acting on behalf of the claimant. The power of attorney needs to be in Czech language or bilingual, signed by the person authorized to sign it (usually statutory representative of claimant) and does not have to be notarized.

Supporting documentation

Only an electronic copy of invoices for which the taxable basis of the invoice or import documents equals or exceeds the threshold of EUR 1,000 must be submitted with each application (EUR 250 for invoices relating to fuel costs).

The Czech authorities can request original invoices or any additional documents/information.

E-invoicing

There are no specific requirements for e-invoicing. The general conditions for e-invoicing as stated in the Czech VAT Act need to be met in relation to VAT refunds.

Refunds and appeals

The Czech VAT authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via registered mail; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the request.

The tax authorities' notices, requests for additional information, decisions etc. will be sent via an email to the email address stated on the application for VAT refund. Therefore, it is important to include in the application for VAT refund the correct email address to which the correspondence should be sent.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request. The claimant must provide additional documents and communicate with the Czech authorities in Czech.

The acceptance of the request depends on the amount of VAT to be refunded and the responsible tax officer. Usually, when the amounts are substantial, the tax officer will request additional information, e.g. contracts, purchase orders, explanation, etc.

If a refund is granted, it will be paid in CZK within 10 business days after the relevant period to the bank account number provided to the authorities in the refund application.

The Czech tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

In case one of the submitted invoices is not correct or not compliant with the format requirements, the refund claim will only be rejected for the concerned part only rather than rejecting the full refund claim.

If the refund is not granted, the grounds for rejection of the application will be stated. The claimant can appeal the decision to the Czech tax authorities within 30 days from the day following the day the decision is delivered.

It is recommended to respond to the notice from the Tax authorities via letter, written in Czech and send it via registered mail.

There are no penalties in case the request for VAT refund is rejected. However, if VAT is refunded due to fraud or based on incorrect information, the claimant may be penalized.

The whole process should not take more than 8 months. The time depends on the amount of VAT to be refunded and the responsible tax officer. Usually, if the amount to be returned is high, the tax authorities will request additional information and the process can be longer.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in the Czech Republic.

Eligibility for refund

Reciprocity is required, which currently exists with Macedonia, Norway and Switzerland.

Non-refundable VAT

VAT will not be refunded for the following goods and services: goods and services for personal consumption; travel costs, accommodation and catering of foreign persons; goods and services connected with the representation of foreign persons; phone bills; taxi services; and gas and fuel costs.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Czech VAT. However, the VAT is to be refunded under similar conditions as applicable for VAT payers.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than CZK 7,000; if the application relates to a period of a calendar year or the remainder of a calendar year shorter than three months, the amount may not be less than CZK 1,000.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

The application must be submitted to the Czech tax authorities within six months of the end of the calendar year in which the tax became chargeable, i.e. by 30 June of the following year at the latest.

The tax authorities must issue the refund within six months from the day following the date the refund claim is submitted or the date where submission issues are resolved.

Proxy

The claimant can authorize any third party under a power of attorney to act on behalf of the claimant during the VAT refund process. The power of attorney needs to be delivered to the tax authorities in hard copy before acting on behalf of the claimant. The power of attorney needs to be in Czech language or bilingual, signed by the person authorized to sign it (usually statutory representative of claimant) and does not have to be notarized.

Application forms

For 2014 VAT refunds, the form 25 5247 issued by the Czech tax authorities must be used (other EU forms will not be accepted): http://www.financnisprava.cz/assets/tiskopisy/5247_1.pdf

All invoices must be listed in the attachment to the application form. It is generally not possible to use an excel spread sheet to provide an overview of the claimed amounts.

The form and supporting documentation must be sent to:

Financial Office for the Capital City of Prague
Stepanska 619/28,
111 21 PRAHA 1
Czech Republic
T: +420 2 2404 2153 or (1154)
F: +420 2 2404 1920

Error! Hyperlink reference not valid. (official – in Czech language)

<http://www.financnisprava.cz/en/> (unofficial – in English)

Applications cannot be filed electronically.

Supporting documentation

The following documents must be submitted with each claim:

- Original invoices, bills, vouchers, receipts or customs clearance forms (copies are not accepted);
- An original certificate of the VAT status of the claimant showing that the claimant is registered for VAT or a similar tax in its country of residence. The certificate may not be older than one year; and
- A written declaration confirming that the claimant has met the requirements of the Czech VAT Act for a VAT refund (i.e. the claimant is a taxable person not established in the EU and does not carry out supplies in the relevant period except for those listed in the VAT Act).

E-invoicing

There are no specific requirements for e-invoicing. The general conditions for e-invoicing as stated in the Czech VAT Act need to be met in relation to VAT refunds.

Refunds and appeals

The whole process should not take more than six months as from the moment of submitting the request for VAT refund or since the submission of the additionally requested explanation or documentation.

The tax authorities will only communicate by the regular mail in the Czech language. Communication via electronic means should not be possible. The claimant must provide all information within the given deadlines.

If a proxy is submitted to the tax authorities, the queries/decisions will only be sent to the proxy holder.

In case one of the submitted invoices is not correct or not compliant with the format requirements, the refund claim will only be rejected for the concerned part, rather than rejecting the full refund claim.

If the refund is not granted, the grounds for rejection of the application will be stated.

The deadline for the submission of an appeal will be stated in the decision.

No penalties are foreseen in case if the request for the VAT refund is rejected.

The time to process the refund depends on the amount of VAT to be refunded and the responsible tax officer. In practice, if the amount of requested VAT is substantial, the tax office will request additional information and the process can last longer.

Denmark

Danish VAT is known as “Merværdiafgift” (MOMS).

The standard VAT rate is 25%, and a reduced rate of 0%.

The Faeroe Islands and Greenland are not part of Denmark or the EU.

An extensive overview of the VAT rates applied in Denmark can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Danish fiscal representative to claim a VAT refund under Directive 2008/09/EC or the 13th Directive.

Denmark is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Danish established company submitting an EU (former ‘8th Directive’) claim in another EU member state.

Procedure

Filing

Danish businesses should submit the application in relation to a VAT refund in other EU member states through TastSelv at www.skat.dk.

The request may be submitted by the applicant or an authorized person. If that person is a non-established business, it should register in Denmark for refund purposes before filing the refund claim. The registration form can be obtained through the following website: www.virk.dk/RUT.

In section 13 of the registration form, “Anmoder om SE-nummer af hensyn til momsrefusion” should be mentioned to indicate that the foreign non-established business is applying for an SE number only in relation to a VAT refund.

IT requirements

Danish taxpayers registered for VAT purposes can file a refund claim electronically using the refund menu in the “TastSelv – Erhverv” service from the Danish authorities, through the following web portal: www.skat.dk. The business will gain access to “TastSelv – Erhverv” once it registers for VAT purposes in Denmark.

Purchase information can be filed by uploading a file in CSV format. The Danish tax authorities show a sample file at the following webpage: <http://www.skat.dk/SKAT.aspx?old=1645745> (select “Søg om at få momsen tilbage i TastSelv Erhverv” and then “skabelon”).

Access is granted by using the taxpayer’s “TastSelv” code or a digital signature. If the taxpayer does not have a “TastSelv” code, it can request one from the homepage of the Danish tax authorities.

The following information should be filled in:

- General information relating to the taxpayer, bank information and the period for which the refund is requested;
- General information i.e. refund member state, language of the application, currency;
- The applicant must declare that the company did not have a registered business in the member state of refund;
- List of invoices in which each document can be manually typed in or where all documents can be uploaded in a semicolon separated format;
- Annexes: scanned invoices/annexes can be uploaded, taking the following into account:
 - File types accepted : JPEG, PDF or TIFF;
 - Maximum file size: 5MB.

Non-EU countries (13th Directive equivalent)

This refers to a Danish established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Danish established company, claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Danish portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. In Denmark, this form has no specific name but previously it used to be the form number “31.015”.

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former '8th Directive') claim in Denmark.

Eligibility for refund

A foreign taxable person is entitled to recover Danish VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in Denmark;
- The business would have been liable to register for VAT in Denmark if established in Denmark; and
- The business has not rendered any taxable supplies in Denmark, except for:
 - Certain tax-exempt cross-border transportation;
 - Supplies for which the reverse charge mechanism applies; and
 - Electronically provided supplies where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons.

Non-refundable VAT

VAT cannot be recovered on:

- Meals for the owner and staff of the enterprise (unless in connection with meetings with a professional content). However, VAT on meals in the form of restaurant bills incurred for business purposes is partly refundable;
- The acquisition and running of places of residence for the owner and staff of the enterprise;
- The acquisition and operating costs connected to nursery, day care, after-school care, holiday homes, weekend houses, etc., for the owner and staff of the enterprise;
- Entertainment expenses, representation costs and gifts. However, VAT on business entertainment/representation in the form of restaurant bills is partly refundable if used for strictly business purposes;
- The acquisition, repair and operation of motor vehicles designed for the conveyance of not more than nine persons; however, VAT on long term leasing of passenger cars is partly recoverable under certain conditions and also the VAT on the Oeresunds Bridge is recoverable; and
- Payments in kind to the staff of the company.

Partially refundable VAT

No more than 25% of VAT may be recovered on restaurant bills. VAT regarding hotel accommodations can now be deducted at 100 %. In order to deduct VAT, costs must strictly be borne for business purposes.

There is a right to deduct a specific amount of VAT for companies that lease passenger cars if:

- The leasing period is at least six months; and
- The vehicle is used for VAT purposes for at least 10% of the annual mileage.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than DKK 3,000; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than DKK 400.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

Proxy

The claimant or a third party with a power to attorney to act on behalf of the claimant can follow up on the status of a VAT refund claim.

The power of attorney should be dated and signed by both parties and can be accepted in Danish, Swedish, English or German.

Supporting documentation

The Danish authorities can request additional documents/information and decide whether it should be original, copies, or import specifications.

E-invoicing

According to the EU invoicing requirements, e-invoices are generally accepted in order to claim input VAT.

Refunds and appeals

The Danish tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can reject the application in whole or in part and so inform the claimant;
- The authorities can accept the refund claim and so inform the claimant.

The authorities can request additional information and so notify the claimant. The claimant must provide all information within one month of receipt of the notification.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, it will be processed within 10 business days after the relevant period and paid to the bank account number provided to the authorities. Possible transaction costs are to be borne by the business. This bank account can be held by the claimant, a proxy holder or any other person.

The Danish tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal of the rejection may be made to the Danish National Tax Tribunal within three months from the notification of the rejection. The appeal shall be in writing and well documented. Furthermore, the decision which is being appealed shall be attached. It is also possible to appeal online via the Danish National Tax Tribunal homepage, however this requires a digital signature.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Denmark.

Eligibility for refund

Reciprocity is not required.

The company can obtain a VAT refund if the following five conditions are met:

- (i) The enterprise is not domiciled or has a place of business in Denmark;
- (ii) The goods or services are bought for commercial use;
- (iii) The business must evidence that it is a VAT taxpayer in its home country;
- (iv) The business would be subject to a registration duty in accordance with the Danish VAT Act (*Momsloven*) if the enterprise was situated in Denmark; and
- (v) During the period which the application concerns, the applicant has not conducted business which is subject to a registration duty except for:
 - Certain tax-exempt cross-border transportation;
 - Supplies for which the reverse charge mechanism applies.

Non-refundable VAT

VAT cannot be recovered on:

- Meals for the owner and staff of the enterprise (unless in connection with meetings with a professional content). However, VAT on meals in the form of restaurant bills incurred for business purposes is partly refundable;
- The acquisition and running of places of residence for the owner and staff of the enterprise;

- The acquisition and operating costs connected to nursery, day care, after-school care, holiday homes, weekend houses, etc., for the owner and staff of the enterprise;
- Entertainment expenses, representation costs and gifts. However, VAT on business entertainment/representation in the form of restaurant bills is partly refundable if used for strictly business purposes;
- The acquisition, repair and operation of motor vehicles designed for the conveyance of not more than nine persons; however, VAT on long term leasing of passenger cars is partly recoverable under certain conditions and also the VAT on the Oeresunds Bridge is recoverable; and
- Payments in kind to the staff of the company.

Partially refundable VAT

No more than 25% of VAT may be recovered on restaurant bills. VAT regarding hotel accommodations can now be deducted at 100 %. In order to deduct VAT, costs must strictly be borne for business purposes.

There is a right to deduct a specific amount of VAT for companies that lease passenger cars if:

- The leasing period is at least six months; and
- The vehicle is used for VAT purposes for at least 10% of the annual mileage.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than DKK 3,000; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than DKK 400.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The application must be submitted to the Danish tax authorities at the latest on 30 September of the calendar year following the refund period. The deadline will not be extended.

Proxy

The claimant will need a proxy when a representative for the business files VAT refunds for companies from third countries. It should be filed together with the claim. The Danish Tax Authorities have not specified a specific format.

Application forms

The claim is made on Form 31.004, issued by the Danish tax authorities. The form must be completed in Danish, English, German or Swedish, and the amounts stated in DKK. Application forms can be obtained from the local VAT offices or downloaded at: <http://skat.dk/getFile.aspx?Id=121413>

If specifications must be made, Form 31.016 must be completed. This form can be obtained at: <http://www.skat.dk/getFile.aspx?ID=10735&newwindow=true>.

All invoices must be listed in the attachment to the application form. An excel spreadsheet may be used to provide an overview of the claimed amounts.

The application must be signed by a person who is legally entitled to represent the company (depending on the Articles of Association of the company).

Otherwise, a letter of authority should be provided. The form and supporting documentation must be sent to:

SKAT
Udland - Momsrefusion & Momsregistrering
Pionér Allé 1
6270 Tønder
Denmark
T: + 45 72 22 18 18
www.skat.dk

Applications cannot be filed electronically.

However, in the case of foreign companies crossing the bridge Oeresundsbroen (i.e. bridge between Denmark and Sweden), applications for a refund of VAT on toll charges must be sent to the Swedish tax authorities.

Refunds of VAT on the toll charges cannot be obtained by contacting Skattecenter Toender in Denmark.

Supporting documentation

When a non-EU business initially applies for a VAT refund in Denmark, it will be given a registration number, which the business must use each time it applies for a VAT refund. The registration number is strictly a VAT refund number; it is not a Danish VAT number.

The following documents must be submitted with each application:

- Original invoices or import documents (copies are not accepted). However, sales tickets or bills for not more than DKK 3.000 that are issued by retailers or other firms whose sales are made predominantly to private consumers may be used as documentation;
- If the company has not previously applied for a VAT refund in Denmark, it must submit documentation evidencing its VAT taxpayer status in its country of establishment;

- The certificate must be issued by the competent authority in the country of establishment. The certificate is valid for up to 1 year. If the certificate was issued more than 1 year ago, a new certificate must be submitted;
- A certificate stating the use of the purchased goods and service covered by the claim - this is stated directly in the application form; and
- A certificate stating that the taxpayer has not carried out any activities in Denmark that require VAT registration. This is stated directly in the application form.

E-invoicing

According to the EU invoicing requirements, e-invoices are generally accepted in order to claim input VAT.

Refunds and appeals

The Danish tax authorities must issue a decision on the refund claim within eight months of receipt of the claim.

- The authorities can reject the application in whole or in part and so inform the claimant;
- The authorities can accept the refund claim and so inform the claimant;
- The authorities can request additional information and so notify the claimant. The claimant must provide all information within one month of receipt of the notification.

If the refund is granted, it will be processed on the bank account number as provided to the authorities. The business will be liable to pay possible transaction costs. The authorities will sign and return all original invoices and import documents to the business.

If the refund is not granted, the grounds for rejection of the application will be stated.

The time limit for an appeal is within 3 months from the notification of the rejection.

The Danish authorities are in principle not applying penalties for rejected VAT refund claims.

Estonia

Estonian VAT is called “Käibemaks.”

The standard VAT rate is 20%, and there are reduced rates of 9% and 0%.

It is not necessary to appoint a fiscal representative to claim a VAT refund based on Directive 2008/9/EC or the 13th Directive.

Estonia is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to an Estonian established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The refund application and supporting information/documents must be submitted electronically through the portal of the tax authorities in the country in which the claimant is established which is <http://www.emta.ee/index.php?id=12223> for Estonian registered claimants. The form must be submitted by the claimant or an authorized person, and must be in Estonian or English.

An authorized person filing a refund claim on behalf of the claimant can be a non-established company, but a valid power of attorney will be required.

When being the member state of establishment, the Estonian authorities generally will not issue a confirmation of receipt of the VAT refund claim. The e-filing system automatically checks for mistakes in the application and notifies the person accordingly.

IT requirements

Estonian taxpayers registered for VAT purposes electronically file their refund claim using the portal of the Tax and Customs Board, called e-Maksuamet. The Estonian resident representative of a company established in Estonia may immediately proceed with using the electronic interface and login by using its Estonian ID-card, mobile-ID or bank identification.

A non-resident representative will need to sign an authentication contract that grants access to e-Maksuamet. An authentication contract is concluded between a private person and the Estonian tax authorities, which means that each member of a company that intends to use the Estonian portal will need to sign the authentication contract to obtain a personal e-filing code granting access to the portal. The non-resident will receive a username, a list of codes and a non-resident code.

Registration by post is also possible. A non-resident that requires portal access can print out, complete and sign two copies of an authentication contract. The unofficial translation of this document can be found at: <http://www.emta.ee/doc.php?26702>.

The authentication contract can be found at: <http://www.emta.ee/doc.php?26703>.

Since the contract is concluded between an individual and the Estonian Tax and Customs Board, an authentication contract containing the details of a legal entity will be rejected. The non-resident individual must send a notarized copy of his passport, which clearly displays the following information: first and last name, date of birth, country, passport number and date of expiration. The document should be sent by post to the following address:

Mrs Katrin Kullamaa
Tax and Customs Board
Lõõtsa 8a, Tallinn
15177, Estonia

The tax authorities will send back a copy of the signed contract, portal password and a non-resident code.

The preparation and filing of the form is done through the tax authorities' web portal: <http://www.emta.ee/>. To complete the form, the information is manually uploaded on a line-by-line basis, although it is possible to upload the data in an XML file (the format of the XML file is described at <http://www.emta.ee/index.php?id=26900>).

There is no maximum number of invoices that can be submitted within the same refund claim. However, one must keep in mind the file size limit of 5 MB. If the total size of invoices (compressed into zip file) exceeds this limit, the applicant should select the invoices with the biggest amounts. If the refund Member State requires additional documents, the applicant is notified about this.

Non-EU countries (13th Directive equivalent)

This refers to an Estonian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for an Estonian established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Estonian portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called ‘Residentsustõend’ in Estonia.

Estonia is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former ‘8th Directive’) claim in Estonia.

Eligibility for refund

To be eligible for a refund in Estonia, a taxable person supplying taxable goods or services in its country of establishment must carry out transactions and incur VAT on expenses in Estonia. During the refund period, a taxable person must not have the seat of its economic activity, a fixed establishment or a place of residence in Estonia, nor is it allowed to provide supplies in Estonia.

Only VAT incurred on business-related activities can be refunded. Thus, non-taxable persons and taxable persons with limited liability to VAT are not eligible for a VAT refund.

Non-refundable VAT

Although the Estonian government can establish a list of goods and services with respect to which the VAT is not refundable, it has not issued such list. A VAT refund is available if an Estonian company can apply a similar VAT deduction on its business expenses. This limits the VAT deduction, for example, on meals and entertainment expenses. VAT on accommodation costs is deductible if the trip is not for leisure purposes.

Partially refundable VAT

As from December 2014, there is a limitation on deduction of input VAT in case of purchase and operational lease cost of company cars and also to goods and services acquired in relation to the aforementioned cars (fuel, repair, maintenance, parking etc.). Only up to 50% of input VAT may now be deducted on all of the said costs in Estonia. Amendments only affect passenger cars (category M-1).

There are exceptions in case of which the input VAT upon the respective costs can be deducted in full:

- cars obtained for resale or for provision of operational lease service;
- taxi;
- cars mainly used for driving lesson services;
- in case the respective car shall be used fully for business purposes.

In case a company car is used fully for business purposes, the company needs to be able to prove that the car shall not be used for any other purpose (e.g. for private trips). There are no concrete conditions provided by law but in the guidelines the examples of proper means for companies are such as setting concrete internal rules for the use of a car, limits to mileage, using a GPS tracker, conclude an insurance contract only for business trips etc.

Making claims

Minimum amounts

If the application relates to a calendar year or the remainder of a calendar year, the amount for which the claim is made may not be less than EUR 50; if the application relates to a period of less than a calendar year, the amount may not be less than EUR 400.

Time limits

The application must be submitted to the Estonian tax authorities by 30 September of the year following the refund period.

The application must cover a period of not less than three consecutive calendar months, which is not limited to calendar quarters. An exception to this limit is available where an application is submitted for the remainder of a calendar year (e.g. from 15 November to 31 December).

In practical terms, the Estonian authorities are prepared to treat up to five timely filed refund applications from one taxpayer per year. For example, it is possible to submit four quarterly claims and another one for a full calendar year. “Forgotten” invoices may be submitted in the annual application or in the application for the following periods, but only up to the statutory deadline.

Proxy

When acting as the Member State of Refund, the Estonian authorities will request a third party service provider to prove that it is authorized to follow up on the claim. The authorized third party representative of the applicant must, upon filing the refund claim, provide a hard copy original power of attorney which should be sent by post to Tax and Customs Board, Lõõtsa 8a, 15176 Tallinn, Estonia. The power of attorney does not need to be notarized or legalized.

Supporting documentation

The following information should be taken into account by a foreign taxpayer applying for a VAT refund in Estonia:

- Scanned copies of invoices or import declarations are required when the taxable basis of the document equals or exceeds EUR 1,000 (EUR 250 for fuel). The Estonian tax authorities will contact the applicant if additional documents are needed;

- For a representative to be able to apply for a VAT refund on behalf of a foreign company, the foreign company will have to send a hard copy of the relevant power of attorney to the Tax and Customs Board at the Northern Tax and Customs Centre. The power of attorney must contain a confirmation from the foreign taxpayer it is granting the third party authority to submit the application, communicate with the Estonian tax authorities, receive the refund, etc.

E-invoicing

E-invoices are accepted by the Estonian tax authorities. To reclaim VAT under Directive 2008/09/EC or the 13th Directive, e-invoices must be printable (printed out and included in supporting documentation) and readable.

Refunds and appeals

The member state of establishment of the foreign entity has 15 calendar days to forward the application to the Estonian tax authorities. The Estonian tax authorities have four months from the date of receipt of the application to issue their decision. The decision deadline can be extended up to eight months if additional information is requested from the claimant, the other member state or a third party. The requested information must be provided within one month; failure to comply could result in a negative decision.

When being the member state of refund, the Estonian authorities are required to immediately notify the applicant about the date of receiving the VAT refund application. The claim can be followed up by the claimant or its representative. All communications (such as a request for additional information/documents) are conducted via e-mail indicated on the VAT refund application. In case applicant has appointed a representative, the additional questions are sent to the representative first and if no response is received by the given deadline, then the questions are also sent to the applicant.

Partially positive or fully negative VAT refund decisions are sent to both applicant and representative via e-mail. However, positive VAT refund decision is not forwarded via e-mail but is made available in the electronic system of the Tax Board in pdf format.

So far, the Estonian Tax and Customs Board has in case of applications that do not require additional questions, issued its decision within the given deadline (4 months) and added a pdf format decision in the electronic system.

If a refund request is granted, payment must be made within 10 business days after the decision is made by the Tax and Customs Board.

In case of problems with one invoice, generally the VAT refund is refused in connection with this particular invoice rather than rejecting the full refund claim. However, if the VAT refund amount after refusing the VAT refund upon one invoice remains less than the threshold foreseen for the particular period (EUR 50 or EUR 400), a negative decision is issued for the entire refund claim.

The Estonian tax authorities may be liable for late payment interest (0.06% per day) if the refund is not processed in a timely manner. Interest will not be due however if the payment failed because of incorrect bank account details or the claimant did not provide additional information which was requested from the authorities.

If an application is rejected, the Estonian Tax and Customs Board must provide the claimant with the reason(s) for the rejection.

Common format reasons for rejecting the VAT refund claim are for example that the refund claim period is under 3 months, the claimed amount does not correspond to the particular period or is smaller than the foreseen threshold, the claim is filed with delay, etc.

Common substantial reasons for rejection are for example that invoices are not issued to the name of the applicant, the invoice does not contain VAT or Estonian VAT, the added VAT is not in accordance with the Estonian VAT Act, VAT is not refundable (e.g. VAT in connection with catering), etc.

An appeal needs to be issued within 30 days as of the day when the decision was notified or delivered to the person. The Estonian tax authority accepts appeals in Estonian or English language and the appeals can be sent either via e-mail or by post. The appeal must correspond to the requirements set by the Estonian Taxation Act article 139.

There are no penalties foreseen in case of incorrect VAT refund claims.

In practice, if no additional questions are raised, the refund claims are settled within 4 months.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Estonia.

Eligibility for refund

Estonia refunds VAT to non-EU taxable persons on the basis of the reciprocity principle, i.e. VAT will be refunded to non-EU businesses provided the claimant's home country grants the same rights to Estonian taxable persons. There is no official list of countries for which reciprocity exists, but VAT refunds can be obtained by companies established in Iceland, Israel, Norway and Switzerland.

Non-refundable VAT

Although the Estonian government can establish a list of goods and services with respect to which the VAT is not refundable, it has not issued such list. A VAT refund is available if an Estonian company can apply a similar VAT deduction on its business expenses. This limits the VAT deduction, for example, on meals and entertainment expenses. VAT on accommodation costs is deductible if the trip is not for leisure purposes.

Partially refundable VAT

As from December 2014, there is a limitation on deduction of input VAT in case of purchase and operational lease cost of company cars and also to goods and services acquired in relation to the aforementioned cars (fuel, repair, maintenance, parking etc.). Only up to 50% of input VAT may now be deducted on all of the said costs in Estonia. Amendments only affect passenger cars (category M-1).

Making claims

Minimum amounts

VAT paid by a third country taxable person in Estonia upon the import or acquisition of goods or receipt of services used for business purposes is refunded on the basis of a written application (Form KMT) from the taxable person if the following conditions are satisfied:

- The taxable person is required to pay VAT as an undertaking in its home country;
- The amount of VAT to be refunded per calendar year is at least EUR 320;
- Taxable persons in Estonia have the right to deduct input VAT paid upon the import or acquisition of goods or receipt of services from the output VAT under the same conditions; and
- Estonian residents have the right to a VAT refund in the home country of the claimant.

Time limits

The application must be submitted to the Estonian tax authorities by 30 September of the year following the refund period. The minimum allowed period of the application is three consecutive calendar months, which is not limited to calendar quarters, except where the application is submitted for the remainder of a calendar year (e.g. from 15 November to 31 December).

Proxy

Authorized third party representative of the applicant must, upon filing the refund claim, provide a hard copy original power of attorney which should be sent by post to Tax and Customs Board, Lõõtsa 8a, 15176 Tallinn, Estonia. The power of attorney does not need to be notarized or legalized.

Application forms

The form KMT is used to apply for a refund of VAT. The application must be signed by an individual from the non-EU country, a head of the entity or an authorized representative.

Supporting documentation

The following documents should be attached to the application:

- Readable invoices meeting the requirements in the Estonian VAT Act and documents certifying the payment of VAT upon the import of goods; and
- A certificate issued by the tax authorities of the foreign country certifying that the non-resident is registered as a VAT taxpayer in its home country.

The form and supporting documentation must be sent to:

International Taxation Division
Northern Tax and Customs Centre
Lõõtsa 8a
Tallinn 15176
Eesti (Estonia)
Phone: +372 676 1187
E-mail: vatrefund@emta.ee

Information: <http://www.emta.ee/index.php?id=26900>

E-invoicing

E-invoices are accepted by the Estonian tax authorities. To reclaim VAT under Directive 2008/09/EC or the 13th Directive, e-invoices must be printable (printed out and included in supporting documentation) and readable.

Refunds and appeals

The Estonian tax authorities will verify the accuracy of the refund application and the relevant supporting documents, and if no further information is required, they will refund the amount within six months from the date the application and supporting documents are received. In case the applicant has appointed a representative, the additional questions are sent to the representative first and if no response is received by the given deadline, then the questions are also sent to the applicant.

The refund will be paid to the bank account indicated in the application. If the refund is to be transmitted to a bank account of a credit institution located in a foreign country, the recipient of the refund will be responsible for any transfer costs.

The Estonian Tax and Customs Board marks all received original documents and will return them to the claimant, together with a copy of the application within one month from the date the refund is issued.

Requesting additional documents would extend the decision deadline as six months is counted as of the date when application and the supporting documentation is received.

So far, the Estonian Tax and Customs Board has in case of applications that do not require additional questions, issued its decision within the given deadline (six months) and sent the VAT refund decision by post.

The Estonian tax authorities may be liable for late payment interest of 0.06% per day if the refund is not processed in a timely manner.

In case of problems with one invoice, generally the VAT refund is refused in connection with this particular invoice rather than rejecting the full refund claim. However, if the VAT refund amount after refusing the VAT refund upon one invoice remains less than the threshold foreseen for the particular period (EUR 320 in case of non-EU refund claims), a negative decision is issued for the entire refund claim.

If the refund is not granted, the grounds for rejection of the application will be stated.

Common format reasons for rejection are for example that the refund claim period is less than one year, the claimed amount does not correspond to the particular period or is smaller than the foreseen threshold, the claim is filed with delay, etc.

Common substantial reasons for rejection are for example that invoices are not issued to the name of the applicant, the invoice does not contain VAT or Estonian VAT, the added VAT is not in accordance with the Estonian VAT Act, VAT is not refundable (e.g. VAT in connection with catering), etc.

An appeal needs to be issued within 30 days as of the day when the person was notified about the refund decision.

There are no penalties foreseen in case of incorrect VAT refund claims.

In practice, if no additional questions are raised, the refund claims are settled within 6 months.

Finland

Finnish VAT is known as “Arvonlisävero” (ALV) in Finnish and Mervärdesskatt” (MOMS) in Swedish.

The standard VAT rate is 24%, and there are reduced rates of 14%, 10% and 0%.

An extensive overview of the VAT rates applied in Finland can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Finnish fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Finland is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Finnish established company submitting an EU (former ‘8th Directive’) claim in another EU member state.

Procedure

Filing

With regard to companies established in Finland that are applying for a VAT refund from other member states, the application must be electronically filed (in Finnish, Swedish or English) through the Finnish tax portal (ALVEU system): <http://portal.vero.fi/Public/default.aspx?culture=en-US&contentlan=2&nodeid=7958>

If the applicant is a member of a VAT group in the member state of establishment, the application is filed at VAT group level. However, if the individual entity has been issued an own VAT number, an application may be submitted for its own purchases.

The request must be submitted by the claimant or an authorized person.

The claimant may appoint a proxy to file the application on its behalf provided the third party holds a KATSO ID to access the ALVEU system and a Power of Attorney must be attached to the first application. It should be clearly indicated in the Power of Attorney whether the agent is only appointed for submitting the application or whether he is also entitled to receive the payment in his bank account. A non-established company can be appointed as well.

The KATSO ID and Password can be set up for:

- Representatives of a Finnish-registered company, who are foreign citizens, and
- Representatives of a foreign-registered company. They may be either Finnish or foreign citizens.

The Master User can manage an organisation's details in the Katso interface and grant and receive authorisations. The Master privileges may be assigned for one or more companies. The company's employees may also set up Katso identifiers for themselves in order to manage the interfaces details and authorisations.

Foreign citizens must present notarized documentation to prove their identity and their right to sign for the company as the Katso Master User.

As member state of establishment, the Finnish tax authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements

Finnish taxpayers registered for VAT purposes file their refund claims electronically using the ALVEU web portal of the Finnish tax administration.

Access to the portal is granted using a KATSO ID login, which must be requested in advance. Independent entrepreneurs also can access the system with a bank login or a Finnish electronic ID card. Information on the procedure to obtain access to the web portal to file the VAT refund claim can be found at: http://www.vero.fi/en-US/Precise_information/eFiling/Katso_Identification.

The ALVEU web portal allows to upload a computer file and import the details of the invoices or import documents to the application. This requires that the details have been correctly set up.

The import file must be formatted as a CSV file. The maximum quantity of invoices or import documents is 100 per import file. Several attachments can be attached to the application, however the applicant must import each document separately.

The electronic form is divided into four main sections:

- General information on the claimant;
- Basic information about the application;
- Detail of the invoices and import documents (scanned invoices/annexes are uploaded taking the following into account):
 - Accepted file formats are TIFF, JPEG and PDF. The recommended format is PDF
 - Maximum file size: 5MB
- Submission of the application after which a confirmation and summary of the application(s) is displayed.

Non-EU countries (13th Directive equivalent)

This refers to a Finnish established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Finnish established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Finnish portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called “Todistus verovelvollisuudesta” in Finnish.

Finland is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Finland.

Eligibility for refund

A foreign taxable person established in another EU member state is entitled to recover Finnish VAT if the following conditions are satisfied:

- The business does not have a fixed establishment in Finland from which business transactions are carried out;
- The purchase relates to business operations abroad which, if carried out in Finland, would have given rise to liability to account for VAT or would have entitled the entrepreneur to a VAT recovery in Finland and the business carries out such sales in its member state of establishment, which entitle the foreign business to a deduction in that member state;
- The business does not carry out any other business in the form of sales of goods and services in Finland, except for:
 - Supplies for which reverse charge applies or supplies to the state; and
 - Sales of exempt transportation services and ancillary services.

Non-refundable VAT

VAT cannot be recovered on:

- Immovable property that the taxable person or its staff uses as a residence, nursery, recreational or leisure facility, as well as goods and services connected with it or its use;
- Goods and services related to transportation between the place of residence and place of work of the taxable person or its staff;
- Goods and services used for business entertainment purposes, e.g. restaurants, business gifts, etc.;

- Passenger cars, motorcycles, caravans, vessels intended for recreational or sports purposes and aircraft with a maximum permissible take-off weight not exceeding 1,550 kg, or on goods and services related to their use. However, input VAT is recoverable if related to vehicles and vessels acquired for sale, lease or use in professional passenger transport or for driving school purposes and passenger cars acquired solely for business purposes;
- Purchases intended for the private consumption of the entrepreneur or his personnel, e.g. hotel breakfasts;
- Purchases related to exempt sales of investment gold;
- Purchases of taxable goods and services for direct benefit of passengers made in the name of a foreign travel service company; and
- Purchases that are VAT-exempt, but have erroneously been charged with VAT.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Finnish VAT. The claimant is however only allowed to claim a partial refund in case the purchase concerned is related to both the taxable and non-taxable business of the claimant.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year or not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The refund period must be in the past.

A VAT refund application cannot be submitted only on the basis that the applicant has received an invoice for a purchase. It is required that the goods have been supplied, service has been rendered or that the payment has taken place.

The correct application period is the period during which the latter of the following events occurred:

- The delivery of goods, provision of services, or alternatively, a payment or a partial payment made before the delivery of goods/provision of services; or
- The invoicing for the goods/services.

The application period for imported goods is the month of customs clearance.

The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year. However, in such cases, the application period must be adjusted accordingly.

The claimant can submit multiple claims for the same application period, and it is also possible to make overlapping claims for the period regarding the remainder of the year. The maximum number of claims that can be submitted for a calendar year has not been established.

Proxy

When being as the member state of refund, the Finnish tax authorities will request a third party to prove its authorization through a written document.

If a third party completes the application, a Power of Attorney must be enclosed, and it must specify the agent's powers. It should be clearly indicated in the Power of Attorney whether the agent is appointed only for submitting the application and whether he is also entitled to receive the payment in his bank account. The Power of Attorney is scanned and attached to the application. There are no specific notarization requirements, but the Power of Attorney should be in Finnish, Swedish or English.

Supporting documentation

When applying for a VAT refund in Finland, scanned copies of invoices and import documents must be attached to the application if the taxable basis on the document is equal to or exceeds EUR 1,000.

The Finnish tax authorities can request additional documents/information (e.g. original invoices or import documents whose tax basis does not exceed EUR 1,000).

E-invoicing

E-invoices are generally accepted and self-sufficient in order to claim input VAT via the former 8th Directive procedures. There are no specific requirements/restrictions in this respect.

Refunds and appeals

The Finnish tax authorities must issue a decision on the refund claim within four months of receipt of the claim.

The authorities can send their decision to the claimant by regular mail, with an unofficial electronic copy to the tax authorities of the member state where the claimant is established (regardless of whether the refund claim is accepted or rejected); or

If the authorities request additional information, the claimant will be informed by regular mail. The claimant must provide all information within the time specified in the request (a maximum of one month from the notification day). If the applicant has engaged the services of an agent, requests for information will be sent only to the agent.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request. If a refund is granted, it will be processed in EUR within 10 business days after the relevant period and paid to the bank account specified in the application.

The Finnish tax authorities will be liable for late payment interest if the refund is not processed in a timely manner. Late payment interest will however not be due if the claimant failed to submit requested additional information on time.

If the refund is not granted, the grounds for refusal of the application will be stated in the decision submitted to the claimant. An appeal against a denied claim must be addressed to the Administrative Court of Helsinki (but the appeal letter must be submitted to the Finnish tax authorities) within three years from the end of the calendar year for which the application is made. The appeal period is equal to 60 days from the date the decision was communicated to the claimant (excluding the notification day). The appeal must be submitted by a letter and the appeal must be written in Finnish or Swedish.

The whole refund claim cannot be rejected in Finland only because one of the submitted invoices was not correct/could not be provided in a readable/acceptable scanned copy as the authorities evaluate the invoices individually. Thus, only the invoice in question is rejected in case it is not considered acceptable.

Neither can the whole refund claim be rejected because a query on one particular invoice has not been answered. Therefore, in case the query only concerns one invoice, this invoice would be rejected.

According to the Finnish authorities, practical causes of rejection are for example that a Power of Attorney is not duly attached to the first application in case the claim is submitted by an agent, or the invoices relate to non-deductible expenses such as private use or entertainment.

Penalties can only be levied by the Finnish authorities in connection to debiting a refund claim payment:

- In case the applicant gives insufficient or incorrect information, the Finnish tax administration can order the VAT refund to be paid back.
- In case undue or excessive refund has been paid because of insufficient or incorrect information, the tax administration may reclaim the VAT refund within three years as of the end of the calendar year of the VAT refund period.
- A debiting decision may order the reclaimed amount to be increased up to 30 percent, in case the application or its enclosure has contained incorrect information. If the reason for giving incorrect information is aggravated negligence or deliberate action, reclaimed amounts may be increased threefold (maximum). Added to this, surtax will be added to the amount.

There is no specific timeframe for a refund payment but if the refund is granted, it is usually paid out within two weeks following the decision.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Finland.

Eligibility for refund

Reciprocity is not required.

Non-refundable VAT

VAT cannot be recovered on:

- Immovable property that the taxable person or its staff uses as a residence, nursery, recreational or leisure facility, as well as goods and services connected with it or its use;
- Goods and services related to transportation between the place of residence and place of work of the taxable person or its staff;
- Goods and services used for business entertainment purposes, e.g. restaurants, business gifts, etc.;
- Passenger cars, motorcycles, caravans, vessels intended for recreational or sports purposes and aircraft with a maximum permissible take-off weight not exceeding 1,550 kg, or on goods and services related to their use. However, input VAT is recoverable if related to vehicles and vessels acquired for sale, lease or use in professional passenger transport or for driving school purposes and passenger cars acquired solely for business purposes;
- Purchases intended for the private consumption of the entrepreneur or his personnel, e.g. hotel breakfasts;
- Purchases related to exempt sales of investment gold;
- Purchases of taxable goods and services for direct benefit of passengers made in the name of a foreign travel service company; and
- Purchases that are VAT-exempt, but have erroneously been charged with VAT.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Finnish VAT. The claimant is only allowed to claim a partial refund in case the purchase concerned is related to the taxable and non-taxable business of the claimant.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The application must be submitted to the Finnish tax authorities within six months from the end of the calendar year following the refund period, i.e. by 30 June of the following year. Late claims are not accepted.

Proxy

If a representative is assigned in order to apply for the VAT refund, the applicant must enclose an original Power of Attorney to the VAT refund application. It must state whether the representative is only authorised to submit the application form, whether the representative is also authorised to receive payments.

Application forms

The application must be in Finnish, Swedish or English and on the application form issued by the Finnish tax authorities. The form can be obtained at: www.vero.fi

All invoices and other documents must be mentioned in point 10 of the application or listed on a separate sheet.

The application must be signed by the claimant, its authorized signatory or an authorized representative.

The form and supporting documentation must be sent to:

Uudenmaan yritysveroimisto

P.O. BOX 30

00052 VERO

Finland

(Street address: Uudenmaan yritysveroimisto, Haapaniemenkatu 4 D, 00530 Helsinki, Finland)

T: + 358 20 697 063

F: + 358 9 7311 4895

www.vero.fi

Supporting documentation

The following documents must be submitted with each application:

- Original invoices, customs documents and/or equivalent documents (the original invoices and customs clearance decisions will be returned to the applicant);
- An original certificate of taxable status of the claimant issued by its country of residence. The certificate needs to confirm the nature of business carried on by the claimant, and if the claimant is a supplier of taxable investment gold, this must be stated in the certificate. The certificate may not be more than one year old; and
- The original power of attorney if a proxy is used.

E-invoicing

Printed copies of e-invoices are accepted.

Refunds and appeals

There is no binding timeframe for the Finnish Tax Authorities to decide on a 13th Directive refund claim.

If the applicant has engaged the services of an agent, requests for information and the decision will be sent to the agent only.

The period in which the authorities make a decision will be extended where additional information is requested. The claimant must provide all information within the time specified in the request (usually a maximum of one month as from the notification day).

There is no specific timeframe for a refund payment. However, if the refund is granted, it is usually paid out within two weeks upon the decision.

The whole refund claim cannot be rejected in Finland because one of the submitted invoices was not correct/could not be provided in a readable/acceptable scanned copy as the authorities evaluate the invoices individually. Thus, only the invoice in question is rejected in case it is not considered acceptable.

Neither can the whole refund claim be rejected because a query on one particular submitted invoice has not been answered. Therefore, in case the query only concerns one invoice, this invoice would be rejected.

If the refund is not granted, the grounds for rejection of the application will be stated.

According to the Finnish authorities, practical causes for rejection are for example that a Power of Attorney is not duly attached to the first application in case the claim is submitted by an agent, or the invoices relate to non-deductible expenses such as private use or entertainment.

If the refund is not granted, the grounds for refusal of the application will be stated in the decision submitted to the claimant. An appeal against a denied claim must be addressed to the Administrative Court of Helsinki (but the appeal letter must be submitted towards the Finnish tax authorities) within three years from the end of the

calendar year for which the application is made. The appeal period is equal to 60 days as from the date the decision was communicated to the claimant (excluding the notification day). An appeal addressed to the Administrative Court of Helsinki must be submitted by a letter and the appeal must be written in Finnish or Swedish.

Penalties can only be levied by the Finnish authorities in connection to debiting a refund claim payment.

In practice, the processing of refund claims takes approximately six months up to one year.

France

French VAT is known as “Taxe sur la Valeur Ajoutée” (TVA).

The standard VAT rate is 20% as from 1 January 2014, and there are reduced rates of 10%, 5.5% and 2.1%. Special rates apply in:

- Corsica: 20%, 13%, 10%, 5.5%, 2.1% and 0.9%; and
- The overseas departments, except French Guiana and Mayotte: 8.5%, 2.1%, 1.75% and 1.05%.

Goods and services supplied to or from the Principality of Monaco are regarded as having been supplied to or from France. However, specific rules may apply. For example, foreign entities that are not established or VAT registered in France and that incur VAT in Monaco must file a specific VAT refund claim in Monaco.

For VAT purposes, the French overseas communities “collectivités d’outre-mer” (French Polynesia, Saint Barthélemy, Saint Martin, Saint Pierre and Miquelon, Wallis and Futunua), Nouvelle Calédonie, French Southern and Antarctic Lands and Andorra are not considered part of the French territory. Thus, these territories are considered third party countries as regards France and other EU member states.

French overseas departments (including Mayotte as from 1 January 2014) also are considered third party countries for VAT purposes, as regards transactions relating to goods supplied to/from France or other EU member states.

An extensive overview of the VAT rates applied in France can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a French VAT representative to claim a VAT refund based on Directive 2008/09/EC, but a representative is required for a claim based on the 13th Directive.

France is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a French established company submitting an EU (former ‘8th Directive’) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically (in French or in English) through the portal of the tax authorities in the country in which the claimant is established: (<http://www.impots.gouv.fr/portal/dgi/public/professionnels;jsessionid=K3H2KPXUHQH.KHQFIEIQCFEY?espld=2&pageld=professionnels&sfid=20>) for French established businesses).

The claimant or its representative must be registered on the French web portal of the French tax authorities via an “espace abonné” (subscriber area) with an electronic certificate or via a login and password. Only one person per company will be approved to obtain a membership application on behalf of the company on the “espace abonné.” If this person is not the legal representative of the company, a formal power of attorney must be attached to the membership application (a template is available on the portal of the tax administration). This person becomes the administrateur titulaire of the on-line services.

This administrateur titulaire may delegate the filing of the VAT refund claim to another person. This person becomes the administrateur suppléant. A refund claim also may be submitted by a third party service provider, authorized by the claimant. A non-established company can be appointed administrateur suppléant by the administrateur titulaire. To be appointed, the administrateur suppléant must first create its own space on the FTA’s web portal. The agent should provide the FTA with the original power of attorney by mail.

When acting as the member state of establishment, the French authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements and information required

The preparation and filing of the refund is done through the following web portal: www.impots.gouv.fr. The VAT refund claim can be then accessed through the espace abonnés on the “professionnels” (professionals) pages of the portal.

To access the online procedure, a claimant must have access to its own subscriber area and to access the online VAT refund claim procedure, the claimant must create its own space on the FTA portal, with or without an electronic certificate, and then opt for “electronic services.”

XML files can be uploaded to complete the claim. Information on the invoice statements can either be manually uploaded to the portal or automatically uploaded in XML format. The FTA have provided some guidelines: http://www.impots.gouv.fr/portal/deploiement/p1/fichedescriptive_5587/fichedescriptive_5587.pdf

If the XML format is used, it is necessary to select the box “Parcourir” instead of manual upload.

The electronic form is divided into two main sections:

- General information relating to the taxpayer and to goods/services purchased (list of invoices with a description of the purchased);
- Scanned invoices/import documents that can be uploaded taking the following into account:
 - File types accepted: JPEG, PDF or TIFF;
 - Maximum file size: 5 MB;
 - Standard scanning preference: Black and white.

Once the claim is submitted, the taxpayer will receive a confirmation from the website, referencing the application.

The claimant must provide the following information:

- Name and address;
- Email address;
- A description of the activities carried out by the claimant and for which the expenses were incurred;
- The period for which the refund is requested;
- A declaration certifying that the claimant has not carried out any taxable transactions in France;
- EU VAT number or the claimant's fiscal number; and
- Details of the bank account where the refund is to be paid.

The claimant must provide the following information about the invoices subject to French VAT for which the refund is requested:

- The name and the address of the supplier and its VAT number (except in the case of import of goods);
- The date and the number of the invoice or import document;
- The taxable basis;
- The amount of VAT charged by the supplier;
- The nature of the expense.

The provision of invoices is compulsory if the country requires them.

The XML file can contain up to 2,500 invoices. For manually uploaded invoices, the number is limited to 100.

Non-EU countries (13th Directive equivalent)

This refers to a French established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a French established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The French portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. The form named “Attestation d’assujettissement” is obtained via the following web portal: www.impots.gouv.fr through the “Espace abonnés” on the “professionnels” pages of the taxpayer’s portal.

France is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in France.

Eligibility for refund

A foreign taxable person is entitled to recover French VAT if the following conditions are satisfied:

- The business is not registered or is only registered for Intrastat purposes (i.e. the business does not have to file VAT returns in France);
- The business does not have residence, its seat or a fixed establishment in France;
- The business has not carried out any taxable supplies in France, except for:
 - Certain tax-exempt cross-border transportation or ancillary services from/to non-EU countries;
 - Supplies for which VAT is due by the recipient in accordance with the rules in the EU VAT package;
 - Supplies of goods/services made by a non-established entity to a VAT-registered recipient in France and subject to the domestic reverse-charge;
 - Supplies made under a VAT suspension regime, and
 - Telecommunications, radio and television broadcasting and electronic services, rendered to non-taxable customers which are established in France.

Non-refundable VAT

VAT cannot be recovered on:

- Accommodation costs incurred on behalf of the management or staff of the company. (VAT is recoverable when such expenses are incurred for the benefit of persons not employed by the company, provided the expenses are incurred in the interest of the company or when it supplies the same services for consideration);
- The supply, import, leasing, repair and maintenance of most cars for passenger transport and other related costs, such as petrol. (However, 80% of VAT on diesel fuel can be recovered and VAT is recoverable when the cars are purchased by a car dealer for resale or by a person who hires out cars);
- Goods transferred without remuneration or for remuneration that is much lower than their normal price, unless the value of the goods is very low (except business gifts whose collective value does not exceed EUR 65, including VAT, per beneficiary per year); and

- Domestic transport of passengers and related expenses (except for public transport supplies and transportation from home to work, subject to conditions).

If French VAT has been incorrectly charged, a foreign taxable person can, in principle, obtain a refund (unless a corrected invoice has been issued -- a specific procedure applies for a supplier to issue a corrected invoice).

Partially refundable VAT

The foreign entity should declare its VAT recovery ratio when filing the claim. The FTA would consequently partially refund the claimed VAT after application of the VAT recovery ratio. The VAT recovery ratio is modified after the submission of the VAT refund claim, the taxpayer should inform the FTA and file a specific form.

Making claims

Minimum amounts

VAT refund claims can be filed on a quarterly or annual basis. If a quarterly refund claim is made, the amount of refundable VAT must be at least EUR 400; if an annual claim is made, the amount must be at least EUR 50.

A quarterly VAT claim is filed for a three-month period (except at the end of the year where a refund can be filed for a shorter period) for input VAT incurred during this period. The refundable VAT should be determined based on the tax point taking place during that period.

A VAT refund claim also can be made on a calendar year basis.

Time limits

The VAT refund claim must be filed before 30 September of the calendar year following the year in which the VAT was assessable. Late claims are not accepted and the deadline will not be extended.

According to comments issued by the French tax authorities, a claimant cannot submit more than one supplementary refund claim for the remainder of a calendar year.

Proxy

When a foreign company decides to appoint an agent, a proxy in French language should be prepared, signed by both parties and sent by mail to the FTA (non-residents taxcenter). The FTA have provided a draft proxy in their guidelines: <http://bofip.impots.gouv.fr/bofip/1421-PGP.html>

Supporting documentation

The general threshold for the submission of an electronic copy of an invoice is where the taxable basis on the invoice or import document is EUR 1,000 or more. However, where the invoice relates to fuel costs, the threshold for providing a copy is set at EUR 250. The serial number used in the application form must be included on the documents. The French tax authorities can request additional documents/information (e.g. original invoices).

E-invoicing

The FTA have not issued specific comments concerning e-invoices in the framework of EU (former 8th Directive) VAT refund claims. Copies of invoices which exceed the above-mentioned threshold should be provided with the claim.

Refunds and appeals

The French tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via registered mail; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the notification.

The notification is always sent by e-mail and the FTA have to inform the taxpayer of the grounds for refusal in case of partial refund or reject.

In theory, the notifications are sent to the agent.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If no decision has been issued in due time, the claim is deemed to have been rejected (the taxpayer may then appeal against it).

If a refund is granted, it will be processed in Euros within 10 business days after the relevant period and paid to the bank account number provided to the authorities. This bank account can be held by the claimant, a proxy holder (in the latter case, a specific document will have to be provided).

The French tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

In case one invoice is not correct or is not provided in a readable copy, only this invoice should be rejected. The whole claim should not be rejected. However, the factual background should be taken into account.

A query on a particular submitted invoice which has not been answered may lead to a rejection of the whole VAT refund claim if the authorities consider that they have doubts the conditions to claim the refund are not met. For example, when checking an invoice, they may have doubts on the existence of a PE/the need to register. If they ask additional information on this invoice and if no answer is provided, they may reject the whole claim. Generally, the FTA provide a deadline and indicate that the claim will be rejected if no answer is provided.

If the refund is not granted, the grounds for refusal of application will be stated.

An appeal against a denied claim can be made to the French Administrative Court ("Tribunal administratif de Montreuil") before the end of the fourth month following the notification of the decision. The claimant can also request mediation, but this will not affect the appeal's deadline.

The appeal must be filed by letter, and drafted in French. Lawyers may file the appeal by electronic means.

If the FTA perform an audit after having granted a VAT refund to a taxpayer, they need to issue a specific reassessment proposal (according to the domestic tax procedure). No late interest can be applied. A fine (article 1729 of the French Tax Code) could be applied in case of wilful default (40%) or fraud (80%).

The FTA respects the 8th Directive deadlines. The first claim is generally carefully examined and for the followings claims, the procedure is usually quicker.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in France.

Eligibility for refund

Non-EU businesses have been permitted since 30 April 2010 to request a VAT refund under the 13th Directive provided the conditions of eligibility for refund in Directive 2008/09/EC are satisfied (article 242-0 O of Annex II of the French Tax Code).

Non-EU businesses must appoint a French VAT representative to file a refund claim under the 13th VAT Directive.

The claim must be made in hard copy form (i.e. applications cannot be filed electronically and original invoices, import documents should be provided).

Non-refundable VAT

VAT cannot be recovered on:

- Accommodation costs incurred on behalf of the management or staff of the company. (VAT is recoverable when such expenses are incurred for the benefit of persons not employed by the company, provided the expenses are incurred in the interest of the company or when it supplies the same services for consideration);
- The supply, import, leasing, repair and maintenance of most cars for passenger transport and other related costs, such as petrol. (However, 80% of VAT on diesel fuel can be recovered and VAT is recoverable when the cars are purchased by a car dealer for resale or by a person who hires out cars);
- Goods transferred without remuneration or for remuneration that is much lower than their normal price, unless the value of the goods is very low (except business gifts whose collective value does not exceed EUR 65, including VAT, per beneficiary per year); and
- Domestic transportation of passengers and related expenses (except for public transport supplies and transportation from home to work, subject to conditions).

If French VAT has been incorrectly charged, a foreign taxable person can in principle obtain a refund (unless a corrected invoice has been issued -- a specific procedure applies for a supplier to issue a corrected invoice).

Partially refundable VAT

The VAT refund is computed according to the French recovery rules. Therefore, in practice, the FTA should grant partial refund to foreign taxpayers who perform activities in the scope of VAT and outside, and/or taxable and exempt activities.

Making claims

Minimum amounts and frequency of filing

A VAT refund claim can be filed on a quarterly or an annual basis.

- A quarterly claim must be submitted during the month following each calendar quarter (e.g. at the latest on 31 October 2015 for input VAT incurred during the third calendar quarter of 2015. The refundable VAT must correspond to the transactions for which the tax point occurred during the relevant quarter (in practice, however, invoices relating to the previous quarters of a same year can be included in the relevant quarterly VAT refund claim). The amount of refundable VAT must be at least equal to EUR 400.
- A VAT refund claim also can be made on a calendar year basis, provided the amount of refundable VAT is at least equal to EUR 50.

Time limits

The VAT refund claims must be filed before 30 June of the calendar year following the one during which the VAT claimed back was due. Late claims are not accepted and the deadline will not be extended.

Proxy (VAT representative)

Non-EU businesses must appoint a VAT representative. The representative must be a taxable person established and liable to VAT in France and known as a “good” taxpayer. The representative should provide his proxy and should be accredited by the FTA. The FTA have provided a draft proxy in their guidelines: <http://bofip.impots.gouv.fr/bofip/1421-PGP.html>

Application forms

The application is made on Form 3559-SD issued by the French tax authorities. The form must be completed in French, in block capitals and in Euro. The form can be downloaded via the following link: http://www.impots.gouv.fr/portal/deploiement/p1/fichedescriptiveformulaire_843/fichedescriptiveformulaire_843.pdf

All invoices must be listed in attachment to the application form. An excel spreadsheet can be used to provide an overview of the claimed amounts, as well as information reported on the attachments.

The application must be signed by a person who is legally entitled to bind the company (e.g. managing director or a person duly empowered). In this last case, a power of attorney should be provided.

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

The form and supporting documentation must be sent to:

Direction des résidents à l'étranger et des services généraux (DRESG)
Service des Remboursements de TVA des assujettis étrangers
10, rue du Centre - TSA 60015
93465 Noisy-le-Grand cedex
France
Phone: (0033) 01 57 33 84 00
Website: <http://www.impots.gouv.fr>
E-mail: sr-tva.dresg@dgi.finances.gouv.fr

Applications cannot be filed electronically.

Proxy

When a foreign company decides to appoint an agent, a proxy in French should be prepared, signed by both parties and sent by mail to the FTA (non-residents taxcenter). The FTA have provided a draft proxy in their guidelines: <http://bofip.impots.gouv.fr/bofip/1421-PGP.html>

Supporting documentation

A non-EU business applying for a VAT refund claim in France does not have to enclose a certificate of VAT taxable status with the VAT refund claim. Original hard copy invoices must be provided. Invoices are sent back to the taxpayer.

E-invoicing

Invoices may be issued electronically in France, but stringent rules apply and practical difficulties arise in the context of the VAT refund claim procedure because original hard copies of invoices must be provided to the French tax authorities.

Refunds and appeals

The French tax authorities should issue their decision concerning the refund claim within six months following the receipt of the claim.

Queries could be sent for further information to the VAT representative or to the claimant (if necessary). Final decision should in any case be sent to the VAT representative.

If the FTA requests additional information, the period of 6 months could be extended for maximum 3 months.

If no decision is made by the authorities within the above mentioned deadline, the claim is deemed to be rejected.

Refund should be paid within 6 months after the day the claim is considered as complete by the FTA.

Late payment interest is due when the refund is not granted within the six months following the date where the claim is deemed to be complete by the FTA.

In case one invoice is not correct or is not provided in an original copy, only this invoice should be rejected. The whole claim should not be rejected. However, the factual background should be taken into account.

A query on a particular submitted invoice which has not been answered may lead to a rejection of the whole VAT refund claim if the authorities consider that they have doubts the conditions to claim the refund are not met. For example, when checking an invoice, they may have doubts on the existence of a PE/the need to register. If they ask additional information on this invoice and if no answer is provided, they may reject the whole claim. Generally, the FTA provide a deadline and indicate that the claim will be rejected if no answer is provided in due time.

If the refund is not granted, the grounds for rejection of the application will be stated.

Some practical causes of rejection usually used by the French authorities are for example the existence of a PE, the necessity to be VAT registered, a VAT taxable income, no answer to the queries in due time, etc.

If the refund is not granted, the grounds for refusal of application will be stated. An appeal against a denied claim can be made to the French Administrative Court ("Tribunal administratif de Montreuil") before the end of the fourth month following the notification of the decision. The claimant can also request mediation, but this will not affect the appeal's deadline.

If the FTA perform an audit after having granted the VAT refund to the taxpayer, they need to issue a specific reassessment proposal (according to the domestic tax procedure). No late interest can be applied. A fine (article 1729 of the French Tax Code) could be applied in case of wilful default (40%) or fraud (80%).

The FTA often ask for extra information for a first VAT refund claim and the refund is granted after 9 months. The first claim is generally carefully examined and for the following claims, the procedure usually is quicker.

Germany

German VAT is known as “Umsatzsteuer” (USt) or “Mehrwertsteuer” (MwSt).

The standard VAT rate is 19%, and there is a reduced rate of 7%.

An extensive overview of the VAT rates applied in Germany can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm.

It is not necessary to appoint a German fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Germany is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a German established company submitting an EU (former ‘8th Directive’) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically through the portal of the tax authorities in the country in which the claimant is established (<https://www.elsteronline.de/bportal>). The VAT refund claim may be submitted by the claimant or a third party service provider, which can be established outside Germany.

When being the member state of establishment, the German tax authorities will issue a confirmation that the claim has been correctly submitted (as a ticket via e-mail).

IT requirements

German taxpayers registered for VAT purposes file their refund claims electronically using the BZSt-Online web service of the German tax authorities.

The entrepreneur must register with the Elsterline Online Portal (<https://www.elsteronline.de/eportal>) before accessing the BZSt-Online web service.

Entrepreneurs must use the ELSTER (<https://www.elsteronline.de/eportal/eop/auth/Registrierung.tax>) registration file, together with a password or authenticate signature card.

The information required to complete the refund claim can be uploaded in XML or CSV format.

The electronic form is divided into four main sections:

- General information on the taxpayer and the period for which the claim is made;
- Bank details;
- List of invoices in which each document can be manually typed in or all documents uploaded;
- Annexes: scanned invoices/annexes can be uploaded taking the following into account:
 - Maximum one file per country for which a refund is being requested;
 - File types accepted: JPEG, PDF or TIFF;
 - Maximum file size: 5MB;
 - Standard scanning preference: Black and white / max 200 dpi.

Once the claim is submitted, the taxpayer will receive a confirmation from the website, referencing the application.

An excel spreadsheet can be used to import the data. The IT System of the Federal Office of Finance can only read CSV files. However, the excel spreadsheet contains a button to convert the files from XLS to CSV format.

There is no limitation of the number of invoices which can be submitted within the same VAT refund claim. However, due to the maximum file size, the invoice upload is limited to 5 MB. In case the claimant cannot upload all invoices with its refund claim, an additional email should be sent to the German tax authorities with the missing invoices attached (i.e. the ones which could not be uploaded).

Non-EU countries (13th Directive equivalent)

This refers to a German established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a German established company claiming input VAT in a non EU country, must be submitted according to the requirements of the country of refund. The German portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called Unternehmerbescheinigung (Bescheinigung nach Muster UST 1 TN) in Germany.

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Germany.

Eligibility for refund

A foreign taxable person is entitled to recover German VAT if the following conditions are satisfied:

- The business is not registered or liable to be registered for VAT in Germany;
- The business does not have residence, its seat or a fixed establishment in Germany;
- The business has not rendered any taxable supplies/services in Germany, except for:
 - Certain tax-exempt cross-border transportation from/to non-EU countries and ancillary services;
 - Supplies/services for which the reverse charge mechanism applies;
 - Supplies subject to individual transport assessment; or
 - Electronically provided services where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons;
 - Supplies made as intermediary party that are subject to an intra-community triangulation, where the last customer is obliged to pay the tax that becomes payable on the delivery to the last customer.

Non-refundable VAT

VAT cannot be recovered on:

- Supplies of goods and services that are not used for business purposes, including gifts; or
- Supplies of services acquired or goods imported connected to certain exempt activities.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the German VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

Only one refund claim may be submitted for the remainder of a calendar year. However, if the claim for the remainder of the calendar year has not been finally processed/assessed, the refund claim may be extended.

Proxy

In case a third party is filing the VAT refund claim, a valid proxy is required. In principle the proxy has to be provided to the German tax authorities electronically. There are no limitations with regard to the electronic format of the proxy. However, in case it is not possible to attach the electronic proxy to the VAT refund claim due to system limitation in the country of residence of the applicant, the German tax authorities will ask to be provided with the proxy at a later stage. Proxies sent to the German tax authorities without any refund request will not be considered.

As member state of refund, the German tax authorities may require a third party service provider to hold a power of attorney to follow up on the status of a VAT refund claim.

Supporting documentation

The general threshold for the submission of an electronic copy of an invoice requires the taxable basis on the invoice or import document to equal EUR 1,000 (EUR 250 for invoices relating to fuel costs).

The serial number used in the application form must be included on the documents. Invoices that must be submitted electronically must be provided in full (i.e. including annexes, etc.).

The German tax authorities can request additional documents/information (e.g. original invoices or import documents, authorization documents from the foreign taxpayers stating that payments may be made to a third party).

The Federal Tax Office requires a power of attorney if a third party (e.g. tax consultant) files the refund claim on behalf of the claimant.

E-invoicing

E-invoices are generally accepted by the German tax authorities for the purposes of the VAT refund claim.

The VAT refund is granted, if the validity and integrity of an e-invoice can be ensured by the business. The validity of an e-invoice is given when the identity of the issuer is guaranteed. The integrity of an e-invoice can be proved, if it can be ensured that no changes of the content of the e-invoice were made during the transmission and afterwards during the statutory storage period.

Refunds and appeals

When being the member state of refund, the German authorities will not issue a confirmation that the claim has been received.

The German tax authorities must issue a decision on the refund claim within four months and ten days of receipt of the claim:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant. The claimant must provide all information within one month of receipt of the request.
- If additional information is requested, the period in which the authorities must issue a decision will be extended up to eight months.

The German tax authorities will send an e-mail notification to the e-mail address included in the VAT refund claim.

The queries/ decision will be sent to the representative if appointed. In case no representative is appointed, the queries / decision will be sent to the claimant.

In case the German tax authorities request for additional information, the period in which the German tax authorities have to make a decision will be extended up to eight months.

If the German tax authorities exceed the period to make a decision on the refund claim it cannot be assumed that the VAT refund is accepted or rejected. A decision from the German tax authorities is always required.

In case the decision period is exceeded, the German tax authorities have to pay interest to the claimant.

If a refund is granted, it will be processed in Euro and paid to the bank account number provided to the authorities. This bank account can be held by the claimant, a proxy holder or any other person. The German Federal Tax Office will send a notification electronically (via e-mail) to the person that submitted the refund claim.

If the refund is not granted, the grounds for rejection of the application should be stated. An appeal against the denied claim must be made in writing to the Federal Tax Office within one month after “public announcement” of the decision (i.e. the third business day after the date the decision was issued, unless it can be proven that receipt was on a later date) and sent via regular mail.

If the tax assessment notice is sent abroad to the claimant's address outside Germany, an appeal against it must be made to the German tax authorities within two months following the date of notification (date of tax assessment) issued by the tax authorities. However, if the rejection is sent to a German resident tax advisor that filed the claim on behalf of the claimant or to another address within Germany, the time for filing an appeal is one month.

In case some invoices were not attached to the VAT refund claim, the German tax authorities will reject the input VAT included in the non-submitted invoices (i.e. partly reject the VAT refund claim). The remaining input VAT will be refunded if all other requirements are met.

In case a query was started by the German tax authorities concerning one particular submitted invoice and the claimant does not answer to the German tax authorities, in principle, solely the input VAT concerning this invoice may be rejected by the German tax office (i.e. partly reject the VAT refund claim). The remaining input VAT should be refunded provided that all other necessary requirements were met.

Some practical causes of rejection used by the German authorities are often formal aspects (e.g. missing invoices, invoicing requirements were not met, etc.).

Appeals against the refusal of input VAT refund can be filed either via normal mail or by e-mail. Appeals must be filed in German language within a one month deadline.

If the appeal is unsuccessful, the national Lower Finance Court may be contacted within one month after the presumed receipt date (being the third business day after the date the decision was issued, unless it can be proven that receipt was later) if the appeal decision is sent to a German address or within two months if the decision is sent to a non-German address.

In case of refusal of the VAT refund claim, no further penalties are assessed by the German tax authorities.

The time period for a decision on an input VAT refund depends on the complexity of the VAT refund claim and the documents provided. On average, companies have to wait 8 to 14 months until the input VAT is refunded.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Germany.

Eligibility for refund

Reciprocity is required. Germany has signed reciprocity agreements with Andorra, Antigua and Barbuda, Australia, Bahamas, Bahrain, Bermudas, British Virgin Islands, Brunei Darussalam, Bosnia and Herzegovina, Canada, Cayman Islands, China (Taiwan), Gibraltar, Greenland, Grenada, Guernsey, Hong Kong, Iceland, Iran, Iraq, Israel, Jamaica, Japan, Jersey, Korea (People's Rep.), Korea (R.O.K.), Kuwait, Lebanon, Liberia, Libya, Liechtenstein, Macao, Maldives, Marshal Islands, Macedonia, Norway, Oman, Qatar, Pakistan, St. Vincent, San Marino, Saudi Arabia, Serbia, Solomon Islands, Swaziland, Switzerland, United Arab Emirates, U.S. and Vatican City.

Non-refundable VAT

VAT cannot be recovered on:

- Supplies of fuel (e.g. diesel or petrol);
- Supplies of goods and services that are not used for business purposes, including gifts; Or
- Supplies and services acquired or goods imported connected to certain exempt activities.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the German VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 1,000; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 500.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

The application must be submitted to the German tax authorities within six months after the end of the calendar year in which the tax became chargeable, i.e. by 30 June of the following year. Late claims are not accepted and the deadline will not be extended.

Proxy

In case a third party is filing the VAT refund claim, a valid proxy is required. Where the input VAT refund claim is filed by using the hardcopy of the application form, the proxy has to be provided to the German tax authorities together with the VAT refund claim.

Application forms

As of 1st January 2016, the 13th VAT Directive VAT refund claims will have to be filed electronically. Paper forms will solely be accepted exceptionally upon request and approval by the German tax authorities.

Until the end of 2015, the application form provided by the German Federal Tax Office must be used. The form can be downloaded

at: http://www.bzst.de/DE/Steuern_International/Vorsteuerverguetung/03_Unternehmen_Drittstaaten/Antragstellung/antragstellung_node.html

All invoices must be listed in the attachment to the application form. The application must be signed by a specific person who is legally entitled to represent the company (e.g. the managing director) in the original.

The application form has to be signed by a legal representative “gesetzlicher Vertreter” which means that it can also be the chairman of the board who signs the application form.

The form and supporting documentation must be sent to:

Bundeszentralamt für Steuern
-Außenstelle Schwedt-
Passower Chaussee 3b
16303 SCHWEDT/ODER
Germany

T: + 49 18 88 40 60

F: + 49 18 88 40 64 722

www.bzst.bund.de

It is advisable to send the application form via courier or registered mail, although electronic submission (via Verus) is possible. When filed through Verus, the claimant must also send the first original transfer report signed by the client to the Federal Finance Office.

Supporting documentation

The following documents must be submitted with each application:

- Original invoices, import documents, bills, vouchers, receipts or customs clearance forms (copies are accepted only if the original has been lost and the copies are certified by the supplier); the invoices must comply with the German invoicing requirements;

- A certificate of taxable status showing that the claimant is registered for VAT purposes in its country of residence. The certificate must not be more than one year old;
- A letter of authority if a third party submits an application on behalf of the claimant, but the application must be signed by the claimant;
- The original application form or the first original transfer report must be signed by the managing director of the claimant's company.

E-invoicing

In Germany, e-invoices will be accepted for VAT refunds based on the 13th Directive if the electronic invoice for which a refund is requested is stored on a storage media (e.g. CD) submitted together with the application, certificate of taxable status, etc.

Refunds and appeals

The German regulations do not provide any binding timeframe for decisions on the 13th Directive VAT refund claims.

The queries/ decision will be sent to the representative if appointed. In case no representative is appointed, the queries / decision will be sent to the claimant.

The German tax authorities will stamp each invoice and/or import document to prevent their use in subsequent applications and will return the documents within one month after a decision is made.

The decision on the refund claim must be issued within six months after the date the application and all necessary supporting documents are submitted.

If the German tax authorities make no decision on the refund claim, it cannot be assumed that the VAT refund is accepted or rejected. A decision of the German tax authorities is always required.

In case some invoices were not attached to the VAT refund claim, the German tax authorities will reject the input VAT included the non-submitted invoices (i.e. partly reject the VAT refund claim). The remaining input VAT will be refunded if all other requirements are met.

In case a query was started by the German tax authorities concerning one particular submitted invoice and the claimant does not answer to the German tax office, in principle, solely the input VAT concerning this invoice may be rejected by the German tax office (i.e. partly reject the VAT refund claim). The remaining input VAT should be refunded provided that all other necessary requirements were met.

If a refund is granted, it will be made in Euro before the end of the above period and paid to the bank account of the claimant or its representative. If the refund is paid to a bank account outside Germany, the claimant will be responsible for any bank charges on the transfer. Notification of the refund will be sent via regular mail. According to a recent decision of the German Supreme Tax Court, interest will have to be paid to the claimant if the (final) VAT refund assessment takes more than nine months calculated from the filing deadline of 30 June.

The German Federal Tax Office will send a notification via mail to the person that submitted the claim (i.e. the claimant or an authorized third person).

If the refund is not granted, the grounds for rejection of the application will be stated in a written notification that will be sent via regular mail. An appeal against the denied claim must be made in writing to the German Federal Tax Office within one month after public announcement (being the third business day after the date the decision is issued, unless it is evidenced that the receipt was later) and sent via regular mail.

If the tax assessment notice is sent to the claimant's address outside Germany, an appeal must be made to the German tax authorities within two months of the date of notification (date of tax assessment) issued by the tax authorities. However, if the rejection is sent to a German resident tax advisor that filed the application on behalf of the claimant or to another address in Germany, the time for filing an appeal is one month. If this appeal is unsuccessful, the national Lower Finance Court may be contacted within one month after the receipt date (being the third business day after the date the decision was issued, unless it can be shown that receipt was later) if mailed to a German address or within two months if mailed to a non-German address.

Some practical causes of rejection used by the German authorities are formal aspects (e.g. missing invoices, invoicing requirements were not met, Signature of the wrong person etc.).

In case of the refusal of the VAT refund claim, no further penalties are assessed by the German tax authorities.

The time period for a decision on an input VAT refund depends on the complexity of the VAT refund claim and the documents provided. In average companies have to wait 10 to 16 months until the input VAT is refunded.

Greece

Greek VAT is known as “Foros Prostithemenis Aksias” (ΦΠΑ).

The standard VAT rate is 23%, and there are reduced rates of 13% and 6.5%.

For the departments of Lesbos, Chios, Samos, the Dodecanese and the Cyclades, and on the Aegean islands of Thassos, Northern Sporades, Samothrace and Skiros, the rates of 6.5%, 13% and 23% are reduced by 30% to 5%, 9% and 16%, respectively. These rates apply to imports, intra-community acquisitions, supplies of goods and services performed on these islands and supplies of goods from other areas of Greece to persons established on the islands. This preferential treatment does not apply to tobacco products and means of transport.

Mount Athos is not considered part of the EU for VAT purposes.

An extensive overview of the VAT rates applied in Greece can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm.

It is not necessary to appoint a Greek fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Greece is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Greek established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically through the portal of the tax authorities in the country in which the claimant is established (<http://www.taxisnet.gr> for Greek established claimants).

According to Greek legislation, the claimant must file the refund claim. However, given that filing is conducted electronically, any person that has the username and password can access the claimant's account and thus is able to submit the refund claim in the name of and on behalf of the claimant.

A supplementary claim (one per calendar year) can be filed with respect to invoices that are not covered by previous refund applications. Furthermore, if the details of a previously filed application have been changed, an amended claim must be filed. A change in the pro rata percentage can be made electronically through a separate claim correction.

As the country of establishment, the Greek tax authorities forward via electronic means the application to the country of refund within 15 days from the receipt thereof. If the application is not forwarded to the refund state, then Greece -as the country of establishment- electronically notifies the claimant of its decision.

IT requirements

Taxpayers established in Greece file the application through the web portal <http://www.taxisnet.gr> to which access is granted using a login password. Prior registration with the system is required. The Greek tax authorities must electronically transmit the claim to the refund state within 15 days after receipt of the claim. If the taxpayer is not eligible for a refund, the Greek authorities will not send the claim and the head of the VAT department will issue a resolution that is electronically communicated to the claimant.

The procedure for registration on the Greek portal involves various steps:

1. Electronic application for registration at:

<https://www1.gsis.gr/registration/chooseRegistrationType.htm>

Select “Αρχική Εγγραφή” (First Registration), then select the type of user, which is “Νομικό Πρόσωπο” for legal entities.

Complete the application (username, password, password verification, Tax/VAT ID number, name of entity, email, phone and fax numbers, the tax ID number of the entity’s legal representative, his full name, the father’s name and some numerical-alphabetical characters).

Press “Υποβολή” to submit the application; a message will appear on the screen indicating that the claim has been submitted and that the legal representative must visit a tax office within three months.

2. Presence at the competent tax office for approval of the claim

The claimant or its legal representative must appear at the registry division of a tax office and present identification documents (passport or ID card) to collect a certification with the “Κλειδάριθμος” (key number). An email will also be sent to the entity with a link “Ενεργοποίηση λογαριασμού TaxisNet” (Activation of Taxisnet Account) to the web portal.

3. Activation of user account

The claimant or its legal representative should go to: <https://www1.gsis.gr/registration/chooseRegistrationType.htm> to activate the account.

“Ενεργοποίηση Λογαριασμού” (Activation of Account) should be selected and the claimant should fill in the username, password, Tax/VAT ID number, the key number and numerical-alphabetical characters and select “Επόμενο” (Next). The password must be changed by filling in New Password, repeat the password and press “Ενεργοποίηση” (Activation). A verification of the activation will appear on screen and an email sent.

4. Filing the claim

The username and new password are used to enter all taxisnet services, including the electronic VAT refund claim.

The electronic application is in Greek and the requested information should be in Greek. However, the language(s) accepted by the refund state should be used for specific fields (e.g. “description of supply” box) when the choices provided do not cover the claimant’s position and when “other” is selected.

Taxpayers established in other EU member states must submit the application (either in Greek or English) through the electronic portals of the tax authorities in their state of establishment, and those authorities will transmit the claims to Greece.

The electronic form must include:

- General information relating to the taxpayer, the refund period, the refund state and the bank account (IBAN and BIC);
- A declaration by the claimant that it did not supply goods or services in the refund state apart from transportation and ancillary services, VAT-exempt supplies, as well as supplies of goods and services to a person liable for VAT payment and details of a representative/proxy (if any);
- Information regarding the VAT invoices or import documents per the refund state supplier’s name and address, VAT number in the refund state, date and sequential number of record, the VAT charged in the currency of the refund state, pro rata percentage and amount of VAT that may be deducted, description/nature of services/goods supplied and classification per special codes.

A file can be uploaded to complete the form. The file must be in zip format and must contain the VAT refund application data in XML format, along with any relevant files. To create the XML file, claimants should use the application/software access provided free of charge by logging in at their account with www.gsis.gr through the use of their unique username and password. Additional information is provided while creating the file.

There is no maximum number of invoices which can be submitted within a same refund claim or per year.

Non-EU countries (13th Directive equivalent)

This refers to a Greek established company submitting a non EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Greek established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Greek portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. In case the VAT Refund application is filed by a non-EU business, then it has to be accompanied by a “certificate of taxable status” issued by the competent tax authorities of the applicant’s country (Circular Pol. 1390/2001).

Greece is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Greece.

Eligibility for refund

A taxable person registered for VAT purposes in another EU member state can obtain a refund of VAT paid in Greece on movable goods and services supplied to it, as well as on imports to Greece it makes for commercial purposes provided the person:

- Does not have the seat of its entrepreneurial activities or an establishment in Greece to carry out its entrepreneurial activities;
- Has used the goods or services supplied to it for VATable transactions that give rise to a right to deduct input VAT in Greece or has used the goods/service for specific exempt supplies;
- Has not carried out any taxable supplies of goods or services in Greece, except for:
 - A supply of goods or services for which the recipient is liable for the VAT payment; or
 - A supply of transportation and ancillary services that is exempt from Greek VAT because they are related to the import/export of goods or to the international carriage of goods.

Non-refundable VAT

A VAT refund is not possible in the following cases:

A. When the claimant:

- Is not taxable in its state of establishment;
- Is engaged solely in exempt transactions without the right to deduct input VAT;
- Falls within the scope of the special exemption for small enterprises; or
- Falls within the scope of the special regime for farmers.

B. For VAT amounts imposed on:

- Intra-community supplies and exports.

Goods and services for which no right to deduct the input VAT is granted include:

- The supply, import or intra-community acquisition of tobacco products that are destined for use in non-taxable transactions;
- The supply, import or intra-community acquisition of alcoholic beverages that are destined for use in non-taxable transactions;
- Entertainment expenditure, including expenditure on hospitality and amusement;
- The acquisition, leasing or hire, modification, repair or maintenance of passenger vehicles with up to nine seats, pleasure boats and private aircraft, provided the transport means mentioned above are not used for the sale, leasing or transportation of persons for a fee;
- Accommodation, food, transport and entertainment expenses incurred for company personnel or representatives;
- The supply of goods and services in connection with real estate located in Greece (in certain circumstances);
- Expenses unrelated to the business activity of the claimant; and
- Incorrect VAT invoicing.

If the VAT imposed is used for both taxable and exempt transactions, a refund will be granted only in respect of the taxable transactions.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Greek VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year, but not less than three months, the amount for which application is made, may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

The application must be submitted to authorities of the residence country by 30 September of the year following the refund period.

The claimant may only submit one supplementary refund claim per calendar year for invoices not covered by a previous application (even if the supplementary application is for the remainder of a calendar year).

Proxy

Circular Pol. 1003/2010 does not regulate the appointment of special proxies. In case further clarifications are required, the Ministry of Finance officials directly inform the applicant. However, if the latter wishes to appoint a third party as a contact person, then the contact details of such person should be mentioned on the VAT Refund application form or in a separate file accompanying the application. In such case, a special authorization letter for the appointment of this person signed by the legal representative of the applicant, duly notarized and apostilled is usually required; such authorization should be either drafted in Greek or - if not in Greek- be accompanied with an official translation into Greek.

Follow up on submitted claims

The claimant can follow up on the status of a VAT refund claim. This can be done by requesting information via an e-mail message sent to the 14th VAT Directorate of the Ministry of Finance. No specific documents are required for such requests. In case of a third party requesting for information, an authorisation shall most likely be requested.

In principle, the claim can be tracked through the country of establishment of the claimant, and both the eligible person and the procedure for tracking the claim should be regulated by that country. In some cases, the competent Greek VAT department will directly reply to the claimant or a person with the required details identifying the claim.

Supporting documentation

Depending on the refund state, a file of up to 5MB, including scanned copies of records of which the taxable amount equals or exceeds the threshold of EUR 1,000 must be submitted with each application (EUR 250 for invoices relating to fuel costs). Greece will request the file as member state of refund. The Greek tax authorities can request additional documents/information. Once the claim is submitted, the taxpayer will receive a confirmation from the website, referencing the application.

The competent tax authority is:

Hellenic Republic
Ministry of Finance
General Directorate of Taxation
Directorate for the Implementation of Tax Policy & Legislation
Subdirection of Indirect Taxation
Department C
2-4, Sina Street
10672 Athens
Greece

T: + 30 210 36 44 960 or + 30 210 36 44 990

F: + 30 210 36 45 413

e-mail: d14-ctm@otenet.gr

E-invoicing

Circular Pol. 1003/2010 on the VAT Refund procedure does not define the form of the tax records, but only the necessary data related to any invoice or import document that should be included in the electronic application form (please refer to section “Filing the claim”). According to the applicable legislation, invoices can be issued either electronically or in a printed form (article 14 par.1 of Law 4308/2014). Therefore, although not explicitly allowed as per the wording of the law, given that e-invoices are legitimate and acceptable forms of invoices, they should be acceptable as the basis of input VAT claims.

Refunds and appeals

As the country of refund, the Greek tax authorities will notify the claimant electronically, either directly or through the country of establishment, that the claim has been received. The competent Ministry of Finance Department may request additional information via electronic means from the claimant or the competent authorities of the country of establishment in the course of the examination of the VAT Refund claim.

The Greek tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via registered mail;
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the request. The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request; or
- The authorities can refrain from making a decision, which will be deemed to be a rejection.

An electronic notification is sent to the e-mail address (es) indicated in the ‘contact details’ section of the application form. The competent Ministry of Finance Department communicates both its queries and the decisions made regarding the claims filed to the contact person(s) as indicated in the ‘contact details’ section of the application form as well as to any other agent/third party that the applicant wishes to receive such information as per the respective written request made by it (either through a special reference on the claim or separately in a PDF file).

If a refund claim is accepted, then the payment will be processed in Euro the latest until the 10th business day following the expiration of the decision issuance deadline. The amount is first paid to a temporary bank account of the Bank of Greece and then transferred to the bank account provided to the authorities. This bank account can be held by the claimant or a proxy.

The Greek tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

If the refund is not granted, the grounds for rejection of the application will be stated. Recourse against the denied claim may be filed against the Greek tax authorities in the context of the administrative procedure performed by the Internal Reexamination Service of the Tax Administration. The official rejection decision is considered to be lawfully notified to the applicant within 10 days following the electronic transmission of the decision by the Greek Authorities to the e-mail address of the applicant. The administrative recourse is filed before the competent VAT Refund Department of the Greek Ministry of Finance within 30 days from the decision notification date to the applicant.

The competent VAT Refund Department transmits the administrative recourse, the relevant documentation and its viewpoints to the Internal Reexamination Service of the Tax Administration within 7 days from its submission; the latter Authority issues its decision within 90 days from the administrative recourse filing date; the decision on the administrative recourse is notified to the applicant.

The taxable person may file recourse before the competent Administrative Court against the decision or the tacit rejection of the administrative recourse above following the expiration of the deadline set for the issuance of a decision. The above administrative recourse procedure is obligatory if a taxpayer wants to proceed to a judicial procedure; omission thereof will lead to the rejection of the recourse before the Administrative Courts.

The deadline for the filing of recourse before the Greek Administrative Court of First Instance is 30 days or 90 days (in case the applicant is established or resides overseas) from the notification of the decision to the applicant (article 66 of the Code of Administrative Litigation).

The recourse must be submitted to the Greek Administrative Court of First Instance by a Greek lawyer. If the recourse is rejected, then – if the dispute exceeds 5.000 € - the claimant can further appeal to the Court of Second Instance (Administrative Court of Appeal) within 60 days from the notification of the First Instance Court decision. If this is rejected too, then – if the dispute exceeds 40.000 € - a reversal can be filed before the Supreme Administrative Court within 60 days from the date the second instance Court's decision is officially notified to the taxpayer.

Where a claimant prevails on an appeal at the first level court (Administrative Court of First Instance), the Greek tax authorities may refer the case back to the Appeals Court for a final determination. As a result, a refund will be made only after the Supreme Court rules on the case.

In general, VAT refund claims are not rejected on the grounds of unreadable invoices as, in such cases, the competent Ministry of Finance officials request for the original invoices or a more readable scanned copy thereof; the refund of the VAT amount claimed does not prevent the tax authorities from imposing penalties to the Greek supplier due to non-compliance with the Greek invoicing rules. VAT refund claims will be rejected in the case of fictitious or falsified invoices, in which cases penalties may arise as well for both the Greek supplier as well as for the claimant company following a tax audit.

Incorrect VAT invoicing is the most common reason for the rejection of VAT refund claims, followed by the claimant performing exempt transactions without the right to deduct input VAT.

The rejection of the claim itself does not lead to the levy of penalties; however, if - in the course of the examination of a claim - an audit in the books of the Greek supplier/service provider is ordered, then penalties may arise as a result of such audit, in case tax infringements are identified by the competent tax authority. As regards the claimant, if there is a tax amount due towards the Greek state then the authorities may automatically offset the refundable VAT amount claimed against such outstanding obligation; the remaining VAT amount (if any) will be refunded to the claimant.

In most cases a claim takes up to 8 months in order to be refunded; whereas in rare complex claims cases the time needed for the VAT to be refunded may be more than 8 months.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Greece.

The rules for non-EU businesses are similar to the rules for EU businesses, except for the filing procedure.

Eligibility for refund

Reciprocity is required. Greece has signed reciprocity agreements with Norway and Switzerland.

Non-refundable VAT

A VAT refund is not possible in the following cases:

A. When the claimant:

- Is not taxable in its state of establishment;
- Is engaged solely in exempt transactions without the right to deduct input VAT;
- Falls within the scope of the special exemption for small enterprises; or
- Falls within the scope of the special regime for farmers.

B. Goods and services for which no right to deduct the input VAT is granted include:

- The supply, import or intra-community acquisition of tobacco products that are destined for use in non-taxable transactions;
- The supply, import or intra-community acquisition of alcoholic beverages that are destined for use in non-taxable transactions;
- Entertainment expenditure, including expenditure on hospitality and amusement;

- The acquisition, leasing or hire, modification, repair or maintenance of passenger vehicles with up to nine seats, pleasure boats and private aircraft, provided the transport means mentioned above are not used for the sale, leasing or transportation of persons for a fee;
- Accommodation, food, transport and entertainment expenses incurred for company personnel or representatives;
- The supply of goods and services in connection with real estate located in Greece (in certain circumstances);
- Expenses unrelated to the business activity of the claimant; and
- Incorrect VAT invoicing.

If the VAT imposed is used for both taxable and exempt transactions, a refund will only be granted in respect of the taxable transactions.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Greek VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year, but not less than three months, the amount for which the application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

The application must be submitted to the Greek tax authorities by 30 September of the year following the refund period. Late claims are not accepted and the deadline will not be extended.

Proxy

A proxy holder may be appointed in order to file the claim which is filed in paper with the competent MoF Department and monitor the progress of the examination thereof (i.e. ask and receive information). Furthermore he may collect the VAT refund amount in the case of a positive decision on the claim; the appointment thereof can be made either together with the refund claim or at a later stage depending on the claimant's wish. Finally, in the case of administrative recourse the appointment of a Greek attorney will be required.

Application forms

The application is made on Form ΦΠΑ 015 issued by the Greek tax authorities. The application must be completed in duplicate in Greek or English, and in Euro. The form can be filled out in block capitals or typed. Application forms can be obtained from the local VAT offices. It is preferable to have the form printed in the same language as used in the application.

All invoices must be mentioned in the attachment to the application. An excel spreadsheet may be used to provide an overview of the claimed amounts, but the excel spreadsheet must contain the information requested on the second page of the form, namely, the sequential number, the nature of services provided, the supplier's name and VAT number, the invoice number and the VAT charged.

The application must be signed by a person who is legally entitled to represent the company (e.g. managing director). The signatory should always be a full legal representative of the company, namely his signature should bind the company against third parties. Such person could be the managing director, the chairman of the board, sometimes this authority could be given to two persons (so two signatures may be needed) whichever is the case as per the claimant's internal decisions and processes.

One supplementary claim per calendar year can be filed with respect to invoices that are not covered by previous refund applications. If the details of a previously filed application have been changed, an amended claim must be filed. A change in the pro rata percentage can be made electronically by a separate claim correction.

Supporting documentation

The following documents must be submitted with each application: original invoices, import documents, bills, vouchers, receipts or customs clearance forms (copies are not accepted), which must include the following details: sequential number and date of issue, names and addresses of the contracting parties, VAT number of the issuer and the recipient, the taxable transaction and its value, the VAT rate and amount, licence plate of the vehicle (in case of transport companies) and a certificate of VAT status showing that the claimant is registered for VAT purposes in its country of residence. The certificate may not be more than one year old.

The Greek tax authorities will stamp each invoice and/or import document to prevent their use on subsequent applications and will return the documents to the claimant within one month after a decision is made.

The form and supporting documentation must be sent or submitted to:

Hellenic Republic
Ministry of Finance
General Directorate of Taxation
Directorate for the Implementation of Tax Policy & Legislation
Subdirection of Indirect Taxation
Department C
2-4, Sina Street
10672 Athens
Greece

T: + 30 210 36 44 960 or + 30 210 36 44 990

F: + 30 210 36 45 413

e-mail: d14-ctm@otenet.gr

Applications cannot be filed electronically.

E-invoicing

Invoices issued by the supplier of goods or services, according to the provisions of the Greek Code of Tax Depiction of Transactions and the provisions of Law 4308/2014 entitled “ Hellenic Accounting Standards, relevant regulations and other provisions” (which replaced the Code of Tax Depiction of Transactions from 1 January 2015 onwards), and sent via electronic means to its clients can be used for VAT refunds, provided that the authenticity of origin and integrity of the content of the tax record can be proved.

The authenticity of origin and integrity of the content of invoices that are issued either electronically or in a printed form must be safeguarded.

For invoices issued from 1 January 2013 onwards – the Code of Tax Depiction of Transactions is applicable.

In this respect, the law mentions three options: the use of an Advanced Electronic Signature (AES), the use of Electronic Data Interchange (EDI) or the authentication through special tax devices as per L. 1809/1988. However, the latter list is not exhaustive, since entrepreneurs can select method technically safeguarding the authenticity of origin and integrity of the invoice content. In this respect, for refund purposes, the claimant will be required to submit the electronic files, code bars (i.e. an numerical/alphabetical sequence) as produced by the Greek issuer’s computer along with its application, or any other suitable means, in order for the Greek Authorities to be able to verify the validity of the transaction (regarding both the content and the electronic signature).

For invoices issued from 1 January 2015 onwards – the Law 4308/2014 “Hellenic Accounting Standards, relevant regulations and other provisions” is applicable.

By virtue of the newly introduced law, the authenticity of origin and integrity of the content of electronic invoices are indicatively safeguarded through the use of an Advanced Electronic Signature (AES), the use of Electronic Data Exchange (EDI), the sales clearance statement provided by a payment services provider subject to the Bank of Greece supervision, the use of special tax manager devices as per L.1809/1988. Given that the above list is not exhaustive, entrepreneurs can select any method technically safeguarding the authenticity of origin and integrity of the invoice content. In this respect for refund purposes, the claimant will be required to submit the electronic files, code bars (i.e. an numerical/alphabetical sequence) as produced by the Greek issuer's computer along with its application, or any other suitable means, in order for the Greek Authorities to be able to verify the validity of the transaction (regarding both the content and the electronic signature).

Refunds and appeals

In most cases, a VAT refund claim takes up to 8 months in order to be refunded. However, in case of complex VAT refunds, the refund procedure may last more than 8 months.

Due to practical difficulties, as no electronic portal for 13th Directive VAT refund claims is available in Greece, the procedure is usually facilitated through a specially authorised person. In order for the authorities to notify their decision of provide information to such person/agent a specific authorization letter should exist.

The period for the issuance of the decision may be extended if additional information is required (e.g. issuance of credit notes due to incorrect VAT invoicing etc.).

If a refund claim is accepted, then the payment is processed in Euro the latest until the 10th business day following the expiration of the deadline for the decision issuance. The amount is first paid to a temporary bank account of the Bank of Greece and then transferred to the bank account provided to the authorities.

The Greek tax authorities are liable for late payment interest if the refund is not processed in a timely manner.

The authorities do not reject the claim in case an invoice is not the original but a scanned copy thereof, unless other grounds for the rejection of the claim exist as well. In case indications of falsified invoices exist further clarifications or data may be requested by the Greek supplier.

The whole refund claim can be rejected if a query on one particular submitted invoice has not been answered.

In practice, the VAT refund department requests information on the Greek supplier via the competent tax office through an information note, whereas the latter has to provide the data requested through an official reply.

If the refund claim remains insufficiently justified, additional information may be requested (e.g. agreement between the parties). The VAT refund department has to issue a decision on the claim within 2 months from the receipt of the information requested.

The most common reason for rejection of VAT refund claims is incorrect VAT invoicing.

The administrative recourse is filed towards the competent VAT refund department of the Greek Ministry of Finance within 30 days from the date when the decision was officially notified to the claimant. Notification of the decision to the claimant is made through a registered letter and it is considered to have taken place within 15 days (30 days for overseas claimants) from the date the decision was actually sent. Therefore, the time limit for the filing of the recourse is 45 or 60 days (for overseas claimants – which should be the case unless a Greek address has been mentioned in the contact details or an agent/proxy has been appointed in Greece) from the date when the decision was actually sent by the Greek Ministry of Finance.

In case the Authorities track falsified invoices penalties may be imposed to the issuer thereof, i.e. the Greek supplier. In case of 'fictitious invoices', penalties may arise for the claimant company as well, unless sufficient evidence that the claimant company was acting in good faith exists.

Hungary

VAT is known as “Általános Forgalmi Adó” (AFA).

The standard VAT rate is 27%, reduced rates are 18% and 5%.

An extensive overview of the VAT rates applied in Hungary can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm.

It is not necessary to appoint a Hungarian fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Hungary is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Hungarian established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically (in Hungarian or English) via the portal of the tax authorities in the country in which the claimant is established (www.magyarorszag.hu).

The claimant or a third party may submit the VAT refund claim. Acting as the member state of establishment, the Hungarian tax authorities will examine the authorization of a third party on the basis of Hungarian rules.

If the person representing the claimant is Hungarian, then special skills are required, e.g. auditors, tax advisors, accountants, tax experts, accountant or tax advisory firms can represent the claimant. If the person representing the claimant is a foreign person, no special requirement is applicable but a specific registration with the authorities. The claimant may be represented before the tax authorities by a foreign individual, a legal person or other enterprises as well.

The application relating to one calendar year must be filed with the Hungarian tax authorities within nine months from the end of the calendar year in which the tax became chargeable, i.e. by 30 September of the following year. Late claims are not accepted and the deadline will not be extended.

When being the member state of establishment, the Hungarian authorities will issue a confirmation of receipt of the VAT refund claim. The tax authority sends a confirmation but no deadline is communicated for that.

IT requirements

The claimant must complete Form 14 ELEKAFA, which can be downloaded from: http://www.nav.gov.hu/nav/letoltesek/nyomtatvanykitolto_programok

To be able to submit the form electronically, it is necessary to register at the Central Document Office in Hungary, which generally requires personal presence in Hungary. The application form also can be submitted by a representative appointed by the claimant; in this case, Form 15T180 must be signed by a representative of the claimant. The person entitled to act as a representative can obtain access codes to the electronic system at the Central Document Office.

The information must be uploaded manually on a line-by-line basis. It is currently not planned by the Hungarian tax authority to allow automatic upload of data through an electronic file (e.g. xml or csv) for VAT refund claims.

The electronic form is divided into the following sections:

- General information mainly to the claimant and the period for which the claim is made;
- Details of relevant invoices or import documents, where each document can be manually typed in, indicating the code numbers regarding the nature of acquired goods and services determined by Directive 2008/9/EC; and
- Annexes: scanned invoices/annexes can be uploaded taking the following into account:
 - File types accepted: JPEG, PDF, TIFF and zip;
 - Maximum file size: 4MB.

There is no maximum number of invoices that can be submitted within a same refund claim or per year.

Non-EU countries (13th Directive equivalent)

This refers to a Hungarian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Hungarian established company, claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Hungarian portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This certificate may be requested using the form called IGAZOL in Hungary.

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Hungary.

Eligibility for refund

A foreign taxable person is entitled to recover Hungarian input VAT if the following conditions are satisfied:

- The business does not have residence, its seat or a fixed establishment in Hungary; and
- The business has not carried out any taxable supplies in Hungary, except for:
 - Certain tax-exempt cross-border transportation from/to third countries;
 - Tax-exempt cross-border passenger transportation;
 - Supplies for which the reverse charge mechanism applies; or
 - Electronically provided supplies where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons.

Non-refundable VAT

VAT cannot be recovered if:

- The taxable person uses the goods or the services directly for the exempt (without a right to a deduction) supply of goods and/or services; or
- The taxable person uses all goods or services for purposes other than taxable business activities, except when the goods or services are entirely used in the interest of achieving taxable objectives.

VAT generally cannot be recovered on:

- Motor fuels and other fuels, goods that are necessary directly for the operation of passenger cars;
- Passenger cars, motorcycles above 125 cc, yachts, sporting and leisure boats;
- Residential buildings (except where a taxable person engaged in the leasing of such buildings opted for taxation of the rental);
- Purchases of goods and services related to the construction and renovation of residential buildings;
- Food and beverages;
- 50% of services received in connection with the operation and maintenance of passenger cars;
- Services of restaurants and other public catering services;
- Entertainment services;
- Services related to construction of residential buildings and renovation of immovable goods;
- Taxi services;

- Parking services and highway tolls, with the exception of parking services used and highway tolls paid for a motor vehicle whose gross weight is equal to 3.5 tons or more (including buses).

Partially refundable VAT

The VAT on telephone and mobile phone costs and services related to data submission by internet protocol is only deductible for 70% (30% is non-refundable).

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400. If the application relates to a period of a calendar year or the remainder of calendar year (less than 3 months), the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

It is not possible to file two claims for the same period, but there can be an overlap between the periods.

Proxy

Appointing a proxy-holder is optional during a refund procedure. If a proxy is to be provided, electronic copies of the authorization are not sufficient (i.e. an original proxy should be submitted on paper).

Follow up on submitted claims

The Hungarian tax authorities will communicate with the claimant through the email address indicated on the refund claim (unless the claimant chooses to communicate through the electronic system of the Hungarian administration, which requires personal registration at the Central Document Office in Hungary).

In the case of email communications, the authorization of the representative is only checked by the tax authorities of the country in which the claimant is established. No specific documents are required.

When being the member state of refund, the Hungarian authorities might request a third party service provider to prove its authorization to follow up on the status of a VAT refund claim.

Supporting documentation

The following documents must be submitted with each application:

- Electronic copy of invoices or customs declarations where the taxable basis of the invoice or import documents is EUR 1,000 or more (EUR 250 for invoices relating to fuel costs). The serial number used in the application form must be included on the documents; and
- Any additional documents/information (e.g. invoices or import documents even if the taxable basis does not exceed the above thresholds) requested by the Hungarian tax authorities.

E-invoicing

E-invoices are generally accepted and self-sufficient in order to claim input VAT via the 8th Directive procedure. No specific requirements/restrictions related to e-invoicing (besides the general requirements as described in the Second EU Invoicing directive) apply in this respect.

Refunds and appeals

The Hungarian tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the refund claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via electronic means;
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the request.

Where it is stated 'via electronic means', this implies that either an e-mail notification is sent, or a notification through the portal of the authorities (www.magyarorszag.hu). By the default setting, notifications received through this portal are also sent via email.

The queries/decisions are only sent to either the claimant or its agent.

The period in which the authorities must make a decision will be extended to seven months where additional information is requested or eight months where the authorities request additional information after a first request.

A refund claim is deemed neither accepted nor rejected if no query nor decision is issued in due time.

If a refund is granted, it will be processed within 10 business days in Hungarian Forint or in another currency before the end of the relevant period, and paid to a bank account in Hungary or the state in which the claimant is established. Any bank charges for the transfer will be payable by the claimant.

The Hungarian tax authorities will be liable for late payment interest if the refund is not processed in a timely manner (1/365 of double the prime rate during the time of delay).

The whole refund claim should not be rejected in Hungary where one of the submitted invoices would be incorrect /could not be provided in a readable/acceptable scanned copy, (i.e. partial rejection of claims is possible).

The whole refund claim should also not be rejected in Hungary where a query on one particular submitted invoice has not been answered.

If a refund is not granted, the grounds for rejection of the application will be stated. An appeal against the denied claim may be made to the Hungarian tax authorities within 15 days of the date of notification (tax assessment). All relevant documents and evidence must be enclosed with the appeal and a fee paid. If the appeal is unsuccessful, the claimant may go to the national court.

Practical causes of rejection usually used by the Hungarian authorities are:

- Multiple claims are submitted for the same period (the claims other than the first one are rejected);
- Insufficient documentation of the transactions indicated in the claim.

An appeal can be filed through a letter, drafted in Hungarian language.

Penalties may be levied by the Hungarian authorities in case of rejected refund claims, according to the general rules applicable for domestic taxpayers in relation to an unlawful refund claim.

The tax authority usually meets the refund deadlines, as late refunds would trigger late payment interest for the tax authority.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Hungary.

Eligibility for refund

Reciprocity is required between Hungary and the country of establishment under the 13th Directive VAT refund procedure. Hungary only has such reciprocity agreements with Liechtenstein and Switzerland.

Non-refundable VAT

VAT cannot be recovered if:

- The taxable person uses the goods or the services directly for the exempt (without a right to a deduction) supply of goods and/or services; or
- The taxable person uses all goods or services for purposes other than taxable business activities, except when the goods or services are entirely used in the interest of achieving taxable objectives.

VAT generally cannot be recovered on:

- Motor fuels and other fuels, goods that are necessary directly for the operation of passenger cars;

- Passenger cars, motorcycles above 125 cc, yachts, sporting and leisure boats;
- Residential buildings (except where a taxable person engaged in the leasing of such buildings opted for taxation of the rental);
- Purchases of goods and services related to the construction and renovation of residential buildings;
- Food and beverages;
- 50% of services received in connection with the operation and maintenance of passenger cars;
- Services of restaurants and other public catering services;
- Entertainment services;
- Services related to construction of residential buildings and renovation of immovable goods;
- Taxi services;
- Parking services and highway tolls, with the exception of parking services used and highway tolls paid for a motor vehicle whose gross weight is equal to 3.5 tons or more (including buses).

Partially refundable VAT

The input VAT related to telephone and mobile phone costs and services related to data submission by internet protocol is only for 70% deductible (30% is non-refundable).

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400. If the application relates to a period of a calendar year or the remainder of calendar year (less than three months), the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

Proxy

Appointing a proxy-holder is optional during a refund procedure. If a proxy is to be provided, electronic copies of the authorization are not sufficient. A proxy should indeed be submitted on paper.

Application form (filing and IT requirements)

The application relating to a calendar year must be submitted to the Hungarian tax authorities within nine months of the end of the calendar year in which the tax became chargeable, i.e. by 30 September of the following year. Late claims are not accepted and the deadline will not be extended.

The application, which can be downloaded from the internet, must be on a form issued by the Hungarian tax authorities. It must be completed in Hungarian, be in Hungarian Florint and signed by a person or persons who are fully legally entitled to represent the company based on the company records. The application can be submitted in hard copy or electronically, along with all relevant supporting documentation.

A hard copy application should be sent to:

Nemzeti Adó- és Vámhivatal Kiemelt Ügyek Adóigazgatósága (KAIG)

1077 Budapest, Dob utca 75-81., Hungary

Mailing address: 1410 Budapest, Pf. 138, Hungary

Tel: + 36 1 461 3300

Fax: +36 1 322 1985

www.nav.gov.hu

Supporting documentation

The following documents must be submitted with each application:

- Electronic copy of invoices or customs declarations for which the taxable basis of the invoice or import documents equals or exceeds the threshold of EUR 1,000 (EUR 250 for invoices relating to fuel costs). The serial number used in the application form must be included on the documents;
- An original certificate of VAT status confirming that the claimant is registered for VAT purposes in its country of residence. The certificate may not be more than one year old.

The Hungarian tax authorities can request additional documents/information (e.g. invoices or import documents even if the taxable basis does not exceed the above thresholds).

E-invoicing

In case of electronic invoices, the invoices are to be attached to the application in a form that is valid at the time of issue. Such invoices must be issued in line with Hungarian law. The detailed procedure for the submission of electronic invoices is not addressed by the law.

Refunds and appeals

The Hungarian tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant either electronically or by regular mail;
- The authorities can reject the claim in whole or in part and notify the claimant either electronically or by regular mail;
- The authorities can request additional information and notify the claimant either electronically or by regular mail. The claimant must provide all information within one month of receipt of the request.

Where it is stated 'via electronic means', this implies that either an e-mail notification is sent, or a notification through the portal of the authorities (www.magyarorszag.hu). By default, notifications received through this portal are also sent via e-mail.

The queries/decisions are only sent to the claimant or its agent.

The period in which the authorities must make a decision will be extended to seven months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, it will be processed within 10 business days in Hungarian Forint or in any other currency before the end of the relevant period, and paid to the bank account designated by the claimant in Hungary or the state in which it is established. The claimant will be responsible for any bank charges for the transfer.

The Hungarian tax authorities will be liable for late payment interest if the refund is not processed in a timely manner (1/365 of double the prime rate during the time of delay).

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal against the denied claim may be made to the Hungarian tax authorities within 15 days of the date of notification (tax assessment) issued by the tax authorities. All relevant documents and evidence must be attached to the appeal request and a fee paid. If the appeal is unsuccessful, the claimant can go to the national court.

A refund claim is deemed neither accepted nor rejected if no query nor decision is issued in due time.

The whole refund claim should not be rejected in Hungary where one of the submitted invoices would be incorrect/could not be provided in a readable/acceptable scanned copy, (i.e. partial rejection of claims is possible).

The whole refund claim should also not be rejected in Hungary because a query on one particular submitted invoice has not been answered.

Practical causes of rejection usually used by the Hungarian authorities are:

- Multiple claims are submitted for the same period (the claims other than the first one are rejected);
- Insufficient documentation of the transactions indicated in the claim.

An appeal is to be filed through letter and drafted in Hungarian language.

Penalties may be levied by the Hungarian authorities in case of rejected refund claims, according to the general rules applicable for domestic taxpayers in relation to an unlawful refund claim.

The tax authority usually keeps the refund deadlines, as late refunds would trigger late payment interest.

Iceland

Icelandic VAT is known as “Virdisaukaskattur” (VSK).

The standard VAT rate is 24% and there is a reduced rate of 11%.

It is not necessary to appoint an Icelandic fiscal representative to claim a refund of VAT.

Iceland is the Member State of Establishment

13th Directive

This refers to an Iceland established company, submitting a 13th Directive claim in an EU country.

The refund application for an Iceland established company claiming input VAT in a non EU country, must be submitted according to the requirements of the country of refund.

Reciprocity rules (allowing or not Icelandic companies to submit a refund claim) should be verified with the country of refund.

An original “certificate of taxable status” issued by Ríkisskattstjóri – Fyrirtækjaskrá (e. Directorate of Internal Revenue – Companies Registrar) of Iceland will usually need to be provided to the countries of refund. This certificate is called “vottorð úr fyrirtækjaskrá” in Iceland.

Iceland is the Member State of Refund

13th Directive equivalent legislation in Iceland (Regulation no. 288/1995)

As Iceland is not part of the European Union, the EU Directive 2008/09/EC and the 13th Directive are not applicable to companies asking for VAT refund in Iceland.

However, there is a possibility to reclaim VAT in Iceland for foreign companies via a “13th Directive equivalent legislation”.

Eligibility for refund

A non-resident business without a fixed establishment or liability to register in Iceland can recover VAT. No reciprocal agreement with the home country of the non-resident business is required to obtain a refund.

Refunds can only be made to a non-resident business that otherwise would have been liable to register for VAT in Iceland had it carried on a business in Iceland.

Non-refundable VAT

VAT cannot be recovered on:

- Cars used for personal transportation, including car hires and fuel;
- Food and drinks, including restaurant expenses;
- Gifts and entertainment expenses;
- Residential housing of employees.

In addition, a number of items such as health, social, educational and cultural services, insurance and banking, artistic or sporting activities and most real estate rental costs, are not liable to Icelandic VAT.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Iceland VAT, provided that the costs are 100% related to the taxable activities of the non-established company.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than two months, the amount for which application is made may not be less than ISK 60.800; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than ISK 11.800. These amounts are linked to the building cost index as defined by Statistics Iceland.

Time limits

The application must refer to purchases of goods and taxable services over a period of at least two months, i.e. January-February, March-April, May-June, July-August, September-October, November-December, and not exceeding one calendar year. The period may be less than two months if the application relates to the remainder of a calendar year. The application must be submitted at least 15 days after the relevant period and no later than six years after the end of the calendar year to which the application refers.

A claimant may submit more than one refund claim for the remainder of a calendar year; for example, if a claimant has submitted a refund claim for the remainder of a calendar year but then receives additional invoices from certain suppliers, another application may be submitted provided the submission is within the above deadlines.

Proxy

A proxy is required by the authorities if the non-resident company appoints a representative to apply for a reimbursement of VAT in Iceland. The authorities provide a sample proxy that applicants may fill out, granting an agent authorization to apply for and collect a VAT reimbursement. This letter is available online at https://www.rsk.is/media/rsk10/rsk_1036.en.pdf. Any party, foreign or established, and whether or not registered in Iceland can submit the refund claim on behalf of the claimant if the proper authorization letter is provided.

This proxy is to be provided together with the refund claim and it may be valid for a maximum of five years from the date of issue. It is necessary to submit an original of the proxy.

There is no requirement to have the proxy notarized, but it must be prepared in Icelandic or English.

Application forms

The application must be made by completing Form RSK 10.29 issued by the Icelandic tax authorities. It must be completed in Icelandic or English, in block capitals or typed and in Icelandic Krona (ISK). Application forms can be obtained from the local VAT offices or online at: http://www.rsk.is/media/rsk10/rsk_1029.en.pdf for all claimants.

All invoices must be mentioned in the attachment to the application form.

The application must be signed by a person who is entitled to represent the company. Otherwise, a letter of authority should be provided (see above).

The Iceland tax authorities will not issue a specific confirmation on receipt of the submitted claim.

The form and supporting documentation must be sent to the Directorate of Internal Revenue:

Ríkisskattstjóri Laugavegur 166
150 Reykjavík
Iceland

The application must include a declaration by the claimant about the purpose of the purchases. The claimant also must declare that, during the refund period, it did not deliver goods or provide taxable services in Iceland in respect of which it would be liable for registration and taxation.

Follow up on submitted claims

The claimant and its nominated representative can follow up with the authorities on the status of a VAT refund claim.

Supporting documentation

The original invoices or receipts of payment from the customs authorities referring to the amounts of VAT paid by the company must be enclosed with the application, as well as other relevant documentation. Only original invoices are accepted.

The documents are returned to the claimant after the application has been processed.

All submitted invoices must be drafted according to Icelandic VAT regulations.

The claimant must enclose a certificate issued by the competent authority in the state where the claimant is established stating the type of business the claimant carries on.

This certificate of registration is valid for a period of two years from the date of issue. The tax authorities may extend this period by two years at a time if they deem that the relevant information remains unchanged.

E-invoicing

There is no specific procedure to reclaim VAT based on e-invoices. If a claim is based on an e-invoice, a hard copy of the invoice shall be printed out and supplied.

Otherwise, all invoices must be originals; no copies are accepted. It is not possible to e-file refund claims.

Refunds and appeals

Applications received on the 15th day of the month following the VAT reimbursement period and supported by all required documents must be processed no later than one calendar month and five days after the end of the VAT reimbursement period. This period may be extended when the authorities determine that additional information is requested, and the claimant is not able to respond to such a request promptly.

The authorities inform the claimant by letter that the refund is rejected or granted. Correspondence is directed to the claimant or the claimant's authorized representative if such an authorization was granted.

There are no specific repercussions if the authorities are late with responding to a refund claim.

Applications received after the deadline will be processed with applications for the next VAT reimbursement period.

The tax authorities are not liable for late payment interest if the refund is not made within the required timeline.

The claimant may request that the reimbursement be made in its country of residence or in Iceland. If the refund is to be paid to a bank account in the claimant's country of residence, it is responsible for all costs arising on the transfer. The claimant can also specify the payment method, i.e. deposit into a bank or giro account or sent by mail.

If the application is rejected, an appeal may be filed within 30 days to the Directorate of Internal Revenue. If that appeal is rejected, an appeal may be filed within three months to the Ministry of Finance and Economic Affairs. Once these appeals have been decided on, a claimant can initiate a procedure before the national court.

If the refund is not granted, the authorities must clearly state the grounds for rejection. The authorities will generally not reject the entire refund claim because of problems with individual invoices. These invoices will simply be excluded from the refund and the grounds for rejecting of the invoice will be detailed. In practice, the authorities promptly issue refunds if the claimant's application and documents are correctly submitted.

The submission of incorrect or misleading information or nondisclosure of information required in connection with an application for a reimbursement of VAT or in declarations is punishable by law.

Ireland

Irish VAT is known as “Value Added Tax.”

The standard VAT rate is VAT is 23% with reduced rates of 13.5%, 9%, 4.8% and 0%.

An extensive overview of the VAT rates applied in Ireland can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint an Irish fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Ireland is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to an Irish established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be electronically submitted through the portal of the tax authorities in the country in which the claimant is established (www.ros.ie for Ireland established claimants). This refund claim may be submitted by the claimant or by an authorized third party service provider. The authorized third party service provider does not have to be established in Ireland to file the refund claim, but it will need to have a tax identification number (TIN) or TAIN if an Irish agent is appointed. They will have to satisfy the Irish Revenue Authorities that they are authorised to act on the applicant's behalf by submitting to Revenue, a letter of Authority from the applicant and/or Power of Attorney indicating that they are authorized to submit claims and/or receive refunds, on the applicant's behalf. The power of attorney document must:

- Be received in hardcopy format prior to the submission of the application;
- Confirm that the agent is authorised to submit claims and/or receive refunds on the applicant's behalf;
- Contain the signatures of both parties;
- Contain the VAT no. of the client;

- State the Tax Identification number (TIN) number of the agent (TAIN if an Irish agent); and
- State the date the agreement commenced.

When being the member state of establishment, the Irish tax authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements

Irish taxpayers registered for Irish VAT purposes must file any refund claim for VAT incurred outside Ireland but within the EU electronically through the Irish Revenue's online filing system (ROS). To file a refund application, the claimant must be registered for Irish VAT and also be registered to use the ROS system. An agent may file a claim on behalf of a claimant provided it is registered for ROS and the claimant provided authority for the agent to file the claim.

To obtain access to the web portal to file the VAT refund claim, the claimant should follow the instructions contained in this

portal: <http://www.ros.ie/PublisherServlet/info/setupnewcust>.

Data must be uploaded on a line-by-line basis with a limit of 1,400 invoices per application. The Bulk Upload Facility allows preparing claims offline and uploading the information once ready by selecting the "Populate from CSV" button on the import/invoice entry screen. The format is that of a comma separated value excel file containing the information on the invoices and imports that make up the claim.

Non-EU countries (13th Directive equivalent)

This refers to an Irish established company submitting a non-EU (13th Directive equivalent claim) in a non-EU country.

The refund application for an Irish established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Irish portal is not to be used.

Ireland is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim seeking a refund of Irish VAT.

Eligibility for refund

A foreign taxable person is entitled to recover Irish VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in Ireland;
- The business does not have residence, its seat or a fixed establishment in Ireland; and

- The business has not carried out any taxable supplies in Ireland, except for:
 - Certain tax-exempt cross-border transport from/to non-EU countries;
 - Supplies for which the reverse charge mechanism applies;
 - Telecommunication, broadcasting and electronically supplied services where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying these type of services to non-taxable persons.

Non-refundable VAT

VAT generally cannot be recovered on:

- Petrol except diesel;
- Food, drink, hotels / accommodation or other personal services (VAT on accommodation with effect from 1 July 2007 is recoverable provided certain stringent conditions are met);
- Entertainment expenses; and
- The purchase, hire or importation of passenger motor vehicles (VAT on motor vehicles used for certain purposes is recoverable).

Partially refundable VAT

Vehicles first registered after 1 January 2009 and with a level of CO2 emissions of less than 156g/km may reclaim a maximum of 20% of the VAT incurred provided certain conditions are met.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The refund period will be based on a calendar year. The application must cover a period of not less than three consecutive calendar months in one calendar year or not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application must be submitted by 30 September in the calendar year directly following the calendar year in which the expenditure was incurred.

A claimant may submit up to five claims, including the calendar year claim, in any calendar year.

Proxy

In order for a power of attorney document to be valid in Ireland, it must:

- Be received in hardcopy format prior to the submission of the application;
- Confirm that the agent is authorised to submit claims and/or receive refunds on the applicant's behalf;
- Contain the signatures of both parties;
- Contain the VAT no. of the client;
- State the Tax Identification number (TIN) number of the agent (TAIN if an Irish agent);
- State the date the agreement commenced.

Follow up on submitted claims

As the member state of refund, the Tax Authorities in the applicant's own Member State should notify the applicant when the application is received by the Irish Revenue.

Applicants established outside of Ireland should state their VAT registration number when contacting Irish Revenue.

An authorised agent can be appointed to follow up on submitted claims.

Supporting documentation

The application will incorporate an online declaration and the following information will be required:

- Name and full address;
- An address for contact by electronic means;
- A description of the business activity for which the goods and services are acquired;
- The refund period covered by the application;
- Bank account details, including IBAN and BIC codes;
- Details of each invoice or importation document, to include:
 - Name and full address of the supplier;
 - The VAT identification number or tax reference number of the supplier;
 - The prefix of the member state of refund (i.e. Ireland = IE);
 - Date and number of the invoice or importation document;
 - Taxable amount and amount of VAT expressed in the currency of the member state of refund;
 - The amount of deductible VAT calculated expressed in the currency of the member state of refund; and
 - Nature of the goods and services acquired.

The Irish tax authorities can request additional information to be forwarded at a later date, i.e. within a four-month period.

E-invoicing

E-invoices are generally accepted and self-sufficient in order to claim input VAT via the former 8th Directive procedure. In Ireland, the issuance of invoices or other documents in electronic format is subject to the following conditions:

- there is prior agreement between the issuer and the recipient in relation to the issue and acceptance of invoices or documents in electronic format,
- the electronic system being used conforms to the following specifications:
 - the system must be able to produce, retain and store electronic records and messages in such form and containing such particulars as are required for VAT purposes, and make them available to the Irish Revenue on request;
 - the system must be able to reproduce in paper or electronic format any electronic record or message required to be produced, retained or stored and;
 - the system must be able to maintain electronic records in a manner that allows their retrieval by reference to the name of the person who issues or receives the message or the date of the message or the unique identification number of the message.
- the issuer and recipient of an invoice or other document have an obligation to ensure the authenticity of origin, the integrity of content and a reliable audit trail between the invoice and the supply for the duration of the period of storage of the invoice. This can be done using business controls and the Irish Revenue may require evidence of those business controls.

Refunds and appeals

The decision on the application will be announced within four months of the date when the application was submitted to the Irish tax authorities. However, if the authorities request additional information in respect of the claim, the maximum time limit for making a decision may be extended to eight months.

When an agent is acting on behalf of a claimant, in most cases, any queries or decisions will be sent to both claimant and agent.

If a refund is granted, payment will be made via electronic funds transfer (EFT) into the bank account as provided when making the application.

If the refund is not granted, the grounds for refusal of the application must be stated. An appeal against a denied claim can be made to Irish Revenue within 21 days of receipt of the notification.

If the Irish tax authorities do not query a refund it is generally deemed to be accepted as a valid refund.

The Irish tax authorities will generally not reject a refund on the basis of one invoice. Depending on the circumstances either an amended refund claim would be submitted or the tax authorities will request more information on the invoice concerned before they will process the refund.

Some of the most common reasons for a refund application not being processed by the Irish tax authorities are the following:

- you are registered for VAT in Ireland for the period of the claim;
- you carry out only supplies of goods or of services which are exempt without deductibility for VAT;
- you have mentioned an incorrect VAT number;
- information requested during the application process is not provided;
- the maximum number of claims in a calendar year has been exceeded (a maximum of 5 claims are allowed in a calendar year);
- the amount claimed is less than the minimum allowed;
- a claim or invoice has been previously submitted.

The appeal should be made by way of notice of writing to the Irish Revenue authorities in either the Irish or English language.

Generally VAT refunds usually take between two to six weeks, however this may vary depending on the size of the refund.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Ireland.

The rules for non-EU businesses are similar to those for EU businesses. However, for non-EU businesses, the procedure is still paper-based; there is no option to file a claim electronically.

Eligibility for refund

Reciprocity is not required.

Non-refundable VAT

VAT generally cannot be recovered on:

- Petrol except diesel;
- Food, drink, hotels / accommodation or other personal services (VAT on accommodation with effect from 1 July 2007 is recoverable provided certain stringent conditions are met);
- Entertainment expenses; and
- The purchase, hire or importation of passenger motor vehicles (VAT on motor vehicles used for certain purposes is recoverable).

Partially refundable VAT

Vehicles first registered after 1 January 2009 and with a level of CO₂ emissions of less than 156g/km may reclaim a maximum of 20% of the VAT incurred provided certain conditions are met.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 200; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 25.

Time limits

The application must be filed within six months of the end of the calendar year in which the tax paid became chargeable.

Proxy

In order for a power of attorney document to be valid in Ireland, it must:

- Be received in hardcopy format prior to the submission of the application;
- Confirm that the agent is authorised to submit claims and/or receive refunds on the applicant's behalf;
- Contain the signatures of both parties;
- Contain the VAT no. of the client;
- State the Tax Identification number (TIN) number of the agent (TAIN if an Irish agent);
- State the date the agreement commenced.

Application forms

The application is made on Form VAT 60OEC issued by Irish Revenue.

To receive a refund, the business for which the goods/services were purchased must be a business that would be taxable if carried on in Ireland.

Supporting documentation

The following documents must be submitted with each application:

- Original invoices containing particular information;
- A certificate issued by the competent authorities of the country in which the claimant is established stating the economic activity in which the claimant is engaged. The certificate may not be more than one year old; and
- A letter of authority if the amount is to be refunded to a third party.

E-invoicing

E-invoices are generally accepted and self-sufficient in order to claim input VAT via the former 8th Directive procedures. In Ireland the issue of invoices or other documents in electronic format is subject to the following conditions:

- there is prior agreement between the issuer and the recipient in relation to the issue and acceptance of invoices or documents in electronic format,

- the electronic system being used conforms to the following specifications:
 - the system must be able to produce, retain and store electronic records and messages in such form and containing such particulars as are required for VAT purposes, and make them available to Revenue on request;
 - the system must be able to reproduce in paper or electronic format any electronic record or message required to be produced, retained or stored and;
 - the system must be able to maintain electronic records in a manner that allows their retrieval by reference to the name of the person who issues or receives the message or the date of the message or the unique identification number of the message.
- the issuer and recipient of an invoice or other document have an obligation to ensure the authenticity of origin, the integrity of content and a reliable audit trail between the invoice and the supply for the duration of the period of storage of the invoice. This can be done using business controls and Revenue may require evidence of those business controls.

Refunds and appeals

There is no time frame binding the Irish VAT authorities for deciding on a 13th Directive refund claim.

When an agent is acting on behalf of a claimant, in most cases, any queries or decisions will be sent to both claimant and agent.

The decision on the application will be announced within four months of the date when the application was submitted to the Irish tax authorities. However, if the authorities request additional information in respect of the claim, the maximum time limit for making a decision may be extended to eight months.

If the Irish tax authorities do not query a refund it is generally deemed to be accepted as a valid refund.

Refunds usually take between two to six weeks, however this may vary depending on the size of the refund. The repayment will be made via electronic funds transfer (EFT) into the bank account as provided when making the application

If a refund is not processed in a timely manner, the Irish tax authorities may pay interest on refunds of VAT to a claimant in two circumstances;

- where there is a mistaken assumption in the operation of the tax made by the authorities, or
- where there is a delay of more than 93 days in processing a fully completed claim.

Simple interest is calculated from the date on which the amount becomes payable and is chargeable at a rate of 0.011% per day

The Irish tax authorities will generally not reject a refund on the basis of one invoice. Depending on the circumstances either an amended refund claim would be submitted or the tax authorities will request more information on the invoice concerned before they will process the refund.

Some of the most common reasons for a refund application not being processed by the Irish tax authorities are the following:

- you are registered for VAT in Ireland for the period of the claim;
- you carry out only supplies of goods or of services which are exempt without deductibility for VAT;
- information requested during the application process is not provided;
- the amount claimed is less than the minimum allowed;
- if you have inserted an incorrect VAT number;
- a claim or invoice has been submitted previously;
- additional invoices are added to a claim that has been submitted previously.

If the refund is not granted, the grounds for refusal of the application must be stated. An appeal against a denied claim can be made to Irish Revenue within 21 days of receipt of the notification.

Italy

Italian VAT is known as “Imposta sul Valore Aggiunto” (IVA).

The standard VAT rate is 22% and there are reduced rates of 10%, 4% and 0%.

Livigno, Campione d’Italia and the territorial waters of lake Lugano are not considered part of the EU for VAT purposes.

An extensive overview of the VAT rates applied in Italy can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint an Italian fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Italy is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to an Italian established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically through the portal of the tax authorities of the country in which the claimant is established. With reference to the refund of input VAT paid by Italian established entities on purchases performed in another EU member state, the claim must be submitted to the Italian tax authorities via the electronic services available on the following web portal of the Italian Tax Authorities: <http://www.agenziaentrate.gov.it/wps/portal/entrate/home>.

The application can be filed by the claimant or by an “authorized intermediary.” In principle, authorized intermediaries are the same as the ones who can file tax returns, i.e. Italians with specific recognized professional skills (e.g. associations of chartered tax consultants, etc.). However, the Italian tax authorities allow a claim to be filed on behalf of the claimant by an EU entity if certain requirements are met. In particular, the third party must have “adequate technical, economic, financial and structural capacity,” and must obtain a specific proxy from the Italian claimant, before registering to access the Italian portal.

Italian established companies filing their claims with the Italian tax authorities will receive several receipts confirming that the application for refund was received by the state responsible for the VAT refund. The final decision on the claim is processed by the state of refund.

IT requirements

The preparation and filing of the return is done through the web portal of the Italian Revenue Agency (Entratel or Fisconline). To use this service, registration and licensing are required (unless an Italian authorized intermediary is used). If the third party applying for the e-filing authorization is an EU company (and not a private individual), the following steps must be followed: the legal representative or the authorized proxy in charge of the e-filing (EU company) must request an Italian fiscal code; access to the Entratel system for the EU company must be requested and an authorization/proxy to operate through the e-system must be obtained.

The information should be uploaded manually on a line-by-line basis. Data for each invoice must be inserted, showing the invoice number, date, supplier's name, taxable amount and VAT amount. A scanned copy of the invoices must be attached to the claim when uploading it (in pdf, jpeg, tiff, or zip format).

There is not a maximum number of invoices that can be submitted within a same refund claim or per year. From a practical point of view, the maximum size of 5MB for the annexes (i.e. invoices) cannot be exceeded. If the annexes exceed this size, it will be necessary to compress the files as much as possible or contact the tax authorities of the member state of refund.

Non-EU countries (13th Directive equivalent)

This refers to an Italian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for an Italian established company claiming input VAT in a non EU country, must be submitted according to the requirements of the country of refund. The Italian portal is not to be used.

Another difference with the former 8th Directive EU VAT refund procedure is that a "certificate of taxable status" issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called "certificato di partita IVA" in Italy.

<i>Italy is the Member State of Refund</i>

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Italy.

Eligibility for refund

A foreign taxable person is entitled to recover Italian VAT if the following conditions are satisfied:

- The business is not registered or liable to be registered for VAT in Italy;
- The business does not have residence, its seat or a fixed establishment in Italy (in case of a branch with an Italian VAT number, a VAT refund may not be claimed under Directive 2008/09/EC in relation to purchases made by the head office); and
- The business has not carried out any taxable supplies in Italy, except for:
 - Certain tax-exempt cross-border transportation and ancillary services; or
 - All supplies of goods and/or services rendered to a subject that is VAT-established in Italy at the time of the relevant supply who applies VAT through reverse charge.

Non-refundable VAT

Since 2008, all VAT incurred on hotel and catering services supplied during conventions linked to the business of the company may be recovered. VAT related to accommodation (restaurant, bar and hotel expenses) is 100% deductible, unless related to entertainment expenses.

According to the ECJ, it should be possible to deduct the relevant VAT paid on cars/fuel/car maintenance used for the company's business. In this respect, the percentage of deduction set by the Italian VAT legislation is 40% in case of both private and business use; the deduction is 100% if exclusively used for business purposes.

Partially refundable VAT

According to paragraph 3 of article 38-bis 2 of the Presidential Decree n.633/1972, in case the non-resident business carries out in its country of establishment both VAT exempt and taxable transactions, the VAT refund will only be admitted with reference to the deductible VAT percentage applicable in its country of establishment.

Moreover, in some cases, VAT can be refunded based on the VAT deduction percentage allowed by the Italian Law, pursuant to article 19, 19-bis1 and 19-bis2 of the Presidential Decree n. 633/1972 (e.g. the deduction percentage for cars/fuel/maintenance).

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The claimant can either submit four claims related to each quarter of the year or one annual claim. The quarterly claims can only include invoices issued in the relevant quarter, but the annual claim can include invoices issued during the entire year.

Proxy

For the filing of the claim, if the claim is submitted by a third party, a proxy should be filed together with the refund claim. With respect to the format, an electronic scanned copy is accepted and a copy of the identity document/passport of the subscriber should be attached.

In order to receive updates or information in Italy, there are no official guidelines on who can follow up on a submitted refund claim. However, it should be possible for a third party to request information on the status of a VAT refund claim at the competent Pescara VAT office. In this case, the requesting person, if different from the claimant that filed the claim, will have to show a power of attorney to act on behalf of the claimant. No specific rules apply for the power of attorney. Basically, the power of attorney should be drafted on the letterhead of the claimant and signed by a person empowered to sign documents on behalf of the Company (a copy of the identity document/passport of the subscriber has to be attached).

E-invoicing

Italian law does not contain any specific provision on refunds of Italian VAT based on electronic invoices. However, e-invoices should in principle be accepted. Italy has set e-invoicing requirements/restrictions, basically implementing the EU Invoicing Directive.

Refunds and appeals

The Italian tax authorities must issue a decision on the refund claim within four months from the receipt of the claim:

- The authorities can accept the refund claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within of one month from the receipt of the request.

The decision should be sent to the e-mail address included in the claim form or through the platform used for transmitting the claim.

According to article 38-bis2 of the Presidential Decree no.633/1972, the queries/decisions by the Italian tax authorities will be sent electronically to the claimant or to the member state of establishment or to the appointed third party.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, it will be processed in Euro within 10 business days after the relevant period.

The Italian tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

Usually, if one of the submitted invoices is not correct/could not be provided in a readable/acceptable scanned copy, the refund claim is not wholly rejected (the Italian tax authorities could issue a partial denial). If the required information is not provided, the refund claim is suspended. If a query on one particular invoice is not answered, this could have different consequences, depending on the type of query and on the amounts involved.

If the refund is not granted, the grounds for rejection of the application will be stated. According to the Italian Law, the decision is notified to the claimant, stating the reasons for the rejection. Moreover, according to the Italian act ruling tax litigation, in principle, the tax refund claims should be deemed to be rejected (the so called “silent denial”) after 90 days from the filing. However, considering the time limits provided by the relevant legislation for issuing a decision or to request additional information in case of a former 8th Directive EU VAT refund claim, it is more likely that an explicit decision will be issued by the tax authorities after 90 days.

An appeal against the rejection may be made to the Italian tax authorities within 60 days from the receipt of the notification issued by the tax authorities. If the appeal is unsuccessful, a further appeal to the second Level Tax Court may be initiated, and if this appeal is unsuccessful, the claimant can go to the Supreme Court. The appeal has to follow specific formal and substantial requirements and must be filed through a defence attorney.

According to Italian law, penalties from 100% up to 200% of the VAT are applied in case it is unduly refunded. There is no specific provision in the law stating penalties in case of rejection, but the rejection of the VAT refund claim may have consequences depending on the grounds for rejection.

Refund claims should take four to six months in case of request of documentation by the Italian Tax Authorities, eight months in case of request of further documentation, assuming that the answers are timely provided.

Non-EU businesses (13th Directive)

This refers to a non EU established company submitting a 13th Directive claim in Italy.

Eligibility for refund

Reciprocity is required. Italy has signed reciprocity agreements with Israel, Norway and Switzerland.

Non-refundable VAT

Since 2008, all VAT incurred on hotel and catering services supplied during conventions linked to the business of the company may be recovered. VAT related to accommodation (restaurant, bar and hotel expenses) is 100% deductible, unless related to entertainment expenses.

According to the ECJ, it should be possible to deduct the relevant VAT paid on cars/fuel/ car maintenance used for the company's business. In this respect, the percentage of deduction set by Italian VAT legislation is 40% in the case of both private and business use; the deduction is 100% if exclusively used for business purposes.

Partially refundable VAT

In case the non-resident business carries out in its country of establishment both VAT exempt and taxable transactions, the VAT refund will only be granted with reference to the deductible VAT percentage applicable in its country of establishment.

Moreover, in some cases, VAT can be refunded based on the VAT deduction percentage allowed by the Italian law, pursuant to article 19, 19-bis1 and 19-bis2 of the Presidential Decree n 633/1972 (e.g. deduction percentage for cars/fuel/car maintenance).

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year, the amount may not be less than EUR 50.

Time limits

The application can cover a period of (not less than) three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year or a period of (not more than) one calendar year. However, applications can relate to a period of less than three months where the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The claimant can either submit four claims relating to each quarter of the year or one annual claim. The quarterly claims can only include invoices issued in the relevant quarter, but the annual claim can include invoices issued during the entire year.

Proxy

For the filing of the claim, if the claim is submitted by a third party, a proxy should be filed together with the refund claim. With respect to the format, an electronic scanned copy is accepted and a copy of the identity document/passport of the subscriber should be attached.

In order to receive updates or information, in Italy there are no official guidelines on who can follow up on a submitted refund claim. However, it should be possible for a third party to request information on the status of a VAT refund claim at the competent Pescara VAT office. In this case the person asking for information, if different from the claimant who filed the claim, will have to show a power of attorney to act on behalf of the claimant. No specific rules apply for the power of attorney. Basically, the power of attorney should be drafted on the letterhead of the claimant and signed by a person empowered to sign documents on behalf of the Company (a copy of the identity document/passport of the subscriber has to be attached).

Application forms

Refund claims must be completed on Form VAT 79 issued by the Italian tax authorities and sent either by personal delivery, registered mail or courier to:

Centro Operativo di Pescara
Via Rio Sparto, 21
65129 Pescara, Italy

Fax and email submissions are not allowed.

Supporting documentation

The following documents have to be attached to the claim:

- Original invoices;
- Documentation confirming the payment of the invoices; and
- A tax administration certificate of taxable status for VAT purposes not older than 1 year.

E-invoicing

Italian law does not contain any specific provision on refunds of Italian VAT based on electronic invoices. However, e-invoices should in principle be accepted. Italy has set e-invoicing requirements/restrictions, basically implementing the EU Invoicing Directive.

Refunds and appeals

The timeframe to issue a decision on a 13th Directive refund claim is six months starting from the date of receipt of the refund request.

In case of request of further information, the timeframe is eight months starting from the date of receipt of the refund request, assuming that the answers are provided timely.

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within of one month from the receipt of the request.

The queries and decisions will be sent to the fax/e-mail address included in the form.

According to the Italian act ruling tax litigation the tax refund claims should be deemed rejected (so called “silent denial”) after 90 days from the filing. However, considering the time limits provided by the law for issuing a decision or requesting additional information on a 13th Directive VAT refund claim, it is more likely that an explicit decision will be issued by the Tax Authorities after 90 days.

The timeframe for the payment of the refund granted heavily depends on the availability of the funds.

Italian tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

Usually, if one of the submitted invoices is not correct, the refund claim is not wholly rejected (the Italian Tax Authorities could issue a partial denial). If the required information is not provided, the refund claim is suspended. If a query on one particular invoice is not answered, this may have different consequences depending on the type of query and on the amounts involved.

According to the Italian Law, the decision is notified to the claimant, stating the reasons for rejection.

An appeal against the rejection of a VAT refund claim can be filed within 60 days from the date of the notification of the decision.

According to the Italian Law, penalties from 200% up to 400% of the VAT are applied in case it is unduly refunded.

The refund process should take six to eight months, assuming that answers are timely provided.

Latvia

Latvian VAT is known as “Pievienotās vērtības nodoklis” (PVN).

The standard VAT rate is 21%, and there is a reduced rate of 12%.

An extensive overview of the VAT rates applied in Latvia can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Latvian fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Latvia is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Latvian established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically (in Latvian or English) through the website of the tax authorities in the country in which the claimant is established. This is <https://eds.vid.gov.lv/login> for companies established in Latvia.

When being the member state of establishment, the Latvian authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements

A Latvian VAT payer must file its refund claim electronically using the Electronic Declaration System (EDS) web service of the Latvian tax authorities. To access the EDS web service, the company must first conclude an agreement with the tax authorities and file an application listing the persons who will be using the system. The EDS can be accessed at: <https://eds.vid.gov.lv/login>

The form can be uploaded in XML format, but the file cannot exceed 1MB. Guidance on how to file the form can be obtained at: <https://www.vid.gov.lv/default.aspx?tabid=11&id=1676&hl=1&mod=33>

The electronic form is divided into three main sections:

- General information about the taxpayer and the period for which the refund is requested;
- List of invoices, in which each document can be typed manually;
- Annexes: scanned invoices if required:
 - File types accepted: JPEG, PDF or TIFF or zip;
 - Maximum file size: 1 MB. If the information cannot be uploaded in the system due to size limitations, it can be sent to the Latvian tax authorities by email.

There is no maximum number of invoices which can be submitted within a same refund claim or per year.

Non-EU countries (13th Directive equivalent)

This refers to a Latvian established company submitting a non- EU (13th Directive equivalent claim) in a non-EU country.

The refund application for a Latvian established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Latvian portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called “VID izziņa par PVN maksātāja statusu Latvijā” (VAT certificate) and it should not be older than one year.

<i>Latvia is the Member State of Refund</i>
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EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Latvia.

Eligibility for refund

A foreign registered taxable person is entitled to recover Latvian VAT if the following conditions are satisfied:

- The business is not registered or liable to be registered for VAT in Latvia;
- The business does not have residence, its seat or a fixed establishment in Latvia;
- The business has not carried out any taxable supplies in Latvia, except for:
 - Tax-exempt cross-border transportation from/to EU countries and ancillary services;
 - Supplies to which reverse charge mechanism applies.

Non-refundable VAT

VAT cannot be recovered:

- On the acquisition of unused immovable property and services received in relation to the construction, reconstruction, renovation, restoration or repair of immovable property;
- On goods and services purchased for personal use, such as:
 - Rental, maintenance and repair of a passenger car if these services are not used for business purposes. If the vehicle is used for business purposes, 80% of the VAT amount can be recovered for the business use (in proportion to that use), but the claimant must provide supporting documentation with the application (e.g. route description in Latvian or English);
 - Purchase of fuel, lubricants and spare parts intended for a passenger car if they are not used for business purposes. If the car is used for business purposes, 80% of the VAT amount can be refunded;
 - Expenses for recreation activities;
 - Catering (including restaurants). If catering is provided for representation purposes, 40% of the VAT amount can be refunded;
 - Health improvement activities; and
 - Entertainment.
- By a tour operator applying the special VAT margin scheme for travel agents.

Partially refundable VAT

Partial VAT refund in Latvia is applied to:

- Rental, maintenance and repair of a passenger car if the vehicle is used for business purposes, 80% of the VAT amount can be recovered for the business use, but the claimant must provide supporting documentation with the application (e.g. route description in Latvian or English);
- Purchase of fuel, lubricants and spare parts intended for a passenger car if the car is used for business purposes, 80% of the VAT amount can be refunded;
- Catering provided for representation purposes, 40% of the VAT amount can be refunded.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a calendar year or to the remaining months of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

Additional refund claims for the same time periods are accepted if the deadlines are met and minimum amounts are respected.

Proxy

The request can be submitted by the claimant or an authorized person. A company not established in Latvia may act as the authorized person.

The proxy must be provided only if requested by Latvian tax authorities. Documents relating to VAT refunds must be provided in English or Latvian.

Supporting documentation

Electronic copies of invoices for transactions equal to or exceeding EUR 1,000 (EUR 250 for invoices relating to fuel costs) must be submitted with the application. The invoice number must be mentioned on the application.

In case the Latvian tax authorities have reasonable doubts regarding the validity or accuracy of a claim, they are entitled to request the original or a copy of the relevant invoice or import document.

E-invoicing

In order to issue electronic invoices, a written agreement on the acceptance of such invoicing system must be in place between the provider and client. In practice, the Latvian tax authorities do not request to provide the agreement on e-invoicing.

Refunds and appeals

The Latvian tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant or the tax authorities in the claimant's country of establishment via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant or the tax authorities in the applicant country of establishment via registered mail;
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the request.

An e-mail notification is in principle always sent by tax authorities.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, the payment will be made in Euro within 10 business days after the decision is made and transferred to the bank account stated in the application.

This bank account can be held by the claimant or a proxy holder.

If the refund is to be sent to the bank account of a legal person other than the claimant or its authorized person, the Latvian tax authorities will require that person to prove that it is authorized to receive the funds on behalf of the claimant or the authorized person.

When being the member state of refund, the Latvian authorities will issue a confirmation of receipt of the VAT refund claim.

The Latvian tax authorities can request a copy or the original of the power of attorney when considering a claim filed by an authorized person.

The refund may be paid to the bank account of the authorized person, but not to the bank account of a private individual. If the refund claim contains a bank account other than the claimant's or the authorized person's, the refund will only be transferred after thorough control procedures have been carried out.

The Latvia tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

If the refund is not granted, the grounds for rejection will be stated in the official letter sent to the tax authorities of the claimants' country. In cases where the relevant country has informed that they do not notify the claimant, the Latvian tax authorities will send the information to the claimant. An appeal against a denied claim may be filed with the Latvian tax authorities within one month after receipt of the decision.

In most cases, if one of the invoices submitted was not correct or a readable/acceptable copy could not be provided, only the relevant invoice is rejected. This does not create a basis for rejecting the refund of all submitted invoices.

The most common causes for rejection are incomplete or incorrect documentation (e.g. wrong amounts, invoice numbers indicated, absence of VAT number of the supplier/receiver etc.). Although invoices in general must only be provided from transactions starting from EUR 1.000 or in case of fuel EUR 230, the Latvian tax authorities can request relevant invoices for amounts below the threshold in case of doubts.

The appeal should be sent by letter to the Latvian tax authorities, addressed to: Valsts ieņēmumu dienests, Talejas ielā 1, Rīgā, LV-1978.

In case of VAT refund rejection, penalties are not levied by the Latvian tax authorities. On average, the decision on a VAT refund is made in three to four months.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Latvia.

Eligibility for refund

Reciprocity is required. The Latvian authorities currently will issue a refund to VAT taxable persons established in Iceland, Monaco, Norway and Switzerland.

Non-refundable VAT

VAT cannot be recovered:

- On the acquisition of unused immovable property and services received in relation to the construction, reconstruction, renovation, restoration or repair of immovable property;
- On goods and services purchased for non-business use, such as:
 - Rental, maintenance and repair of a passenger car;
 - Purchase of fuel, lubricants and spare parts intended for a passenger car;
 - Expenses for recreation activities;
 - Catering (including restaurants);
 - Health improvement activities; and
 - Entertainment.
- By a tour operator applying the special VAT margin scheme for travel agents.

Partially refundable VAT

Partial VAT refund in Latvia is applied to:

- Rental, maintenance and repair of a passenger car if the vehicle is used for business purposes, 80% of the VAT amount can be recovered for the business use (in proportion to that use), but the claimant must provide supporting documentation with the application (e.g. route description in Latvian or English);
- Purchase of fuel, lubricants and spare parts intended for a passenger car if the car is used for business purposes, 80% of the VAT amount can be refunded;
- Catering provided for representation purposes, 40% of the VAT amount can be refunded.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the minimum amount claimed must be EUR 400; if the application relates to a period of a calendar year or the remaining part of a calendar year (the last two months of the calendar year), the amount claimed may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application may relate to invoices or import documents not covered by previous applications with respect to transactions carried out during the calendar year.

The application must be submitted:

- By 30 September of the following year if the application relates to a calendar year or the remaining months in a relevant year; or
- Within three months after the end of the period covered by the application if the application relates to a period of not less than three months and does not exceed one calendar year.

Late claims are not accepted and the deadline will not be extended.

If the application is sent by regular mail, the date the application was handed over to the post office (i.e. postmark date) will be deemed to be the submission date.

Proxy

The request can be submitted by the claimant or an authorized person. A company not established in Latvia may act as the authorized person.

The proxy must be provided only if requested by Latvian tax authorities. Documents relating to VAT refunds must be provided in English or Latvian.

Application forms

The application is made on a form that is annexed to Cabinet of Ministers Regulation No. 27 for the claims covering the calendar year or the remaining months of a calendar year.

The form can be downloaded from the official website of the Latvian tax authorities at: <http://www.vid.gov.lv/default.aspx?tabid=8&id=4449&hl=2>

The form must be completed in Latvian or English and the currency is Euro.

All invoices must be listed in the attachment to the application. An excel spreadsheet may be used to provide an overview of the claimed amounts.

The application must be signed by a person who is legally entitled to represent the company (e.g. managing director). Otherwise, a letter of authority must be provided.

The form and supporting documentation must be sent to:

State Revenue Service Tax administration Non-resident tax data reliability assessment department
Talejas iela 1
Rīga, LV-1978
Latvia

Supporting documentation

The following documents must be submitted with each application:

- Original invoices, import documents, bills, vouchers, receipts or customs clearance forms (copies are not accepted). Invoices must comply with the VAT invoicing requirements;
- Proof that the invoices have been paid (e.g. bank orders of payment, internet banking printouts, cash register receipts, etc.);
- Original customs declarations (translation of the statement is not required) must be submitted if the VAT refund is claimed for the import of goods;
- An original certificate of VAT status confirming that the claimant is registered for VAT purposes in its country of residence. The certificate may not be more than one year old; and
- Original power of attorney if a third party submits an application on behalf of the claimant. The power of attorney must be certified with the Hague apostille.

E-invoicing

In order to issue electronic invoices, a written agreement on the acceptance of such invoicing system must be in place between the provider and client. In practice, the Latvian tax authorities do not request to provide the agreement on e-invoicing.

Refunds and appeals

The Latvian tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and so notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within of one month of receipt of the request.

Notifications are always sent via provided contact information in the refund form. In case an e-mail address is provided, tax authorities normally choose to send all notifications electronically rather than by post.

The Latvian tax authorities will stamp each invoice and/or import document to prevent their use in subsequent applications and will return the documents within one month after a decision on the claim is made.

The Latvian tax authorities can request additional information from the claimant, in which case the deadline is extended to six months.

If a refund is granted, the payment will be processed in Euros within 10 business days after the decision. Bank charges for the transfer are payable by the claimant.

The Latvian tax authorities are not liable for interest if the refund is not processed in a timely manner.

If the refund is not granted, the grounds for rejection of the application will be stated.

An appeal against the denied claim may be made to the Latvian tax authorities within 30 days of receipt of the notification (tax assessment).

If the appeal is unsuccessful, a further appeal can be lodged within 30 days after receipt of the decision. If the VAT is not refunded after the appeal, the claimant can initiate proceedings before the national court.

A claimant has the right to submit a “reapplication” if the first application is rejected. The amended application and supporting documents must be submitted within one month from the date of the decision. The following documents must be submitted for an application to be reconsidered:

- Relevant corrected, updated or additional documents;
- Original invoices and customs declarations;
- Proof of payment of invoices;
- Letter stating the date of receipt of the previous decision and listing the attached documents.

In most cases, if one of the invoices submitted was not correct or a readable/acceptable copy could not be provided, only the relevant invoice is rejected. This does not create a basis for rejecting the refund of all submitted invoices.

The most common causes for rejection are incomplete or incorrect documentation (e.g. wrong amounts, invoice numbers indicated, absence of VAT number of the supplier/receiver, etc.).

In case of VAT refund rejection, penalties are not levied by the Latvian tax authorities. On average, the decision on a VAT refund is made in three to four months.

Lithuania

Lithuanian VAT is known as “Pridėtinės vertės mokestis” (PVM).

The standard VAT rate is 21%, and there are reduced rates of 9% and 5%.

An extensive overview of the VAT rates applied in Lithuania can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Lithuanian fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Lithuania is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Lithuanian established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically (in Lithuanian or English) through the portal of the tax authorities (<https://epris.vmi.lt/epris/>) at the latest on 30 September of the calendar year following the refund period.

The request can be submitted by the claimant or an authorized person established in any EU member state. If a third party is to submit the application, the relevant power of attorney (“contract of mandate”) must be submitted electronically with the VAT refund claim. If the power of attorney is not in Lithuanian or English, it must be translated into Lithuanian.

When being the member state of establishment, the Lithuanian tax authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements

Lithuanian claimants registered for VAT purposes file their refund claims electronically using the EPRIS system (“Elektroninė prašymų registravimo informacinė sistema (EPRIS)”) of the Lithuanian tax authorities.

To be able to apply for refund through EPRIS, the claimant will be required to either apply for registration, or access the system through the “e-government gateway” (“Elektroniniai valdžios vartai”) portal (the latter option is possible only if the claimant is in the Residents’ Register). Application for the EPRIS registration may be sent to the tax authorities by post or presented to the tax authorities physically or uploaded on tax authorities’ electronic system “Mano VMI”. The applicant can access EPRIS through the “E-government gateway” portal for the first time only if it has been registered as a Lithuanian payer for at least one day during the period in which it would be entitled to file a VAT refund claim. If the refund application is to be filed by an authorized person on behalf of the claimant, both the claimant and that person must obtain access to EPRIS. In addition, the authorized person must ensure that its power of attorney is submitted to the tax authorities.

The claimant or its authorized representative must provide the following information on the application:

- General information relating to the claimant;
- Economic activities the claimant is engaged in and for which VAT was incurred;
- Information relating to the authorized person, if any;
- Details of the bank account to which the refund is to be paid;
- List of invoices and import documents in which each document can be manually typed in;
- Annexes: scanned invoices (import documents)/annexes can be uploaded taking the following into account:
 - File types accepted: JPEG, PDF or archived to a zip file;
 - Maximum size of total files uploaded: 5MB.

Once the claim is submitted, the claimant will receive a confirmation from the website, referencing the application.

The input of the above information generally must be done manually on a line-by-line basis. An automatic upload of the information, however, is possible by using a “web service” function in EPRIS. In this case, the software used by the claimant for its accounting (or other special software) must be adapted to the “web service” function.

The software requirements can be found at (in Lithuanian): https://epris.vmi.lt/epris/help/epris_help_EPRISsoap/index.htm

There are no limitations on the number of invoices that can be submitted within the same refund claim or per year in both ways – either the refund claims are uploaded manually or by using an automatic upload.

Non-EU countries (13th Directive equivalent)

This refers to a Lithuanian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Lithuanian established company claiming input VAT in a non EU country, must be submitted according to the requirements of the country of refund. The Lithuanian portal is not to be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This certificate is called “Pridėtinės vertės mokesčio registravimą patvirtinantis sertifikatas” and is issued by the tax authorities in the form No. FR0730.

Lithuania is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Lithuania.

Eligibility for refund

A foreign taxable person established in another EU member state is entitled to recover Lithuanian VAT if the following conditions are satisfied:

- During the period for which a VAT refund requested, the claimant did not have a fixed establishment in Lithuania from which economic activities were effected, or, if an individual, his normal place of residence was not in Lithuania; and
- The claimant did not carry out any activities in Lithuania that would be subject to VAT, except for:
 - The supply of transport services and ancillary services that would be subject to the 0% rate; or
 - The supply of certain goods or services for which the reverse charge mechanism applies;
 - The supply of services under a special tax scheme for telecommunications, radio and television broadcasting and electronically supplied services. A tax payer should be engaged only in telecommunications, radio and television broadcasting and electronically supplied services or in the provision of services for which VAT registration in Lithuania is not required.

Non-refundable VAT

VAT cannot be recovered on:

- The purchase or lease of a passenger car;
- Transportation of passengers by cars (taxi services);
- The supply of goods or services on which VAT does not have to be calculated;
- Goods supplied to another EU member state if the supply of these goods would have been subject to the 0% rate; and
- Goods exported from the EU if the supply of these goods would have been subject to the 0% rate.

VAT paid on behalf of another person pursuant to the provisions of Article 15 Subparagraph 2 Paragraph 7 of the VAT Law is also not recoverable.

Partially refundable VAT

VAT can be partially recovered on:

- Entertainment and representation expenses (goods and services) – 75% of VAT may be recovered;
- Purchases of goods or services by a taxable person who performs both transactions giving a right of VAT deduction and transactions not giving a right of VAT deduction – pro rata criterion applies.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400/ LTL 1,380 (if the refund claim covers a period until 31 December 2014, the amounts should be indicated in Litass); if the application relates to a period of a calendar year or the remainder of a calendar year shorter than three calendar months, the amount may not be less than EUR 50/ LTL 170.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The Lithuanian legislation does not address whether a claimant can submit more than one refund claim for the remainder of a calendar year (e.g. the claimant receives additional invoices after submitting a refund claim).

Follow up on submitted claims

The claimant or its authorized representative can follow up on a claim. When being the member state of refund, the Lithuanian tax authorities will request a third party proxy holder to prove its authorization to follow up on the status of a VAT refund claim, by filing the power of attorney (contract of mandate) electronically together with the refund claim.

Proxy

If a refund claim is being submitted by an authorized representative, a proxy should be provided together with the refund claim. If the proxy is written in other language than Lithuanian or English, a translation to Lithuanian is required. The proxy should be presented electronically with no specific requirement to the form.

Supporting documentation

The general threshold for the submission of an electronic copy of an invoice is where the taxable basis on the invoice or import document is EUR 1000 and more (EUR 250 for invoices relating to fuel costs). The Lithuanian authorities can request additional documents/information (e.g. authorization document from the foreign claimant stating that payment may be granted to a third party).

E-invoicing

E-invoices are accepted in order to claim input VAT via the 8th Directive procedures and there are no specific requirements/ restrictions related to e-invoicing.

Refunds and appeals

The Lithuanian tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and inform the claimant via electronic means or regular mail (the latter, at the request of the claimant);
- The authorities can reject the claim in whole or in part and inform the claimant via electronic means or regular mail (the latter, at the request of the claimant); or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within of one month of receipt of the request.

The authorities always inform the claimant about the decision via electronic means by sending him a notification.

If the refund claim was submitted by the claimant, the decision will be sent to the claimant; if the refund was submitted by the authorized person, it will be sent to him.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, it will be paid in Euros or another currency within 10 business days after the end of the relevant period to the bank account number provided to the authorities.

The Lithuanian VAT authorities will be liable for late payment interest if the refund is not processed in a timely manner.

The Lithuanian VAT authorities may issue a decision to refund part of the amount indicated in a refund claim. Therefore in case of one incorrect invoice, a decision to refund part of the VAT indicated in other invoices would be made. If the query is related to formal discrepancies, a partial refund could be made. In case a query is related to the nature of activities performed by applicant in Lithuania, there is a risk that the refund claim could be fully rejected.

If the refund is not granted, the grounds for rejection of the application will be stated. A decision to reject the claim (together with the motives) will be issued within four months of receipt of the claim.

The claimant will receive a notification via electronic means or regular mail (the latter, at the request of the claimant). An appeal against a denied claim can be made to the Lithuanian tax authorities within 20 days after the date of receipt of the decision issued by the tax authorities (if the decision was sent via registered post, the 20-day period begins on the fifth business day after the decision was mailed). However, this time limit can be extended upon request. If this appeal is unsuccessful, the claimant can initiate proceedings before the national court (within 20 calendar days after receipt of the decision).

The most common reason for rejection is the obligation to register as VAT taxpayer in Lithuania due to activities performed in Lithuania.

The appeal should be written in Lithuanian and handed or provided by letter to the Lithuanian tax authorities.

Lithuanian tax provisions do not indicate any penalties in case of rejected refund claims.

According to the general rule, a refund should be made no later than 10 working days after the end of four months from the receipt of a refund claim. There is no common practice when payments are actually being made.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Lithuania.

Eligibility for refund

Reciprocity is generally required. Lithuania will refund VAT incurred by taxable persons established in a non-EU country provided Lithuanian taxable persons are entitled to recover the VAT (or any equivalent tax) in that country. Reciprocity currently exists with Armenia, Canada, Iceland, Norway, Switzerland and Turkey (with certain limitations). VAT refund for entities established in Turkey is only possible to the following expenses: related to transport activities (fuel, spare parts, goods and services related to maintenance, service and repair of vehicles) and attendance in exhibitions and fairs. There are no other reciprocity restrictions.

However, VAT will also be refunded to taxable persons established in a non-EU country that supply telecommunications, radio and television broadcasting and electronically supplied services in the EU and, by using a special registration procedure are registered in an EU member state. Suppliers of e-services can request a refund of VAT paid in Lithuania irrespective of whether the country of their establishment refunds VAT to Lithuanian taxable persons.

The following conditions must be satisfied for a person established in a non-EU member state to recover Lithuanian VAT:

- During the period for which the VAT refund is requested, the claimant did not have a fixed establishment in Lithuania from which economic activities were performed, or, if the claimant is an individual, his normal place of residence was not in Lithuania; and
- The claimant has not carried out any activities in Lithuania that would be subject to VAT, except for:
 - The supply of transport services and ancillary services that would be subject to the 0% rate;
 - The supply of certain goods or services for which the reverse charge mechanism applies; or
 - The supply of services under a special tax scheme for telecommunications, radio and television broadcasting and electronically supplied services applicable for non-EU businesses.

Non-refundable VAT

VAT cannot be recovered on:

- The purchase or lease of a passenger car;
- Transportation of passengers by cars (taxi services);
- Entertainment and representation expenses (e.g. food, parties, entertainment or cultural events);
- The supply of goods or services on which VAT does not have to be calculated;
- Goods supplied to another EU member state if the supply of these goods would have been subject to the 0% rate; and
- Goods exported from the EU if the supply of these goods would have been subject to the 0% rate.

VAT paid on behalf of another person pursuant to the provisions of Article 15 Subparagraph 2 Paragraph 7 of the VAT Law is also not recoverable.

Partially refundable VAT

There are no expenses for which non-EU businesses would be allowed to a partial refund of Lithuanian VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400/ LTL 1,380. If the refund claim covers a period until 31 December 2014, the amounts should be indicated in Litas; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50/ LTL 170.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one

calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The application must be submitted to the Lithuanian Tax Authorities within six months of the end of the calendar year in which the tax became chargeable, i.e. by 30 June of the following year. The deadline will not be extended.

Proxy

If a refund claim is being submitted by an authorized representative, a proxy should be provided together with the refund claim. If the proxy is written in other language than Lithuanian or English, a translation to Lithuanian is required. If the refund claim is provided electronically, an electronic copy of proxy could be provided.

Application forms

The application is made on Form FR0445, issued by the Lithuanian Tax Authorities. It must be completed in either Lithuanian or English and in Lithuanian Litas if refund claim is provided for periods ending until 31 December 2014; if refund claim is related to periods starting later than 1 January 2015, amount should be indicated in euros.

The forms can be obtained from the local VAT offices or downloaded at: <https://www.vmi.lt/cms/en/formos>

The application form could be presented in the following ways:

- Electronically using electronic system “Mano VMI”;
- Handed to Lithuanian Tax Authorities;
- Provided by letter to Lithuanian Tax Authorities.

All invoices must be mentioned in the attachment to the application form. The Lithuanian Tax Authorities do not have any practical experience with excel spreadsheets, so claimants should have the invoices listed in the application rather than enclosing an excel spreadsheet to the application form.

The application must be signed by a person who is legally entitled to represent the company (e.g. managing director). Otherwise, a power of attorney must be provided. The form and supporting documentation must be brought or sent to:

Vilniaus apskrities valstybine mokesčiu inspekcija
Ulonu st. 2
LT-08245 VILNIUS
Lithuania
T: + 370 5 268 7621
F: + 370 5 262 1906
www.vmi.lt

Information on the status of the VAT refund can be obtained via e-mail by contacting: vilniaus.apskr.rastai@vmi.lt

Supporting documentation

The following documents must be submitted with each application:

- Originals or copies of invoices (or in certain cases cash register receipts), import documents, on the basis of which corresponding amounts of VAT were paid.
- In case of fuel cards, the originals or copies of documents should allow identification of the person to whom the fuel card is issued;
- A legalized power of attorney (contract of mandate) if a third party submits an application on behalf of the claimant;
- A legalized certificate of VAT status showing that the claimant is registered for VAT purposes in its country of residence. This certificate may not be more than one year old.

If the power of attorney and the certificate of the VAT status are not in Lithuanian or English, the documents must be translated and include the signature of the translator. The documents, together with the VAT refund claim, can be brought to the tax authorities in person or sent via mail.

E-invoicing

E-invoices are accepted in order to claim input VAT via the 13th Directive procedures if a refund claim is submitted electronically, and there are no specific requirements/restrictions related to e-invoicing. Copies of invoices should be provided using the electronic system "Mano VMI". The maximum size of total files uploaded per one file should not exceed 4MB.

Refunds and appeals

The Lithuanian Tax Authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant in writing or via electronic means;
- The authorities can reject the claim in whole or in part and so notify the claimant in writing or via electronic means; or
- The authorities can request additional information and notify the claimant in writing or via electronic means. The claimant must provide all information within of one month of receipt of the request. The tax authorities can extend the deadline to reply.

If additional or amended information or a tax audit is required for the tax authorities to make the decision on the application, they can request additional documents, ask the claimant to correct errors in the application or initiate an audit within 4 months after receipt of the VAT refund claim and all supporting documents.

If the refund claim was submitted via electronic means, the authorities will inform the claimant about the decision electronically.

If the refund claim was submitted by the claimant, the decision will be sent to the claimant; if the refund was submitted by the authorized person, it will be sent to him.

When the tax authorities request additional information, request corrections to the application or initiate an audit, the decision on the VAT refund must be made within two months after receipt of the additional information, correction of errors or conclusion of the tax audit.

The refund claim may be accepted or rejected only by issuing the decision by Lithuanian Tax Authorities.

If a refund is granted, it will be paid in Euros or another currency within 10 business days after the end of the relevant period to the bank account number provided to the authorities.

The Lithuanian Tax Authorities will not be liable for late payment interest if the refund is not processed in a timely manner.

The Lithuanian VAT authorities may issue a decision to refund part of the amount indicated in a refund claim. Therefore in case of one incorrect invoice, a decision to refund part of the VAT indicated in other invoices would be made. If the query is related to formal discrepancies, a partial refund could be made. In case a query is related to the nature of activities performed by applicant in Lithuania, there is a risk that the refund claim could be fully rejected.

The most common reason for rejection is the obligation to register as VAT taxpayer in Lithuania due to activities performed in Lithuania. Also, claims are often rejected as person established outside EU claims for VAT refund on expenses which are related to entertainment / representation (i.e. non-refundable VAT).

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal against the denial of the claim may be made to the Lithuanian Tax Authorities within 20 days of the date of receipt of the decision (if the decision was sent via registered post, the 20-day period is calculated from the fifth business day after the decision was issued). However, the deadline can be extended upon written request. If the appeal is unsuccessful, the claimant can initiate proceedings before the national court (within 20 calendar days after receipt of the decision).

Lithuanian tax provisions do not indicate any penalties in case of rejected refund claims.

According to the general rule, refund claims should be refunded no later than 10 working days after the end of four months from the receipt of a refund claim. There is no common practice when payments are actually being made.

Luxembourg

Luxembourg VAT is known as “Taxe sur la Valeur Ajoutée” (TVA) in French and “Mehrwertsteuer” (MwSt) in German.

As from 1st January 2015, the standard VAT rate is 17%, and there are reduced rates of 14%, 8% and 3%.

An extensive overview of the VAT rates applied in Luxembourg can be found at: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Luxembourg fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Luxembourg is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Luxembourg established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

VAT refund claims must be submitted to the tax authorities of the member state in which the claimant is established (<http://www.aed.public.lu/vatrefund/> for companies established in Luxembourg).

The refund claim may be submitted by the claimant or by an authorized third party. If the claimant delegates the preparation and submission of its claim to a third party, it must identify the third party on the relevant page of the VAT refund portal. The third party may be a non-established person. However, it must have a LuxTrust smart card or a LuxTrust signing stick. There is nothing in the Luxembourg VAT Law preventing a non-established third party company from submitting VAT refund claims for a claimant. Furthermore, a text on the website of the Luxembourg VAT Authorities confirms that this is possible. The website also provides that the third party company must also have a LuxTrust smart card or a LuxTrust signing stick.

When being the member state of establishment, the Luxembourg authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements

Luxembourg-based claimants registered for VAT purposes must submit their refund claims electronically via the VAT refund web portal of the Luxembourg VAT authorities: <http://www.aed.public.lu/vatrefund/>.

Access is granted using a LuxTrust smart card or a LuxTrust signing stick that can be ordered online (<http://test.luxtrust.lu/>). It is also necessary to apply for prior registration to the tax authorities' system. A digital certificate is included in the LuxTrust smart card or LuxTrust signing stick. Therefore, the digital certificate, login details, etc. are provided when the LuxTrust smart card or LuxTrust signing stick are ordered and received.

The information must be uploaded manually on a line-by-line basis. It is not possible to upload an entire file directly into the system.

In principle, there is no requirement to provide supporting documentation attached to the VAT refund form. In case of provision of invoices, all scanned invoices ("pdf" or "image") cannot exceed the limit of 5 MB ("scan": 200 dpi, black/white or greyscale in PDF format that allows several pages in one file).

Non-EU countries (13th Directive equivalent)

This refers to a Luxembourg established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Luxembourg established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Luxembourg portal is not to be used.

Another difference with the "8th Directive refund procedure" is that a "certificate of taxable status" issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called "certificate of VAT status" in Luxembourg.

Luxembourg is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Luxembourg.

Eligibility for refund

A foreign taxable person is entitled to recover Luxembourg VAT if the following conditions are satisfied:

- It is not registered, liable or eligible to be VAT-registered in Luxembourg;
- It does not have its place of business, a fixed establishment or its usual place of residence in Luxembourg during the refund period;

- It has not carried out any taxable supplies of goods or supplies of services in Luxembourg during the refund period, except for:
 - Certain VAT-exempt cross-border transportation services and ancillary services; or
 - Certain supplies of goods or services for which the Luxembourg recipient is the VAT debtor.

Non-refundable VAT

VAT cannot be recovered when it has been charged by mistake or for certain supplies of goods that are VAT exempt. VAT cannot be recovered if the goods or services are used for private purposes.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of Luxembourg VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which the application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January until 31 March) in one calendar year or not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November until 31 December). The application may relate to invoices or import documents not covered by previously filed applications with respect to transactions carried out during that calendar year.

The application must be submitted at the latest on 30 September of the year following the end of the refund period. Late claims are not accepted and the deadline will not be extended.

The claimant can only submit one refund claim for a specific period and for the remainder of a calendar year. There are no clear guidelines in the Luxembourg VAT law regarding how the claimant should include invoices received after the refund claim is submitted for the relevant period. The VAT authorities have informally stated that quarterly returns are recommended, with an annual claim including invoices not reported in the quarterly claims.

Follow up submitted claims

When being the member state of refund, the Luxembourg authorities will request a third party service provider to prove its authorization to follow up on the status of a VAT refund claim.

Proxy

Usually, the taxable person needs to register the proxy on the website (e-TVA) by clicking the respective “boxes” and specify how long the proxy is valid (starting date – ending date).

The Luxembourg VAT Authorities may ask for an original written document with an authorization which should be sent to them via regular mail. All documentation should be in French, German or English.

Supporting documentation

In principle, taxable persons established in the EU do not have to submit any supporting documents with their claim. However, the form must contain the following information:

- The claimant's name and full address;
- An email address;
- A description of the claimant's business activity for which the goods and services are acquired;
- The refund period covered by the application;
- A declaration by the claimant that it did not supply any goods or services in the member state of refund during the refund period, with the exception of exempt transportation services and ancillary services or the supply of goods and services to a person that is liable for the payment of VAT;
- The claimant's VAT identification number or tax reference number; and
- Bank account details, including IBAN and BIC codes.

E-invoicing

There are no specific requirements, e-invoices are generally accepted and self-sufficient. However, the invoices have to be attached as a “pdf” file and the total size cannot exceed 5 MB.

Refunds and appeals

The Luxembourg VAT authorities will notify the claimant by electronic means about their decision to accept or to reject the claim within four months from date of receipt of the request. An e-mail notification will always be sent by the authorities.

Queries/decisions will be sent to the person whose email address is mentioned in the eTVA registration. In case the claimant indicated a proxy, the notification should be addressed and sent to the proxy holder and the claimant's email address will be put in ‘CC’.

The authorities can request additional information (e.g. original invoices) during this four-month period. The claimant must provide the information within one month from the date it is received.

Where additional information is requested, the authorities must issue a decision on the claim within two months after the claimant submits the information; or if the claimant did not provide the additional information, within two months from the expiration of the one-month period for the claimant to respond.

In any case, if the authorities request additional information, they have at least six months from the date of receipt of the application to decide to fully or partly refund the input VAT. If the authorities request again additional information from the claimant, they have to notify the claimant about their decision to accept or to refuse the refund.

If a refund is granted, it will be paid within 10 business days after the end of the relevant period to a bank in Luxembourg or another member state. In the latter case, any bank charges for the transfer will be deducted from the amount to be paid to the claimant.

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal against the denied claim can be made to the Luxembourg VAT authorities within three months of receipt of the notification (tax assessment). The appeal should be introduced by letter in one of the official languages. If the appeal is unsuccessful, the claimant can initiate proceedings before the national court.

Some examples of causes of rejection which were regularly used by the Luxembourg authorities are an invalid refund period, having a permanent establishment in Luxembourg from which the claimant performs an economic activity, etc.

The VAT authorities may impose penalties and interests in case of fraud or other misleading behaviour from the claimant.

In practice, the processing of a refund claim approximately takes four to eight months.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Luxembourg.

Eligibility for refund

A foreign taxable person is entitled to recover Luxembourg VAT if the following conditions are satisfied:

- It is not registered, liable or eligible to be VAT-registered in Luxembourg;
- It does not have its place of business, a fixed establishment or its usual place of residence in Luxembourg during the refund period;
- It has not carried out any taxable supplies of goods or supplies of services in Luxembourg during the refund period, except for:
 - Certain VAT-exempt cross-border transportation services and ancillary services;
 - Certain supplies of goods or services for which the Luxembourg recipient is the VAT debtor; or
 - Certain electronically provided services to non VAT taxable persons established in the European Union.

Non-refundable VAT

VAT cannot be recovered when it has been charged by mistake or for certain supplies of goods that are VAT exempt. VAT cannot be recovered if the goods or services are used for private purposes.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of Luxembourg VAT.

Making claims

Minimum amounts

The amount for which application is made may not be less than EUR 250.

Time limits

The application must cover a period of one calendar year.

The application must be submitted to the Luxembourg “Administration de l’Enregistrement et des Domaines” at the latest on 30 June of the year following the end of the refund period. Late claims are not accepted and the deadline will not be extended.

Proxy

If the claimant decides to be represented by a proxy, he has to inform the Luxembourg VAT Authorities by sending them the written proxy.

Application forms

VAT refund claims for input VAT incurred in Luxembourg must be submitted to the Luxembourg “Administration de l’Enregistrement et des Domaines” on the form issued by the Luxembourg VAT authorities.

Supporting documentation

The following documents must be submitted with each application:

- Original invoices, import documents, bills, vouchers, receipts or customs clearance forms (copies are not accepted);
- An original certificate of VAT (or similar tax) status, showing that the claimant is registered for VAT (or similar tax) purposes in its country of residence (this certificate may not be more than one year old) or that it independently carries out an economic activity on a regular basis, regardless of the purpose or result of this activity;
- A written statement confirming that the claimant has not carried out any taxable supplies in Luxembourg apart from those mentioned above under “Eligibility for refund;” and
- A written statement confirming that the taxable person will reimburse any unduly received payments to the Luxembourg VAT authorities.

The application form and supporting documentation must be sent to:

Administration de l'Enregistrement et des Domaines
Bureau d'imposition XI
Remboursement et Franchises
67-69, Rue Verte
2667 LUXEMBOURG
Luxembourg
T: + 352 44 90 53 43 (Bureau XI) or + 352 44 90 51 (Switchboard)
F: + 352 25 07 96
lux.imp11@en.etat.lu

E-invoicing

There is no specific procedure to reclaim VAT under the 13th Directive on the basis of e-invoices. The original copies of the invoices have to be provided to the Luxembourg VAT Authorities together with the VAT refund claim.

Refunds and appeals

The Luxembourg VAT authorities must issue a decision on the refund claim within six month from the date of the submission of the claim.

If a refund is granted, it will paid within the six months following the submission of the VAT refund claim. The Luxembourg tax authorities are not liable for late payment interest if the refund is not processed in a timely manner.

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal against the denied claim may be made to the Luxembourg tax authorities within three months following the receipt of the notification (tax assessment).

The Luxembourg VAT authorities may impose penalties and interests in case of fraud or other misleading behaviour from the claimant.

Malta

VAT in Malta is known as “Taxxa fuq il-Valur Mizjud.”

The standard VAT rate is 1%, and there are reduced rates of 7% and 5%.

An extensive overview of the VAT rates applied in Malta can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm.

It is not necessary to appoint a Maltese fiscal representative to claim a VAT refund based on Directive 2008/09/EC, but the tax authorities may require a fiscal representative for a claim under the 13th Directive.

Malta is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Maltese established company submitting an EU (former 8th Directive) claim to another EU member state.

Procedure

Filing

Where Malta is the member state of establishment of the taxable person seeking to reclaim foreign VAT incurred, the application must be submitted electronically through the portal set up by the Maltese tax authorities (<http://www.vat.gov.mt/en/Online-Services/Pages/VAT-Online-Services.aspx>).

The claim may be submitted by the claimant or an authorized third party/tax practitioner. This third party can in principle be a non-established company.

When being the member state of establishment, the Maltese authorities will issue an electronic confirmation of receipt of the VAT refund claim. The claim will be provisionally verified by the Maltese authorities to ensure that it conforms to the applicable (formal) requirements. If the application is found to be correct, the Maltese authorities will forward it to the member state of refund for processing. On the other hand, the Maltese authorities will notify the claimant if its application is considered not to be conform to the applicable (formal) rules.

IT requirements

Maltese claimants registered for VAT purposes must file their refund claims electronically using the service offered by the Maltese tax authorities (available on <http://www.vat.gov.mt/en/Online-Services/Pages/VAT-Online-Services.aspx>). Individuals access the system using their electronic identity (e-ID) login. Access to the system on behalf of legal persons requires prior registration of the legal person for an e-ID or, alternatively, the submission of various forms to the authorities. Full guidance on the procedures to obtain access to the website of the Maltese tax authorities can be found at: <http://www.vat.gov.mt/en/Online-Services/Pages/VAT-Online-Services.aspx>.

The guidance does not specifically address the possibility of uploading information and, therefore, it is presumed that all details must be input manually. Would the electronic portal permit automatic uploads of information, the data would have to be in XML format. There are apparently not any (upcoming) plans of the Maltese authorities to allow automatic uploads of data through an electronic file for VAT refund claims.

Once the claim is submitted, the taxpayer will receive a confirmation from the website, referencing the application.

There is no maximum number of invoices that can be submitted per refund claim or year.

Non-EU countries (13th Directive equivalent)

This refers to a Maltese established company submitting a non-EU (13th Directive equivalent) claim in a non EU-country.

The refund application for a Maltese established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Maltese portal is not to be used.

Another difference with the former “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment (i.e. Malta) will usually be required by the non-EU country of refund. For Maltese VAT purposes, the Maltese VAT Certificate of established taxable person constitutes proof of that person’s taxable status and a copy thereof should be forwarded to the country of refund.

<i>Malta is the Member State of Refund</i>

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim to Malta.

Eligibility for refund

A foreign taxable person is entitled to recover Maltese VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in Malta;
- The business does not have its domicile or normal place of residence, its seat or a fixed establishment in Malta; and
- The business has not carried out any taxable supplies in Malta, except for:
 - certain tax-exempt cross-border transportation services and ancillary services; or
 - supplies for which the reverse charge mechanism applies.

Non-refundable VAT

VAT cannot be recovered on:

- Tobacco or tobacco products, except those intended for resale;
- Alcoholic beverages, except those intended for resale or for the supply of a service (e.g. bars, hotels and restaurants);
- Works of art, collectors' items and antiques, except those intended for resale;
- Non-commercial motor vehicles (and goods and services for the purpose of repairing, maintaining, fuelling and keeping non-commercial motor vehicles), except those intended for resale, hire (with a driver or for self-drive hire), driving instructions or for the purpose of the carriage of goods or passengers for consideration;
- Vessels or aircraft (as well as goods and services for the purpose of repairing, maintaining, fuelling and keeping vessels or aircraft), except those intended for resale, charter/hire, the carriage of goods or passengers for consideration, the carriage of goods or personnel in the course of an economic activity or where the use of such vessels or aircraft constitutes a specific and essential element of the carrying out of the economic activity that would otherwise entitle the person to deduct input tax;
- Purchases relating to the provision of receptions, hospitality or entertainment, except where such provision is made for consideration in the normal course of that person's economic activity; and
- Purchases relating to the provision of transport or entertainment to employees and officers, subject to certain exceptions.

Partially refundable VAT

Non-established persons will only be allowed a refund of Maltese VAT provided *and to the extent* that the expenses on which the VAT was incurred can be attributed to transactions giving rise to a right of deduction in the member state of its establishment. Hence, in case the non-established person carries out both transactions giving rise to a right of deduction and transactions not giving rise to a right of deduction in its member state of establishment, Maltese VAT incurred on general overheads will only be partially refundable.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount of VAT for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount of VAT may not be less than EUR 50.

Time limits

The application must cover a period (the 'refund period') of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

The refund application must be submitted to the member state of establishment at the latest on 30 September of the calendar year following the refund period.

Whilst Malta's legislation does not specifically address whether it is possible for a claimant to submit more than one claim for a particular refund period, we understand that as long as a claim is made for a minimum amount (see above) and within the set deadline, it may relate to a refund period for which a claim was already submitted.

Proxy

In case certain aspects of the refund claim procedure (for example the submission of the refund claim, following up on submitted claims etc.) are carried out by an authorized third party (such as a tax practitioner or another company forming part of the same group of companies as the claimant), the latter will have to evidence its authorisation to act on the claimant's behalf in these matters to the Maltese tax authorities by submitting a proxy, authorisation letter or any other document having similar effect.

The Maltese VAT legislation does not contain specific (formal) requirements for such proxies, authorisation letters or documents. Common civil law principles apply. Furthermore, the Maltese VAT legislation does not address when such authorisation documents should be provided. These documents would need to be presented to the local authorities at the 'appropriate time', depending on the type of actions the third party is authorized to perform according to these documents.

Further to the above, the Maltese authorities have put in place specific procedures enabling claimants to delegate the execution of the whole VAT refund claim procedure to tax practitioners. The formalities of these procedures depend on whether the persons involved are in possession of a Maltese e-ID or not.

When being the member state of refund, the Maltese VAT authorities may require evidence of the third party's authorization to request information on behalf of the claimant.

Supporting documentation

The claimant may be requested to provide by electronic means, a copy of the invoice or import document where the taxable amount on the invoice or import document equals or exceeds EUR 1,000 (EUR 250 for invoices relating to fuel costs). In addition, the claimant may be required to provide a description of its business activity by using the harmonised codes determined in accordance with the second subparagraph of Article 34a(3) of Council Regulation (EC) No 1798/2003.

Furthermore, the Maltese authorities can request – in particular from the applicant or from the competent authorities of the member state of establishment of the applicant – (further) additional documents/information (e.g. originals or copies of relevant invoices or import documents where the VAT authorities have reasonable doubts regarding the validity or accuracy of a claim, in which case the thresholds mentioned above will not apply) in case they consider that they do not have all the relevant information necessary to make a decision in respect of the whole or part of the refund application.

The VAT authorities can specify the language(s) that must be used by the claimant for the provision of information in the refund application.

E-invoicing

As mentioned above, the claimant may be requested to provide by electronic means, a copy of the invoice or import document where the taxable amount on the invoice or import document equals or exceeds EUR 1,000 (EUR 250 for invoices relating to fuel costs). Whilst Maltese legislation is silent on this matter, e-invoices should in principle be acceptable for these purposes. Malta does not have specific requirements/restrictions related to e-invoicing (besides the general requirements as described in the Second EU Invoicing Directive).

Refunds and appeals

The Maltese VAT authorities must issue a decision on the refund claim within four months from receipt of the claim:

- The authorities can accept the claim and notify the claimant by electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant by electronic means;
- The authorities can request additional information, in particular from the applicant or from the competent authorities of the member state of establishment, and notify the claimant via electronic means. The claimant must provide all information within one month as from receipt of the request.

Any notifications and/or requests for further information will be sent to the claimant or to its agent in case the latter is appointed to act on behalf of the claimant.

The period in which the authorities must issue a decision will be extended to two months from the date on which the additional information is received or, when the information requested has not been received, from the date on which the request for additional information reached the claimant, and shall in any case not be shorter than six months from the date of receipt of the refund application by the tax authorities.

In case further additional information is requested by the authorities after a first request, the period in which the authorities must make a decision on the refund application will amount to eight months from receipt of the application.

Refunds will be granted in Euro within 10 business days after the relevant period and paid to the bank account number provided to the authorities. In case the refund is to be made on the representative/agent's bank account, an original notarised Power of Attorney is to be submitted to the VAT authorities by post.

The Maltese VAT authorities will be liable for late payment interest if the payment is not processed in a timely manner.

The Maltese VAT authorities would generally not reject a refund application in whole based on a marginal error in the readability/acceptability of a single invoice, or in case one particular invoice was not provided or a question asked in relation to one invoice was not answered (in which case the application would generally be rejected, or at least held back, solely with respect to the VAT relating to that invoice). Should the Maltese VAT authorities request additional information/documents which they consider relevant for the other invoices / the whole of the claim, they may nevertheless fully reject the claim, or at least hold back on a decision until the necessary information/documents have been provided and any issues arising in respect therewith have been clarified.

If the refund is not granted, in whole or in part, the grounds for refusal of (part of) the application will be stated. In case the authorities fail to issue a decision within the prescribed deadlines, the refund application must be deemed to have been rejected. The grounds for rejection will not be explicitly communicated to the applicant at this stage.

An appeal against the denied claim can be made to the Maltese Administrative Review Tribunal by means of a written application (either in Maltese or English) which clearly states the relevant facts and the manner in which the matter should be determined in the applicant's opinion. Whilst not specifically addressed in the Maltese VAT legislation, the appeal should in practice be filed within the same period as applicable for appeals against assessments (of Maltese VAT due, administrative penalties etc.), i.e. within a period of 30 days from the date of the refusal decision.

Practical causes of rejection most commonly relate to the claimant's failure to provide the authorities with appropriate invoices or other supporting information/documents, or because the expenditure is 'blocked' and the input VAT incurred thereon therefore not eligible for refund (for example with respect to entertainment and hospitality expenses).

The Maltese VAT legislation does not contain provisions allowing for administrative penalties to be levied to claimants in case of rejection of refund claims. However, where a refund has been obtained in a fraudulent way or otherwise incorrectly, the authorities will proceed to recover the wrongly paid amounts and an administrative penalty as well as interests will be imposed. Furthermore, up until the necessary amounts have been repaid to the authorities, the latter may suspend any further refunds (up to the unpaid amount).

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Malta.

Eligibility for the refund

While, in principle, reciprocity between Malta and the country of establishment of the claimant is required, in practice, this is not applied. However, no refunds shall be granted:

- to non-EU established persons under conditions which are more favourable than those applied to EU established taxable persons; and
- on supplies made by a non-EU established person where its business would, by its nature, be treated as exempt without credit had such business been carried out in Malta.

The Maltese VAT authorities may require the appointment of a tax representative to file a claim for a VAT refund.

Non-refundable VAT

VAT cannot be recovered on:

- Tobacco or tobacco products, except those intended for resale;
- Alcoholic beverages, except those intended for resale or for the supply of a service (e.g. bars, hotels and restaurants);
- Works of art, collectors' items and antiques, except those intended for resale;
- Non-commercial motor vehicles (and goods and services for the purpose of repairing, maintaining, fuelling and keeping non-commercial motor vehicles), except those intended for resale, hire (with a driver or for self-drive hire), driving instructions or for the purpose of the carriage of goods or passengers for consideration;
- Vessels or aircraft (as well as goods and services for the purpose of repairing, maintaining, fuelling and keeping vessels or aircraft), except those intended for resale, charter/hire, the carriage of goods or passengers for consideration, the carriage of goods or personnel in the course of an economic activity or where the use of such vessels or aircraft constitutes a specific and essential element of the carrying out of the economic activity that would otherwise entitle the person to deduct input tax;
- Purchases relating to the provision of receptions, hospitality or entertainment, except where such provision is made for consideration in the normal course of that person's economic activity; and
- Purchases relating to the provision of transport or entertainment to employees and officers, subject to certain exceptions.

Furthermore, Maltese input VAT incurred in relation to electronically supplied services provided by a non-EU established company registered in the EU under the Mini One Stop Shop scheme is not recoverable through a 13th Directive refund claim.

Partially refundable VAT

In principle, non-established persons will only be allowed a refund of Maltese VAT provided *and to the extent* that the expenses on which the VAT was incurred can be attributed to transactions that, would they have taken place in Malta, would have given rise to a right of deduction. Hence, in case the non-established person carries out both transactions that would give rise to a right of deduction and transactions that would not give rise to a right of deduction, Maltese VAT incurred on general overheads will generally only be partially refundable.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 186; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 23.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The application must be submitted to the Maltese tax authorities within six months from the end of the calendar year in which the tax became chargeable, i.e. by 30 June of the following year.

Proxy

In case certain aspects of the refund claim procedure (for example the submission of the refund claim, following up on submitted claims etc.) are carried out by an authorized third party (such as a tax practitioner or another company forming part of the same group of companies as the claimant), the latter will have to evidence its authorisation to act on the claimant's behalf in these matters to the Maltese tax authorities by submitting a proxy, authorisation letter or any other document having similar effect.

The Maltese VAT legislation does not contain specific (formal) requirements for such proxies, authorisation letters or documents. Common civil law principles apply. Furthermore, the Maltese VAT legislation does not address when such authorisation documents should be provided. We understand that these documents would need to be presented to the local authorities at the 'appropriate time', depending on the type of actions the third party is authorized to perform according to these documents.

As mentioned above, the Maltese VAT authorities may require the appointment of a tax representative to file a claim for a VAT refund.

Application forms

The application is made on Form 008/2004 issued by the Maltese tax authorities. The form can be obtained at the address below or online at: <http://www.vat.gov.mt/>.

The form must be completed in Maltese or English and in Euro.

All invoices must be mentioned in the attachment to the application form.

The application must be signed by a person who is legally entitled to represent the company (e.g. director). Otherwise, a letter of authority must be provided.

The form and supporting documentation must be sent to:

The Commissioner for Revenue
VAT Department
16, Centre Point Building
Ta' Paris Road
Birkirkara BKR4633
Malta
Telephone: (00 356) 2149 9330
Fax: (00 356) 2149 9365
Email: vat@gov.mt
Web: www.vat.gov.mt

Supporting documentation

The following documents must be submitted with each application:

- An official certificate on a prescribed form in either Maltese or English and endorsed by the competent authority of the country in which the claimant is registered for VAT or where it carried out its economic activity; and
- Original invoices or import documents. The serial number used in the application form must be included on the documents.

E-invoicing

As mentioned above, each application must be backed up with original invoices. On this basis, where an e-invoice was duly issued in respect of a supply for which the Maltese VAT is reclaimed, the original e-invoice should support the claim. Malta does not have specific requirements/restrictions related to e-invoicing (besides the general requirements as described in the Second EU Invoicing Directive). However, the Maltese legislation is silent on this matter and it is not clear whether a printed/paper version of the e-invoice would also be acceptable for these purposes.

Refunds and appeals

The Maltese VAT authorities must issue a decision on the refund claim within six months from receipt of the duly documented claim:

- The authorities can accept the claim and notify the claimant thereof in writing; or
- The authorities can reject the claim in whole or in part and notify the claimant thereof in writing.

Any notifications will be sent to the claimant, or to its agent/appointed a tax representative in case the latter is appointed to act on behalf of the claimant.

Refunds shall be made before the end of the six months period mentioned above. Maltese legislation does not provide for interest to be paid in case of late payment of a refund.

The payment of the refund shall be made in Euro or in the national currency of the applicant, according to the choice of the taxable person, by bank draft posted to the address shown on the refund application.

If the refund is not granted, in whole or in part, the grounds for refusal of the application will be stated. In case no decision is taken within the established time limits, the application must be deemed to have been rejected. The grounds for rejection will not be explicitly communicated to the applicant at this stage.

The Maltese tax authorities would generally not reject a refund application based on a marginal error in the readability/acceptability of a single invoice/receipt. Practical causes of rejection most commonly relate to the claimant's failure to provide the authorities with appropriate invoices or other supporting information/documents, or because the expenditure is 'blocked' and the input VAT incurred thereon is therefore not eligible for refund (for example with respect to entertainment and hospitality expenses).

An appeal against the denied claim can be made to the Maltese Administrative Review Tribunal by means of a written application (either in Maltese or English) which clearly states the relevant facts and the manner in which the matter should be determined in the applicant's opinion. Whilst not specifically addressed in Maltese VAT legislation, the appeal should in practice be filed within the same period as applicable for appeals against assessments (of Maltese VAT due, administrative penalties etc.), i.e. within a period of 30 days from the date of the refusal decision.

The Maltese VAT legislation does not contain provisions allowing for administrative penalties to be levied to claimants in case of rejection of refund claims. However, in case a refund has been obtained in a fraudulent/incorrect way, the authorities will proceed to recover the wrongly paid amounts, and an administrative penalty as well as interests will be imposed. In case fraudulent applications cannot be subject to an administrative penalty, the Maltese authorities will refuse any further refunds to the taxable person concerned, for a maximum period of two years from the date on which the fraudulent application was made. In case an administrative penalty has been imposed and interest becomes due but has not yet been paid, the Maltese authorities will suspend any further refunds to the taxable person concerned until the necessary payment has been performed. Furthermore, the authorities have the right to deduct such administrative penalty and interest from any future refunds claimed by that taxable person.

Netherlands

Dutch VAT is known as “Belasting over de toegevoegde waarde” (BTW).

The standard VAT rate is 21% and there is a reduced rate of 6%.

An extensive overview of the VAT rates applied in The Netherlands can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Dutch fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

The Netherlands is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Dutch established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The refund application must be submitted electronically through the portal of the tax authorities of the country in which the claimant is established: <https://eubtw.belastingdienst.nl/vrca-applicant/> for companies established in The Netherlands. Applications for VAT refunds in different member states must be separately submitted.

The refund request may be submitted by the applicant or by an authorized person, which may be a non-established company. However, the third party must have a VAT registration in an EU member state in order to obtain login codes.

To access the Dutch tax authorities' portal as an intermediary, the third party service provider must obtain login codes from the Dutch tax authorities and complete the form "Aanvraag inloggegevens teruggaaf btw uit andere EU-landen voor intermediairs," which can be downloaded at: http://download.belastingdienst.nl/belastingdienst/docs/aanvraag_inloggeg_btw_an_dere_%20eu_land_ob4082z6fol.pdf.

For claimants established in The Netherlands, the following documents must be submitted with each claim towards Belgium, Croatia, Cyprus, Germany, Estonia, Finland, France, Greece, Hungary, Italy, Lithuania, Latvia, Poland, Romania, Slovakia, Spain, Czech Republic, and the U.K.:

- Copies of invoices/import documents, bills, vouchers, receipts or customs clearance forms. Petrol bills exceeding EUR 250 or other bills exceeding EUR 1,000, excluding VAT; and
- Authorization if a third party submits a claim on behalf of the claimant.

A certificate of VAT status is not required.

IT requirements

Taxpayers established in The Netherlands and registered for VAT purposes are allowed to file their refund claim using the website <https://eubtw.belastingdienst.nl/vrca-applicant/>

A login code first must be request and an administrator must be appointed. For an authorized person (e.g. tax advisor) to submit the application, it must be appointed to access the site by the administrator.

Access to the portal to submit the refund claim may be obtained by submitting the form, "Aanvraag inloggegevens teruggaaf btw uit andere EU-landen" to the Dutch authorities: http://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/themaoverstijgend/rekenhulpen/aanvraag_inloggegevens_voor_terugvragen_btw_uit_eu_landen

In the following member states, an authorization must be added, including the address of the authorized person, the claimant's address, written authorization and signature:

- Cyprus, Ireland, Luxembourg, Malta, Poland, Spain, Sweden and the U.K;
- For The Netherlands, the authorization must be personally delivered to the tax office: Territorial Revenue Directorate, Aksakov Street 21, BG-1000 Sofia;
- Hungary, Italy and Lithuania require the authorized person to be established in that member state, in addition to providing a written authorization;
- Authorizations must be in English or the official language of the member state;
- Added files must be in JPEG, PDF or TIFF format and may be in a single zip file. The total size (including added bills and authorization form) of the added forms may not exceed 5MB.

It is also possible to upload data through xml files using a KPN certificate and respecting specific requirements.

There is no maximum number of invoices that can be submitted within a same refund claim or per year. However, the attachment size of the invoices cannot exceed the size of 5 MB. Hence, submit first the invoices with the highest amount until it reaches the size of 5 MB. If an EU member state is interested in the other invoices, they have to request for additional information.

Non-EU countries (13th Directive equivalent)

This refers to a Dutch established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Dutch established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Dutch portal is not to be used.

Another difference with the former 8th Directive EU VAT refund procedure is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called “verklaring omtrent de hoedanigheid van belastingplichtige” in The Netherlands.

The Netherlands is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in The Netherlands.

Eligibility for refund

A foreign taxable person is entitled to recover Dutch VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in The Netherlands;
- The business does not have residence, a seat or fixed establishment for VAT purposes in The Netherlands;
- The business has not carried out any taxable supplies in The Netherlands, except for:
 - Certain tax-exempt cross-border transportation services from/to non-EU countries;
 - Supplies for which the reverse charge mechanism applies;
 - Supplies subject to occasional taxation; or
 - Electronically provided supplies where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons.

Non-refundable VAT

VAT cannot be recovered on:

- Supplies of goods and services that are not used for business purposes;
- Supplies and services acquired or imported in connection with an exempt business activity;
- Food and drinks in restaurants, hotels and cafes;

- Business entertainment in excess of EUR 227 per year per person;
- Employee benefits in-kind in excess of EUR 227 per year per person.

Partially refundable VAT

VAT can only be partially recovered on:

- VAT on costs for the lease or rental of cars. These are limited to an 84% VAT refund (a 16% correction is made for private use);
- In case businesses use goods or services for exempted services. The deductible VAT will be then calculated according to the pro-rata.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50. A claimant can make a maximum of five claims (per member state) annually.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year. To have the right to appeal the decision of the tax authorities, the claim must be submitted within nine months after the end of the calendar year (i.e. before 1 October) in which the VAT was incurred. However, it is possible to submit a claim within five calendar years from the end of the calendar year in which the VAT was incurred, but in this case, no appeal can be filed.

A claimant can submit more than one refund claim for the remainder of a calendar year. It is also possible to add the additional invoices in a subsequent refund claim for the same year (provided the deadlines are met). It is not possible to add additional invoices to the refund claim for the following calendar year. If the invoice cannot be reported in the same calendar year, the claimant will have to appeal a decision received for the relevant period.

Follow up on submitted claims

When being the member state of refund, the Dutch authorities will not require a third party service provider to prove its authorization to follow up on the status of the refund claim, but the third party should retain a copy of the authorization.

Proxy

In case the foreign company is represented by a VAT agent (e.g. a tax advisor), a Power of Attorney may be requested for by the Dutch tax authorities. There is no notarization requirement and an electronic scan-copy is generally accepted.

Supporting documentation

In principle, supporting documentation is only required if the Dutch VAT authorities request additional information.

E-invoicing

E-invoices are generally accepted, subject to approval of the recipient, and self-sufficient in order to claim input VAT via the former 8th Directive procedures. The business decides how to ensure the integrity, authenticity and legibility of e-invoice. The advanced electronic signature (or another system) can be used to establish a certain e-invoice.

Refunds and appeals

The Dutch VAT authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant;
- The authorities can reject the claim in whole or in part;
- The authorities can request additional information and notify the claimant via electronic means (not necessarily via email). The claimant must provide all information within of one month of receipt of the request.

Queries will be sent by the tax authorities to the claimant and the agent. Decisions will only be sent to the claimant.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, it will be processed in Euro within 10 business days after the relevant period and paid to the bank account number provided to the tax authorities. This bank account can be held by the claimant, a proxy holder or any other person. The refund takes place in The Netherlands, unless the claimant requests for payment in another member state. In the latter case, bank charges may be deducted from the refundable amount.

The Dutch VAT authorities will be liable for late payment interest if the refund is not processed in a timely manner.

In principle, the tax authorities will not deny the whole refund claim in case one of the submitted invoices was incorrect or if the taxpayer did not reply to a query on the specific invoice.

If the refund is not granted, the grounds for rejection of the application will be stated.

An appeal against the denied claim can be made to the Dutch tax authorities within six weeks following the date mentioned on the notification of the decision. If this appeal is unsuccessful, the claimant can initiate proceedings before the national court (within six weeks after receipt of the notification of the decision).

A common cause of rejection of the claim concerns the purchase of fuels for vehicles, where the name and address of the purchaser is not stated on the invoice.

The appeal should be introduced by a letter of objection or via electronic means, not by e-mail. Furthermore the appeal should be drafted in Dutch.

The processing of a refund claim can take on average between four to eight months.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in The Netherlands.

Eligibility for refund

No reciprocity is required. The business must be a “taxable person”.

However the following documents should be filed together with the refund claim:

- declaration of entrepreneurship, preferably from the tax administration in the country of establishment;
- original invoices;
- import documents.

Tax authorities will only handle the request after registration as a foreign entrepreneur (registration number is obligatory).

A foreign taxable person is entitled to recover Dutch VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in The Netherlands;
- The business does not have residence, a seat or fixed establishment for VAT purposes in The Netherlands.
- The business has not carried out any taxable supplies in The Netherlands, except for:
 - Certain tax-exempt cross-border transportation services from/to non-EU countries;
 - Supplies for which the reverse charge mechanism applies;
 - Supplies subject to occasional taxation; or
 - Electronically provided supplies where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons.

Partially refundable VAT

VAT can only be partially recovered on:

- VAT on costs for the lease or rental of cars. These are limited to an 84% VAT refund (a 16% correction is made for private use);
- In case businesses use goods or services for exempted services. The deductible VAT will be then calculated according to the pro-rata.

Non-refundable VAT

VAT cannot be recovered on:

- Supplies of goods and services that are not used for business purposes;
- Supplies and services acquired or imported in connection with an exempt business activity;
- Food and drinks in restaurants, hotels and cafes;
- Business entertainment in excess of EUR 227 per year per person;
- Employee benefits in-kind in excess of EUR 227 per year per person.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

To have the right to appeal the decision of the tax authorities, the claim must be submitted within six months after the end of the calendar year in which the VAT was incurred. However, it is possible to submit a claim within five calendar years from the end of the calendar year in which the VAT was incurred, but in this case, no appeal can be filed.

Proxy

In case the foreign company is represented by a VAT agent (e.g. a tax advisor), a Power of Attorney may be requested for by the Dutch tax authorities. There is no notarization requirement and an electronic scan-copy is generally accepted.

Application forms

To submit a VAT refund request, the foreign entity must be registered in The Netherlands. Registration is carried out by completing form “Aanvraag registratienummer buitenlandse onderneming,” which can be downloaded at: http://download.belastingdienst.nl/belastingdienst/dl/rekenhulpen/registratie_buitenlandse_ondernemers/btw_identificatnr_buitlnd_ondern_ob711z2fol.pdf

The refund application form is Form OB 68 issued by the Dutch tax authorities (other EU forms are also accepted).

The form must be completed in Euro. Whilst forms supplied by the tax authorities in any EU member state are accepted, it is preferable to have the form printed in the same language as in the application.

Supporting documentation

The following documents must be submitted with each claim:

- Original invoices/import documents, bills, vouchers, receipts or customs clearance forms;
- A copy of the articles of association;
- A copy of the extract of the Chamber of Commerce (business registration register);
- A letter of authority if a third party submits a claim on behalf of the claimant; and
- An original certificate of taxable status.

The form and supporting documentation must be sent to:

Belastingdienst Limburg / Kantoor Buitenland
Postbus 2865
6401 DJ HEERLEN
The Netherlands
Tel: + 31 45 560 31 11
Fax: +31 45 560 31 00

E-invoicing

E-invoices are generally accepted, subject to approval of the recipient, and self-sufficient in order to claim input VAT. The business decides how to ensure the integrity, authenticity and legibility of e-invoice. The advanced electronic signature (or another system) can be used to confirm a certain e-invoice.

Refund and appeals

The Dutch tax authorities will stamp or perforate each invoice and/or import document to prevent their use in subsequent applications and will return the documents to the claimant within one month after a decision is made.

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and so notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant via electronic means (not necessarily via email). The claimant must provide all information within of one month of receipt of the request.

Queries by the tax authorities will be sent to the claimant and the agent. Decisions will be sent to the claimant only.

The decision on the refund application will be announced within six months of the date the application and all supporting documents are submitted to the Dutch tax authorities.

If the authorities request additional information, the six-month period will be suspended until the claimant has complied with its obligation to provide the necessary information. If a refund is granted, it will be made in Euro directly to the claimant or its appointed agent before the end of the above period and paid to a bank account in The Netherlands or the state in which the claimant is established. In the latter case, the claimant will be responsible for any bank charges for the transfer.

The Dutch tax authorities will not be liable to pay any interest on the refund.

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal against the decision may be made to the Dutch tax authorities within six weeks of the receipt of the notification (tax assessment). If this appeal is unsuccessful, the claimant may resort to the national court within six weeks after receipt of the notification of the decision on the appeal.

In principle, the tax authorities will not deny the whole refund claim in case one of the submitted invoices was incorrect or because a query on the specific invoice has not been answered.

The time limit for an appeal is six weeks. This term starts on the first day of the notification of the decision on the appeal.

The processing of a refund claim can on average take between four to eight months.

Norway

Norwegian VAT is known as “Merverdiavgift” (MVA).

The standard VAT rate is 25%, and there are reduced rates of 15%, 11.11%, 8% and 0%.

It is not necessary to appoint a Norwegian fiscal representative to claim a VAT refund.

Norway is the Member State of Establishment

13th Directive

This refers to a Norway established company, submitting a 13th Directive claim in an EU country.

The refund application for a Norway established company claiming input VAT in an EU country, must be submitted according to the requirements of the country of refund. Reciprocity rules (allowing or not Norway companies to submit a refund claim) should be verified with the country of refund.

An original “certificate of taxable status” issued by the relevant Norwegian tax office will usually need to be provided to the EU countries of refund. This certificate is called “Confirmation of VAT registration in Norway”.

Norway is the Member State of Refund

13th Directive equivalent legislation in Norway (Norwegian VAT Act section 10-1)

As Norway is not part of the European Union, the EU Directive 2008/09/EC and the 13th Directive are not applicable to companies asking for VAT refunds in Norway.

However, it is possible for foreign companies to reclaim VAT in Norway via a “13th Directive equivalent legislation”.

Eligibility for refund

Foreign businesses can obtain refunds of VAT paid on purchases of goods and services in Norway or on imports of goods into Norway. No reciprocal agreement with the home country of the non-resident business is required for refunds to be made. However, the foreign business must satisfy the following conditions:

- The foreign business is not liable to register for VAT purposes in Norway;
- The VAT relates to the claimant's business activities carried out abroad;
- The business would have been liable for VAT registration in accordance with the Norwegian Act relating had the supply been carried out in Norway; and
- The VAT in that case would have been deductible.

The foreign business must not, during the period to which the application relates, have been registered or engaged in an activity that is subject to registration in Norway. VAT on goods imported for delivery to a buyer in Norway and on goods imported for sale in Norway is accordingly not refunded. The same applies to goods and services purchased locally to be resold in Norway.

With effect from 1 January 2013, foreign businesses that only carry out VAT-exempt services (zero rated with credit) in connection with transportation directly to or from Norway may opt to register for VAT in Norway. Thus, to obtain a recovery for VAT costs incurred in Norway, airlines could register for VAT purposes in Norway and request a VAT refund through the ordinary VAT return or they could apply for a refund through the refund mechanism for foreign businesses.

Foreign businesses can have VAT refunded to the same extent as businesses in Norway are entitled to deduct VAT, i.e. the purchase must be for use in a VAT taxable activity. If the business engages in both VAT taxable and non-taxable activities, only the proportion relating to taxable activities will be refunded.

Unless specific exemptions apply, the supply of goods and services is subject to VAT in Norway. Specific exempt services include health services, social services, educational services, cultural services, financial services, (including the procurement of such services), lottery services and the supply and letting of real property. Foreign businesses that are exclusively engaged in such activities, therefore, will not be entitled to VAT refunds.

There is no entitlement to a VAT refund for certain goods and services purchased for business use; e.g. purchases of art and antiques, expenses relating to meals, entertainment and gifts, personal vehicles, work on and management of real property intended to meet housing, leisure or other welfare needs, and benefits in kind, remuneration of the owner, management, employees and pensioned staff of the enterprise.

Sales of certain goods/services are exempt from tax (zero rated), e.g. the supply of goods and services for export and for use in offshore petroleum activities. For services to be regarded as exported, the services generally must be used entirely abroad. If a service can be supplied from a remote location, VAT will not be charged if the recipient is a taxable person that is resident abroad.

VAT will not be paid on advertising services and guarantee repairs that are carried out in Norway on behalf of a foreign principal. The seller will not charge VAT on such sales and, therefore, the issue of a refund does not arise.

Any mistakenly charged VAT will not be refunded; foreign businesses applying for the refund must have the mistake corrected by the seller.

Non-refundable VAT

VAT cannot be recovered on:

- Entertainment expenses;
- Food and drinks;
- The purchase, hire or importation of passenger cars, as well as on petrol, oil, repairs, maintenance and other related costs;
- Goods and services acquired for use outside the scope of Norwegian VAT;
- Goods imported and used for activities outside the scope of Norwegian VAT; and
- Benefits-in-kind for employees, etc.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Norwegian VAT.

Making claims

Minimum amounts

A refund must be for at least NOK 2,000. If the application relates to an entire calendar year or the remainder of a calendar year, however, the refund can be as low as NOK 200.

The claimant can choose whether payment is to be made in Norwegian kroner (NOK) or in another currency. However, the claimant will be responsible for any costs arising as a result of a refund paid outside Norway.

Time limits

An application must relate to a period of at least three months and at most one calendar year. The period can be less than three months if it is the rest of a calendar year. The claim must relate to goods and/or services supplied/imported during the application period.

The application must be sent to the Moss tax office no later than the 30th of June following the calendar year to which the application relates.

A claimant may submit up to four refund claims per year. As a general rule, each claim should cover at least a period of three months, although the final claim of a year may cover a shorter period.

Proxy

In the event that the refund application is submitted by a proxy, an original power of attorney must be enclosed to the refund application. The proxy's rights must be clearly stated. The power of attorney must be in Norwegian, Swedish, Danish or English language. If it is issued in any other language, a certified translation must be enclosed.

Application forms

The claimant must use Form RF-1032, which can be downloaded at: <http://www.skatteetaten.no/upload/skjemaer/alltid/RF-1032BE.pdf>. The form and information about refund requests also can be obtained from the Moss tax office.

The form must be completed in Norwegian, Danish, English or Swedish.

Applications cannot be filed electronically. They must be sent to:

Skatt øst
Postboks 103
N-1501 Moss
Norway
T: + 47 800 80 000, +47 22 07 70 00
F: + 47 69 24 41 81
skattost@skatteetaten.no
www.skatteetaten.no

The application form is to be filled out electronically before being printed and signed and the original has to be submitted via post. If the form is filled out by hand, capital letters should be used. The amount of VAT to be claimed must be submitted in NOK. The application may be signed by the applicant, a person entitled to sign on behalf of the company or a proxy holder authorized by the company.

The Norwegian authorities normally issue a confirmation receipt of the claim by e-mail.

Follow up on submitted claims

As a general rule, the refund claims may only be followed up by the claimant. However, if a power of attorney has been issued to another person, that person may follow up on the claim.

Supporting documentation

The following documents must be submitted with each claim:

- Original invoices and/or import documents evidencing the right to deduction. Invoices must be numbered and dated and include the name and address of the Norwegian seller, its organization number followed by the letters MVA, the name and address of the claimant, a clear description of the goods or services, quantity/extent, the place and date of delivery and the payment. The VAT must be specified and stated in NOK;
- A clear description of the commercial activity carried out abroad (should also be stated in the application form);

- A certificate from a public authority confirming that the claimant is engaged in such a commercial activity;
- Certified export documents if the goods covered by the application have been exported; and
- An original authorization if the refund is being applied for by an authorized representative.

The description of the commercial activity and the certificate from a public authority can be omitted if these were submitted previously in the same year.

The application, with all enclosures, must be in Norwegian, Danish, English or Swedish. The description of the commercial activity and the certificate from a public authority can be in another language, but it must be accompanied by a certified translation.

Declarations

The foreign business should declare in the application that the goods or services have been used in the company and state the purpose of these purchases. If the goods/services are still used in the company, the application must declare what they are used for in Norway. If the goods have been exported, the claimant must declare that this was carried out as shown in an enclosed certified export declaration.

The claimant must also declare that the goods covered by the refund application have not been or will not be sold in Norway or supplied to a buyer in Norway, and that the VAT paid is not covered by another refund scheme, e.g. the repayment scheme for re-exports of goods managed by the Directorate of Customs and Excise.

E-invoicing

Since Norway is not an EU member state, the EU VAT Directives do not apply to Norwegian VAT law.

In Norway, e-invoicing is accepted if the invoice (sales document) is made out in a non-editable format, such as a PDF file.

However, the e-filing of VAT refund applications for businesses not registered in Norway is not allowed. As such, electronic invoices should be printed and enclosed to the refund application. The applicant should explain that it uses e-invoicing if the applicant sends print-outs of e-invoices that look like copies.

Refunds and appeals

The time needed to process applications by the county tax office normally may not exceed six months. Even if the application is processed in a shorter time, the refund will not be paid earlier than four months after receipt of the application by the county tax office.

If the claimant has provided insufficient or incorrect information and on that basis received a refund higher than due, the incorrect amount plus interest may need to be paid back. Incorrectly refunded amounts including interest can also be offset against later applications for refunds.

Refunds paid can also be offset/reclaimed when an incorrect payment is due to an obvious error by the tax authorities, e.g. a calculation error or in case a significant amount is involved.

The authorities will normally process applications within six months, but the processing time may be extended where additional information is requested.

Furthermore, the authorities will normally inform the claimant's contact person or the authorized agent via letter by post. In case an agent has been appointed queries and decisions will normally be sent to him/her, instead of the claimant.

A refund claim that is not decided timely in Norway should not be deemed accepted or rejected. If the decision is not issued in due time, the claimant or its authorized agent may contact the Moss tax office. A contact person at the Moss tax office will normally confirm receipt of the application via e-mail to both the claimant and its agent, and thus such person may be contacted for an estimate on when the claimant may expect to receive a decision.

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal against the denied claim can be made to the Norwegian directorate of taxes within six weeks after the rejection. If this appeal is unsuccessful, the claimant can appeal to the civil courts.

If one of the submitted invoices is not correct or it is not in original, the tax office should request that the claimant provides them with the correct/original invoice before rejecting the application. The whole refund claim may not be rejected because a query on one particular invoice has not been answered. However, the claim for the refund of VAT included in that particular invoice may be rejected.

As there is no binding timeframe to perform the refund, in case the Norwegian tax authorities do not issue a decision in due time, they are not obliged to pay interests to the tax payer.

The claimant can list any bank account for the refund. The payment is made in Euro unless another currency is specified. However, costs for transfers to international accounts and currency exchange are borne by the claimant. It is mandatory to state the account holder's name and his VAT or business registration number.

A common cause of rejection is that the Norwegian authorities consider that the claimant should have been possibly required to register for VAT purposed in Norway.

In practice, the refund process in Norway normally ranges between five to seven months.

Poland

Polish VAT is known as “Podatek od Towarów i Usług” (PTU).

The standard VAT rate is 23%, and there are reduced rates of 8%, 5% and 0%. These rates may further be increased in the near future, depending on the Polish budget.

An extensive overview of the VAT rates applied in Poland can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Polish fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive. However, appointing a Polish contact person (proxy) is recommended as the authorities tend to require additional explanations in Polish (e.g. regarding the nature and reason for the purchases) and in some cases can set short deadlines for this information to be delivered (e.g. seven days).

Poland is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Polish established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically in Polish through the portal of the tax authorities in the country in which the claimant is established (<http://www.e-deklaracje.gov.pl> for companies established in Poland).

Although not clearly stated in Polish law, the refund claim can be submitted by a proxy holder on behalf of the claimant. However, the authorization must be filed in hard copy with stamp duty paid to the competent tax authorities before the VAT refund application reaches the Polish tax office.

As the member state of establishment, the Polish tax authorities will confirm receipt of the claim.

IT requirements

The tax authorities provide specific software and an application form to file a refund request. The form must be filled in manually on a line-by-line basis. No means are foreseen to upload data electronically via xml or csv.

For VAT refunds from other EU member states, the IT requirements are set by the rules of the relevant country. However, from a Polish VAT perspective, the following must be taken into account:

- All invoices must be included in a single zip file with no passwords or coding;
- The invoices included into the zip file can be in the following formats: JPEG, PDF or TIFF;
- Maximum zip file size: 5MB; and
- Standard scanning preference: Black and white / max 200 dpi.

Polish taxpayers applying for refund of VAT incurred in other EU member states must use the form (VAT-REF) on the web page of the Polish Minister of Finance. This form can be downloaded at: [http://www.e-deklaracje.gov.pl/files/pdf/VAT-REF\(2\)_v1_0.pdf](http://www.e-deklaracje.gov.pl/files/pdf/VAT-REF(2)_v1_0.pdf).

VAT refund claims filed in Poland must be signed with a certified electronic signature.

There are no restrictions on the number of invoices to be submitted within a refund claim nor per year. All invoices including Polish VAT and relating to a given period should be submitted.

Non-EU countries (13th Directive equivalent)

This refers to a Polish established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Polish established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Polish portal is not to be used.

Another difference with the former “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called ZAŚWIADCZENIE O REJESTRACJI PODATNIKA PODATKU OD WARTOŚCI DODANEJ LUB PODATKU O PODOBNYM CHARAKTERZE W KRAJU SIEDZIBY in Poland.

Poland is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Poland.

Eligibility for refund

Foreign taxable persons are entitled to recover Polish VAT if the following conditions are satisfied:

- The business does not have its seat, permanent or usual place of conducting business activity in Poland; and
- The business has not carried out any taxable supplies in Poland, except for:
 - Certain import-related transportation services and their value was included in the taxable basis;
 - Certain services related to international transportation; and
 - Supplies for which the reverse charge mechanism applies.
- The business is a registered VAT payer or registered taxpayer of a similar tax in the country, in which it has its registered seat.

Polish VAT law also requires that the claimant use the goods and services purchased in Poland in relation to its taxable activities, which give the right to deduct input VAT in the country in which the VAT is being settled.

Non-refundable VAT

VAT cannot be recovered on:

- Lodging and restaurant services, with some exceptions;
- Costs borne by the supplier on behalf of the purchaser which were subsequently refunded by the purchaser and only temporarily presented in the supplier's evidence.

In the period January – end March 2014, the deductibility of input VAT on the purchase (lease) of passenger cars was limited to 60%, but not exceeding PLN 6,000 per car. Input VAT recovery on fuel is not allowed. Trucks and passenger cars considered as trucks (N1 certification) would allow for full input VAT recovery on their acquisition and purchase of fuel.

As of April 2014, full input VAT recovery on cars (their purchase, lease, fuel and related expenditures), irrespective of their type (i.e. passenger cars/trucks), would only be allowed if they are solely used for business purposes. Specific conditions need to be met to consider that a company car is used for business purposes.

Otherwise, input VAT deductibility would be limited to 50% with no value cap on all expenditures, except for fuel where input VAT recovery is restricted till 30th June 2015 (again, with the exception of the N1 certification cars).

Partially refundable VAT

Apart from the above mentioned specific case, there are no expenses for which non-established companies would only be allowed to a partial refund of the Polish VAT. However, if the applicant is allowed to partial input VAT recovery as the purchases are only partly used for taxable activities, he would be allowed to recover input VAT in accordance with its pro-rata.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the period shorter than the last three months of a calendar year, the amount may not be less than EUR 50. These amounts will be recalculated at an average euro exchange rate defined by the National Bank of Poland on the day before the invoice was issued.

Time limits

The application generally must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year. The application also may be submitted for a period shorter than the remaining three months of the calendar year (e.g. from 1 November to 31 December).

The Polish VAT law does not specifically prohibit the submission of VAT refund claims for overlapping periods (e.g. January to June and May to December), assuming no double deduction is requested.

Follow up on submitted claims

The claimant or its authorized proxy can follow up on a claim. The Polish authorities contact applicants using the e-mail address indicated on the VAT refund application. In case the applicant would like to appoint a local proxy, the authorization should be filed in hard copy with stamp duty paid to the competent tax authorities. Considering that any response made to the Polish tax authorities must be in Polish, it is recommended that a Polish proxy is appointed to supervise this process.

Proxy

In case the refund claim is filed by a proxy holder acting on behalf of the claimant, the proxy shall be filed to the tax office before the VAT refund claim reaches the Polish tax office. If this is not the case, the PoA may be filed at a later stage – either by the proxy holder himself or in response to the summons of the Polish tax authorities. In case no proxy is filed, all correspondence would be directly sent to the claimant. Otherwise, the proxy can be added into the proceedings at any time.

The proxy shall be filed in original and in hardcopy. The stamp duty of PLN 17 per proxy is to be settled. Along with the proxy, the hardcopies of the original statutory documents confirming that the persons who signed the PoA were authorized to represent the Company are to be submitted. All documents shall be sworn translated into Polish (including the PoA) if concluded in foreign language.

Supporting documentation

The general threshold for the submission of an electronic copy of an invoice is where the taxable basis on the invoice or import document is EUR 1,000 more. However, where the invoice relates to fuel costs, the threshold for providing a copy is set at EUR 250. The Polish tax authorities can request additional documents/information.

E-invoicing

E-invoices shall be accepted by the Polish tax authorities as the basis for the claim. E-invoices issued under the Polish VAT provisions shall comply with certain requirements, i.e. integrity of the content and authenticity of origin.

Refunds and appeals

The Polish tax authorities must issue a decision on the refund claim within four months of receipt of the claim.

The decision must be sent via registered mail. If the authorities reject the claim in whole or in part, they must send a request to the claimant to acknowledge receipt of the evidence collected and inform the claimant about the identified irregularities before a decision is issued.

The authorities may request additional information via electronic means in Polish. The correspondence with the tax authorities will be held via email unless the claimant does not agree to use electronic means, in which case all correspondence will be in paper.

If the proxy is in place, all correspondence (e.g. queries/decisions) will be addressed to the proxy holder – otherwise all of the documents will directly be sent to the claimant.

The claimant must provide all information within one month of receipt of the request.

Where additional information is requested, the authorities must issue their decision within two months of receipt of the requested information, and in any case not later than 8 months as from the receipt of the claim.

If the claimant fails to submit the information, the decision must be issued within two months of expiration of the deadline to provide the information, but no later than six months from the date the claim was submitted (if the authorities only send one request for additional information) or eight months (if the authorities requested additional information more than once).

If a refund is granted, it must be paid in Polish currency within 10 business days after the decision is issued and paid to the bank account number provided in the VAT refund claim.

The Polish tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

In case one of the submitted invoices is not correct or not compliant with the format requirements, the refund claim would in principle be proportionally decreased.

If the refund is not granted, the grounds for rejection of the application will be stated (in Polish). An appeal against the denied claim can be made to the Polish tax authorities (Tax Chamber via the tax office that rejected the claim) within seven or 14 days of receipt of the decision (the exact term will depend on the legal form of the decision). If this appeal is unsuccessful, the claimant can go before the national administrative court. The deadline for an appeal to the administrative court is usually 30 days from the date of the decision of the higher tax authorities' body.

Possible causes for the rejection of the refund may be that the Polish tax authorities are not provided with the information necessary to assess whether the refund is justified or that the invoices included in the claim are subject to input VAT recovery restrictions which are not taken into consideration by the claimant (either specified in the law or in the practice, e.g. input related to fuel under fuel card scheme).

The appeal against the rejection of the refund claim should be filed in Polish in written format according to specific requirements stated by the law.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Poland.

Eligibility for refund

Taxable persons with a registered seat outside the EU must meet the same requirements as apply to EU taxable persons.

Reciprocity is required, i.e. Poland will refund VAT to claimants from countries that will refund VAT to Polish entities. There is no official list of countries for which reciprocity is granted. However, further to information published on the website of the Polish Ministry of Finance, the reciprocity rule currently applies to the following countries: Iceland, Macedonia, Norway, Switzerland and some other countries (to be verified on a case by case basis).

Non-refundable VAT

VAT cannot be recovered on:

- Lodging and restaurant services, with some exceptions;
- Costs borne by the supplier on behalf of the purchaser which were subsequently refunded by the purchaser and only temporarily presented in the supplier's evidence.

In the period January – end March 2014, the deductibility of input VAT on the purchase (lease) of passenger cars was limited to 60%, but not exceeding PLN 6,000 per car. Input VAT recovery on fuel is not allowed. Trucks and passenger cars considered as trucks (N1 certification) would allow for full input VAT recovery on their acquisition and purchase of fuel.

As of April 2014, full input VAT recovery on cars (their purchase, lease, fuel and related expenditures), irrespective of their type (i.e. passenger cars/trucks), would only be allowed if they are solely used for business purposes. Specific conditions need to be met to consider that a company car is used for business purposes.

Otherwise, input VAT deductibility would be limited to 50% with no value cap on all expenditures, except for fuel where input VAT recovery is restricted till 30th June 2015 (again, with the exception of the N1 certification cars).

Partially refundable VAT

Apart from the above mentioned specific case, there are no expenses for which non-established companies would only be allowed to a partial refund of the Polish VAT. However, if the applicant is allowed to partial input VAT recovery –as the purchases are only partly used for taxable activities, he would be allowed to recover input VAT in accordance with its pro-rata.

Making claims

Time limits

The application must be submitted to the Polish tax authorities by 30 September of the year following the calendar year to which the application relates. Late claims are not accepted and the deadline will not be extended. The application also may be submitted at the local Polish consulate or embassy.

Proxy

In case the refund claim is filed by a proxy holder acting on behalf of the claimant, the proxy shall be filed to the tax office along with the claim. If this is not the case, the PoA may be filed at a later stage – either by the proxy holder himself or in response to the summons of the Polish tax authorities. In case no proxy is filed, all correspondence would be directly sent to the claimant.

Otherwise, the proxy can be added into the proceedings at any time.

The proxy shall be filed in original in hardcopy. Stamp duty of PLN 17 per proxy shall be settled. Along with the proxy the hardcopies of originals of statutory documents confirming that the persons who signed the PoA were authorized to represent the Company are to be submitted. All documents shall be sworn translated into Polish (including the PoA) if concluded in foreign language.

Application forms

The application must be made by filing a hard copy (it cannot be faxed or emailed) of the form attached to the Decree on VAT Refunds, issued by the Minister of Finance.

The form can be obtained from the local VAT offices or downloaded

at: http://www.mf.gov.pl/files/_podatki/vat_i_akcyzowy/akty_prawne/2011/zaznacznik_nr_2.pdf

The form must be completed in Polish and in Polish Zloty.

All invoices must be mentioned in the application. It is unclear under Polish VAT law whether an excel spreadsheet can be used to provide an overview of the claimed amounts.

The application must be signed by a person who is legally entitled to represent the claimant. Otherwise, an authorization must be provided to the tax authorities, along with a confirmation that stamp duty has been paid and with the hardcopies of the originals statutory documents of the claimant confirming that the signatories of the proxy were allowed to represent the claimant,

The form and supporting documentation must be sent to:

Drugi Urząd Skarbowy Warszawa – Śródmieście
ul. Jagiellońska 15
03 -719 Warszawa
Poland
T: + 48 22 511 35 01
F: + 48 22 511 35 02

Supporting documentation

The following must be attached to the application:

- Original hard copy invoices and customs documents supporting VAT amounts in the application.
- Confirmation from the tax authorities of the country where tax claimant has its seat showing that the claimant is a registered VAT payer along with its sworn translation into Polish.

If the claimant submits more than one application during a year, the certificate does not have to be submitted with each application provided it was issued less than one year before the VAT refund claim was submitted and there have been no changes to the scope of the certificate. The certificate must be officially translated into Polish. Confirmation of taxable status can be done on a special form in Polish, provided as an appendix to the Decree on VAT Refunds; and

- A power of attorney if a third party submits/signs an application on behalf of the claimant and confirmation that stamp duty has been paid.

These documents must be originals. The authorities should accept a notarized copy of a VAT certificate, but in practice it is very rarely used.

If the refund is granted, the Polish tax authorities will stamp and perforate each invoice and/or import document to prevent their use in subsequent applications and will return the documents to the claimant.

The authorities may request additional information, but the request must be made via registered mail and in Polish. The claimant must provide all information within one month of receipt of the request.

E-invoicing

Further to Polish VAT law, invoices/customs documents in electronic format which are included in a claim shall be sent/provided to the tax office electronically upon submission of the claim at the latest. In practice a CD may be submitted with all documents in electronic format.

The Polish VAT law requires that e-invoices comply with the requirements of integrity of content and authenticity of origin.

Refunds and appeals

The Polish tax authorities must issue a decision on the refund claim within four months of receipt of the claim.

The decision must be sent via registered mail. If the authorities reject the claim in whole or in part, they must send a request to the claimant acknowledge receipt of the evidence collected and inform the claimant about the identified irregularities before a decision is issued.

The authorities may request additional information via electronic means in Polish. The correspondence with the tax authorities will be held via email unless the claimant does not agree to use electronic means, in which case all correspondence will be in paper.

Where additional information is requested, the authorities must issue their decision within two months of receipt of the requested information, and in any case not later than 8 months as from the receipt of the claim.

In case one of the submitted invoices is not correct/original or in case queries on a specific invoice are not answered, the refund claim would be proportionally decreased, but not entirely rejected.

If the refund is not granted, the grounds for rejection of the application will be stated.

The current approach is to have the claim processed within 4 months. In case some additional information is needed, the deadline is extended, but the authorities stick to the maximum limit of 8 months.

Portugal

Portuguese VAT is known as “Imposto sobre o Valor Acrescentado” (IVA).

The standard VAT rate is 23%, and there are reduced rates of 13% and 6%. The standard VAT rate in the autonomous region of Madeira is 22% and the reduced rates are 12% and 5%. Moreover, in the autonomous region of Azores, the standard VAT rate is 18% and there are reduced rates of 10% and 5%.

An extensive overview of the VAT rates applied in Portugal can be found at: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is necessary to appoint a Portuguese fiscal representative to claim a VAT refund based on the 13th Directive.

Portugal is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Portuguese established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be electronically submitted through the portal of the tax authorities of the country in which the claimant is established (which can be found here for Portuguese taxpayers): <http://www.portaldasfinancas.gov.pt/pt/ongoingLogin.action?action=/pt/external/vatrefund/downloadVATRefund.action>. The request must be submitted by the claimant or by an authorized person. The third party does not need to be an entity established in Portugal, as long as it is authorized by the claimant.

When being the member state of establishment, the Portuguese authorities will issue a confirmation of the receipt of the VAT refund claim.

IT requirements

Portuguese taxpayers registered for VAT purposes can file their refund claims electronically using the web service of the Portuguese tax authorities. The preparation of the refund claim may also be done through the software provided by the Portuguese tax authorities, which may be downloaded

at: <http://www.portaldasfinancas.gov.pt/pt/ongoingLogin.action?action=/pt/external/vatrefund/downloadVATRefund.action>

The password used by the claimant to electronically submit VAT returns should be used for downloading purposes.

The information needed to complete the form can be uploaded in XML format. Further information on the uploading process can be found

at: www.portaldasfinancas.gov.pt/de/ajuda/DGCI/FAQSI.htm#VATREFUND

An automatic upload on the portal is possible. The tax authorities provide a file (through the above link) containing the data structure (scheme) of the *.XML file to be uploaded.

The login details to be used to file the claim must be obtained through: <http://www.portaldasfinancas.gov.pt/pt/home.action>.

The electronic form is divided into three main sections:

- General information relating to the taxpayer, the period for which the refund is requested and the member state to which the claim refers;
- List of invoices (each document can be manually typed in or all documents can be uploaded in XML format);
- Annexes: scanned invoices or other annexes can be uploaded taking the following into account:
 - Maximum one file per country for which a reclaim has been filed;
 - File types accepted: JPEG, PDF or TIFF;
 - Maximum file size: 5MB;
 - Resolution of standard scanning preference: Black and white and 200 dpi.

Once the claim is submitted, the taxpayer will receive a confirmation from the website, including the reference code of the application.

There is no maximum number of invoices that can be submitted per refund claim or per year.

Non-EU countries (13th Directive equivalent)

This refers to a Portuguese established company filing a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Portuguese established company claiming input VAT in a non-EU country, must be submitted according to the requirements determined by the country of refund.

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Portugal.

Eligibility for refund

A foreign taxable person is entitled to recover the incurred Portuguese VAT if the following conditions are met:

- The business does not have a head office, fixed establishment or residence in Portugal; and
- The business has not carried out any taxable supplies in Portugal, except for:
 - Certain tax-exempt cross-border transport services from or to non-EU countries; or
 - Supplies for which the reverse charge mechanism applies.

Non-refundable VAT

VAT cannot be recovered on:

- Accommodation, food and drinks (except in case of specific events);
- Entertainment expenses;
- Purchase, hire, importation and repairs of vehicles, boats, and aircraft (unless these assets are used in specific activities). However, it is possible to recover VAT incurred related to commercial vehicles and trucks;
- Fuel expenses (50% of the VAT on diesel, LPG, natural gas and biofuel is recoverable and 100% if certain vehicles are involved);
- Tobacco;
- Travel expenses, including tolls (except in case of specific events).

Partially refundable VAT

- 50% of the VAT on diesel, LPG, natural gas and biofuel;
- Provided that certain requirements are fulfilled, companies are entitled to recover 50% of the VAT amount incurred for accommodation, transport and food expenses, when these expenses are related to the organization of an event to promote its business, and 25% of the VAT amount incurred, when these expenses are related to the participation to an event to promote its business.

Making claims

Minimum amounts

The refund must relate to the previous calendar year and the amount may not be less than EUR 50. If the application relates to the current year and to a period equal to three or more consecutive months, the amount for which application is made may not be less than EUR 400; if the application relates to a shorter period, the amount may not be less than EUR 50 and the period must end on 31 December of the previous year.

Time limits

The application must be submitted to the Portuguese tax authorities by September 30th of the following year. Late claims are not accepted and the deadline cannot be extended.

A claimant can submit more than one refund claim for the remainder of a calendar year provided that the relevant refund amounts are respected.

Follow up of submitted claims

The claimant or an authorized third party can follow up on a VAT refund claim. The follow up can also be done by phone.

The Portuguese tax authorities generally will not ask a third party service provider to prove its authorization to follow up on the status of a refund claim.

Proxy

It is not necessary to appoint a Portuguese fiscal representative to claim a VAT refund based on the former 8th Directive. Consequently, the actual need for a proxy must be analysed on a case-by-case basis and will depend on specific situations. However in case a proxy is to be provided, the original (or at least a notarised copy) must be presented (an electronic scanned copy will not be sufficient). In case the original language of the proxy is not Portuguese, the Portuguese Tax Authorities usually ask for a Portuguese notarised translation.

Supporting documentation

The Portuguese authorities can request additional documents/information (e.g. originals or copies of the relevant invoices).

E-invoicing

There is no specific procedure to reclaim VAT under Directive 2008/09/EC/Decree-Law nr. 186/2009 on the basis of e-invoices.

Refunds and appeals

The Portuguese tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant (a notification is sent to the claimant's head office);
- The authorities can reject the claim in whole or in part and notify the claimant (a notification is sent to claimant's head office);
- The authorities can request additional information and notify the claimant (always) via electronic means. The claimant must provide all information within one month from the receipt of the request; otherwise the authorities can reject the claim (totally or partially).

Queries and decisions by the tax authorities will only be sent to the claimant and not to the proxy holder.

In case one of the invoices is not correct or cannot be provided or in case a query on a specific invoice is not answered, only the VAT mentioned on that invoice will not be refunded, i.e. the refund will only be partially rejected (rather than rejecting the full refund claim).

The period in which the authorities must take a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, it will be processed in Euro within 10 business days following the decision and paid to the bank account number provided to the authorities (the financial institution must be located in the EU).

The Portuguese tax authorities will be liable for late payment interests if the refund is not processed in a timely manner.

If the refund is not granted, the grounds for refusal of the application will be stated. However, in case of implicit denial (i.e., in case there is no formal decision of the Portuguese tax authorities within the legal deadline to refund the VAT) there will be no formal notification to the claimant and therefore the grounds for implicit denial will not be expressly notified to the claimant.

An appeal against the denied claim (expressly or implicitly denied) can be made to the Portuguese tax authorities (administrative claim) or to court (judicial claim). For the administrative claim, the deadline will be 120 days from the date of the notification rejecting the refund claim or from the due date for the issuance of the decision (implicit denial). For the judicial claim, the deadline will be 90 days counting from the same dates.

The most common causes for rejection of VAT refund claims are the type of expenses (situations where the VAT is not or only partially recoverable) and invoice requirements.

The appeal (administrative or judicial claim) must be drafted in Portuguese.

Penalties might be imposed by the Portuguese tax authorities in case the VAT refund is unduly paid to the taxpayer. In such case, besides the VAT due (to be assessed by the Portuguese tax authorities) penalties and interests will be levied. Additionally, it is arguable that penalties can be applied in case additional information is requested and the taxpayer does not provide such information. The application of such penalties is currently not common.

The average time to process the refund is usually between four to six months.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Portugal.

Eligibility for refund

Reciprocity is required. The Portuguese tax authorities are currently managing reciprocity on a case-by-case basis which may result in contradictory results for companies from the same country.

Non-refundable VAT

VAT cannot be recovered on:

- Accommodation, food and drinks (except in case of specific events);
- Entertainment expenses;
- Purchase, hire, importation and repairs of vehicles, boats, and aircraft (unless these assets are used in specific activities). However, it is possible to recover VAT related to commercial vehicles and trucks;
- Fuel expenses (50% of the VAT on diesel, LPG, natural gas and biofuel is recoverable and 100% if certain vehicles are involved);
- Tobacco;
- Travel expenses, including tolls (except in case of specific events).

Partially refundable VAT

- 50% of the VAT on diesel, LPG, natural gas and biofuel;
- Provided that certain requirements are fulfilled, companies are entitled to recover 50% of the VAT amount incurred on accommodation, transport and food expenses, when these expenses are related to the organization of an event to promote its business, and 25% of the VAT amount incurred, when these expenses are related to the participation to an event to promote its business.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period equal to a calendar year or to the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must be submitted to the Portuguese tax authorities before September 30th of the year following the year for which the refund is claimed. Late claims are not accepted and the deadline cannot be extended.

Proxy

In order to file a VAT refund claim, the non-EU claimant must appoint a Portuguese fiscal representative. Consequently, a proxy has to be provided to the tax authorities together with the VAT refund claim (considering that it is the fiscal representative that will file the VAT refund). A notarised copy can be presented (and should be sufficient). However, if requested by the Portuguese tax authorities the original might need to be shown.

Application forms

The application is made on Form 1496 issued by the Portuguese tax authorities (other EU forms will be accepted if they include at least the content of Form 1496). The form can be downloaded at: <http://www.incm.pt/eforms/request?M=1496>.

The form should be completed in Portuguese and in Euro.

All invoices must be listed in the attachment to the application form. An excel spreadsheet may be used to provide an overview of the claimed amounts.

The application must be signed by a person who is legally entitled to represent the company (e.g. managing director). Otherwise, a letter of authority should be provided.

Applications can be filed electronically.

Supporting documentation

The Portuguese authorities can request additional documents/information (e.g. originals or copies of the relevant invoices).

The following documents should be submitted with each application:

- Original invoices and import documents. The serial number as included in the application form must be mentioned on the documents;
- A certificate issued by the state of establishment of the claimant showing that it is subject to a general turnover tax and that Portuguese taxpayers are entitled to a refund of that general tax (this is not required when a reciprocity agreement exists between Portugal and the relevant country).

E-invoicing

Under the 13th Directive and the related Portuguese legislation, there is no specific procedure to reclaim VAT on the basis of e-invoices.

Refunds and appeals

Queries and decisions of the tax authorities will be sent to the fiscal representative appointed for the purposes of the VAT refund.

The rules concerning the extension of the deadline are similar to the ones concerning VAT refunds under the former 8th Directive.

The VAT refunds are never deemed/implicitly accepted. In case the VAT refund is expressly or implicitly denied (totally or partially), the taxpayer can appeal by filing an administrative claim or a judicial claim.

Refunds under the 13th Directive/Decree Law nr. 186/2009 must be paid by the end of the sixth month following the date the application was submitted and Portuguese tax authorities will be liable for late payment interests if the refund is not processed in this timeframe.

In case one specific invoice is not correct or a query on a specific invoice is not answered, the VAT refund will be partially denied, but not totally rejected.

The most common causes for the rejection of a refund claim are the nature of expenses (situations where the VAT is not or is only partially recoverable) and invoice requirements.

Regarding the appeal against the rejection of the refund claim, the deadline will be 120 days counting from the notification rejecting the refund claim or from the due date for the issuance of a decision (implicit denial) for the administrative claim. For the judicial claim, the deadline will be 90 days counting from the same events.

The Portuguese tax authorities may impose penalties in case the VAT refund is unduly paid to the taxpayer. In such case, besides the VAT due (to be assessed by the Portuguese tax authorities) penalties and interests may be levied. Penalties can be applied in case additional information is requested and the taxpayer does not provide such information. However, this is not common practice.

On average, obtaining the refund can take six to eight months.

Romania

Romanian VAT is known as “Taxa pe valoarea adăugată.”

The standard VAT rate is 24% and there are reduced rates of 9% and 5%.

An extensive overview of the VAT rates applied in Romania can be found at: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Romanian fiscal representative to claim a VAT refund based on Directive 2008/09/EC, but it is required for a refund claim under the 13th Directive.

Romania is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Romanian established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically through the portal of the tax authorities in the country in which the claimant is established (<http://static.anaf.ro> for companies established in Romania).

The request can be submitted by the applicant or by an authorized resident or non-resident person, based on a proxy. If a third party is to file the claim, it must have a notarized power of attorney.

When being the member state of establishment, the Romanian authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements

There are no specific provisions in the Romanian VAT legislation on IT requirements that must be fulfilled regarding the claims submitted by EU established persons.

Romanian taxpayers registered for VAT purposes must electronically file their refund claims using the smart PDF form (Form 318) provided on the website of the National Tax

Administration. https://static.anaf.ro/static/10/Anaf/Declaratii_R/Decl318/D318_v108_050215.pdf

An electronic form is available on the website at the specified link.

The filing procedure is made by electronic means, the form being signed using a digital signature and subsequently submitted through the portal of the National Tax Administration (<https://decl.anaf.mfinante.gov.ro/my.policy>).

The deadline for submission of Form 318 is the 30th of September of the year following the reimbursement period.

The electronic form is divided into three main sections:

- General information relating to the taxpayer and the period for which the claim is requested;
- List of invoices/import documents where details related to each document must be typed (e.g. invoice number, date, code and description of goods and/or services, taxable amount, VAT, pro rata, deductible VAT, details about the supplier);
- Annexes: scanned invoices/annexes can be uploaded taking the following into account:
 - File types: JPEG, PDF or TIFF;
 - Maximum file size: 5MB;
 - If the taxpayer has to provide more than one document, they can be grouped in a single document.

There is no maximum number of invoices which can be submitted under the same refund claim. However, the documents sent by email (including invoices and other types of appendices) cannot exceed 5 MB in total.

Non-EU countries (13th Directive equivalent)

This refers to a Romanian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Romanian established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Romanian portal is not to be used.

Another difference with the “former 8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU country of refund.

As there is no such specific form in Romania, the tax authorities may issue a proof that the company is registered in Romania for VAT purposes.

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Romania.

Eligibility for refund

A foreign taxable person is entitled to recover Romanian VAT if the following conditions are satisfied (during the refund period):

- The business was not registered or liable to be registered for VAT in Romania;
- The person did not have its business established in Romania and did not have a fixed establishment or place of residence in Romania from which economic operations were performed;
- The business did not carry out any taxable supplies in Romania, except for:
 - Certain tax-exempt cross-border transportation and auxiliary services from/to non-EU countries; or
 - Supplies for which the reverse charge mechanism applies.

Non-refundable VAT

VAT cannot be recovered on:

- Invoices on which VAT was unlawfully charged;
- Acquisitions of goods that can or should be classified as VAT exempt;
- Acquisitions made by tourism agencies, including tour operators that apply the margin scheme, or an equivalent regime, in the member state of establishment;
- Tobacco products and spirits, except those intended for resale or for supply while performing a service (e.g. bars, hotels and restaurants);
- Local and intra-community acquisitions, import, rental or leasing of passenger vehicles and all directly related costs (e.g. repairs, maintenance, lubricants, spare parts, fuel), depending on the actual case, are subject to 50% limitation on the VAT deduction right.

The following are the most relevant exceptions related to passenger vehicles in relation to which input VAT is fully deductible:

- Vehicles having a total authorized weight of more than 3,500 kg and more than 9 chairs for passengers, including the driver's seat.
- Vehicles exclusively used for emergency, security, protection and courier services;
- Vehicles used by sales and procurement agents;
- Vehicles used for passenger transport against payment, including taxi services;
- Vehicles used for provision of services against payment, including training provided by driving schools;
- Vehicles intended to be sold or leased by a taxable person whose particular economic activity involves the sale or leasing of motor vehicles.

Partially refundable VAT

- As mentioned above, there is a 50% limitation on VAT deduction right for vehicle related acquisitions. The limitation does not apply if the taxable person can prove the exclusive use for its business purposes or if the vehicles are among the exceptions presented above.
- Another case in which VAT may be partially refundable is when the taxable person carries out in the member state of establishment both operations which give deduction right and operations which do not give deduction right. In such case, Romania will reimburse only the VAT proportion corresponding to operations which give VAT deduction right.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which the application is made should not be lower than the RON equivalent of EUR 400. If the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50. The RON equivalent must be determined using the exchange rate of RON 4.2282 to Euro valid at 1 January 2010.

Time limits

The application must cover a period of minimum three consecutive calendar months in one calendar year (e.g. from 1 January to 31 March) and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

A claimant can submit more than one refund claim for the remainder of a calendar year if it receives additional invoices from its suppliers.

Proxy

Proxies are to be provided when the claimant is represented by an agent in front of the tax authorities. These may be provided at any stage in which the representative intervenes. The law does not provide specific requirements in this respect.

Generally, the tax offices request the Power of attorney to be notarized (signed and stamped by a public notary).

Supporting documentation

Electronic copies of documents (invoices, import customs declaration) must be attached to the PDF, if their taxable amounts exceed EUR 1,000 (EUR 250 for invoices relating to fuel costs).

The Romanian authorities usually request additional documents/information to be submitted (e.g. copies of contracts, description of activity, proof of payment, authorization document from foreign taxpayers stating that the refund may be made to a third party).

All documents that are submitted should generally be either prepared, or translated in Romanian by an authorized translator.

E-invoicing

E-invoices are generally accepted and self-sufficient in order to claim input VAT via the former 8th Directive. The requirements provided by the Romanian tax legislation in this respect are aligned with the 2nd EU Invoicing Directive.

Refunds and appeals

The Romanian tax authorities must issue a decision on the refund claim within four months from the receipt of the claim:

- The authorities can accept the claim and notify the claimant;
- The authorities can reject the claim in whole or in part and notify the claimant;
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month from the receipt of the request.

When the claimant is notified via electronic means, an e-mail notification is sent by the tax authorities.

The queries by the tax authorities are generally sent to the claimant or to a third party, only in case they dispose of the electronic means to receive them and are empowered by a proxy by the claimant.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, it will be processed within 10 business days after the relevant period and paid to the bank account number provided to the authorities. This bank account can be held by the claimant, a proxy holder or any other person.

The Romanian tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

The refund claim cannot be rejected in full by the Romanian authorities on the grounds that only one invoice was incorrect or could not be provided in the correct format. The claimant may provide the authorities with a readable copy of the invoice upon request. Also, in case of incorrect invoices, the VAT amount will most likely be rejected, but these invoices can be corrected by the supplier and the VAT asked for refund. However if this is not possible, only the input VAT corresponding to the incorrect or not readable invoice will be rejected.

Furthermore, the refund claim cannot be rejected in whole by the Romanian tax authorities on the grounds that a query on one particular invoice was not answered. However, the input VAT corresponding to that particular invoice may be rejected on such grounds.

If the refund is not granted, the grounds for rejection of the application will be stated.

There are no cases of implicit rejection. The absence of a decision regarding a VAT refund claim within the term provided by law does not either imply a rejection or an approval of the VAT refund claim.

An appeal against a denied claim can be made to the Romanian tax authorities no later than 30 days following the notification of the decision.

The most common causes of rejection are incorrect invoices (which do not respect the formal requirements), as well as the lack of additional information as requested by the tax authorities. It is also possible that the refund is rejected if the claimant did not justify that the acquisitions were made for business purposes.

The appeal letter must be submitted via original letter (signed and stamped) and must be drafted in Romanian.

No penalties can be levied by the Romanian authorities in case of rejected refund claims.

There might be cases when the VAT refund is rejected on the ground that the claimant should have been registered for VAT purposes in Romania. In this case, late payment penalties and interests may be assessed.

In practice, VAT refund claims may take 4 to 12 months to be processed, as the Romanian tax authorities usually need additional information from the claimant in order to grant or deny the refund.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Romania

Eligibility for refund

Reciprocity is required for a non-EU taxable person to obtain a refund of VAT paid in Romania. Romania currently has reciprocity agreements with Norway, Switzerland and Turkey (partial reciprocity).

The general eligibility, conditions and deductibility limitations mentioned in relation to refunds claimed by EU businesses are also applicable for non-EU businesses. However, the reciprocity agreements have to be observed as well.

The non-EU established claimant must appoint a locally established representative for the refund procedure.

Non-refundable VAT

VAT cannot be recovered on:

- Invoices on which VAT was unlawfully charged;
- Acquisitions of goods that can or should be classified as VAT exempt;
- Acquisitions made by tourism agencies, including tour operators that apply the margin scheme, or an equivalent regime, in the member state of establishment;
- Tobacco products and spirits, except those intended for resale or for supply while performing a service (e.g. bars, hotels and restaurants);
- Local and intra-community acquisitions, import, rental or leasing of passenger vehicles and all directly related costs (e.g. repairs, maintenance, lubricants, spare parts, fuel), depending on the actual case, are subject to 50% limitation on the VAT deduction right.

The following are the most relevant exceptions related to passenger vehicles in relation to which input VAT is fully deductible:

- Vehicles having a total authorized weight of more than 3,500 kg and more than 9 chairs for passengers, including the driver's seat.
- Vehicles exclusively used for emergency, security, protection and courier services;
- Vehicles used by sales and procurement agents;
- Vehicles used for passenger transport against payment, including taxi services;
- Vehicles used for provision of services against payment, including training provided by driving schools;
- Vehicles intended to be sold or leased by a taxable person whose particular economic activity involves the sale or leasing of motor vehicles.

Partially refundable VAT

- As mentioned above, there is a 50% limitation on VAT deduction right for vehicle related acquisitions. The limitation does not apply if the taxable person can prove the exclusive use for its business purposes or if the vehicles are among the exceptions presented above.
- Another case in which VAT may be partially refundable is when the taxable person carries out in the member state of establishment both operations which give deduction right and operations which do not give deduction right. In such case, Romania will reimburse only the VAT proportion corresponding to operations which give VAT deduction right.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than the RON equivalent of EUR 400. If the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50. The RON equivalent should be determined using the exchange rate of RON 4.2282 to the Euro valid at 1 January 2010.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The application must be submitted to the Romanian tax authorities within nine months from the end of the calendar year in which VAT became chargeable, i.e. by September 30th of the following year. The deadline cannot be extended.

Proxy

The non-EU businesses must appoint a representative in Romania to claim a VAT refund via the 13th Directive. In this respect, a proxy is necessary in order to prove the relationship between the claimant and the local representative. This should be provided before the application is submitted. The law does not provide specific requirements in this respect.

Application forms

The application is made on Form 313 issued by the Romanian tax authorities. The form must be completed in duplicate and in Romanian (https://static.anaf.ro/static/10/Anaf/formulare/cerere_313_2014.pdf). A specific software is required in order to complete the form.

All invoices must be mentioned in the attachment to the application form. The form must be signed by a person who is legally entitled to represent the company (e.g. managing director).

The form and supporting documentation must be sent in hard copy to the tax office where the local representative for refund purposes is registered.

Supporting documentation

The following documents must be submitted with each application:

- Original invoices, import documents or credit notes;
- Evidence that the claimant is engaged in an economic activity that makes it a taxable person from a VAT perspective;
- An affidavit that no supplies of goods or services for which the claimant would have to assess Romanian VAT were carried out during the refund period;
- When having performed outgoing transactions, other documents that support the fact that the taxpayer carried out the transactions enabling that company to deduct Romanian input VAT (e.g. contracts, outgoing invoices, proof of payment of the relevant VAT).

All documents that are submitted should generally be either prepared, or translated in Romanian by an authorized translator.

E-invoicing

E-invoices are generally accepted by the Romanian authorities. However, hard copies are usually required in case of non-EU businesses, as well as other supporting documents related to the input VAT claimed (such as original import documents). The requirements for e-invoicing provided by the Romanian tax law are aligned with the provisions of the 2nd EU Invoicing Directive.

Refunds and appeals

The timeframe binding the Romanian tax authorities to decide on a VAT refund claim via the 13th Directive, as provisioned by law, is of six months since the claim accompanied by the supporting documentation is received by the tax authorities.

According to the VAT refund procedure via the 13th Directive, all documentation supporting the claim, as well as the documents issued by the tax authorities are transmitted in original hard copies.

However, notifications by electronic means may be sent.

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and so notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within of one month from the receipt of the request.

Generally, the tax officer notifies the representatives via post. The request for additional information is sent via post as well.

Queries and decisions will be sent to the locally established representative of the claimant.

There are no specific provisions concerning the extension of the deadline in case the tax authorities request additional information. However the legislation mentions that the six months' timeframe for solving the VAT refund claim starts when the request, together with the necessary supporting documents, is submitted.

A VAT refund claim is accepted or rejected only upon issuance of the decision by the tax authorities (i.e. no deemed acceptance / rejection is considered after the deadline for making a decision is made).

As per the Romanian tax law, an entirely or partially rejected claim may be appealed within a 30-days timeframe from the moment the official decision is notified to the claimant/legal representative of the claimant. The appeal must be submitted to the tax authorities in original copy (signed and stamped) and must be drafted in Romanian.

There are no specific provisions in respect of the timeframe for the payment by the tax authorities in case the refund is granted.

The Romanian tax authorities are liable for late payment interest if the refund is not processed within the term mentioned above.

The refund claim cannot be rejected in full by the Romanian tax authorities on the grounds that only one invoice was incorrect, was not submitted in original or in case a query on a specific invoice is not answered. However, the input VAT corresponding to that particular invoice can be rejected.

If the refund is not granted, the grounds for rejection of the application will be stated.

The most common causes of rejection are the submission of incorrect invoices or lack of original documents as well as the failure to submit the additional information requested by the tax authorities and the inability to demonstrate that the acquisitions were made with a view of performing taxable transactions.

The same type of penalties may arise as in the case of EU businesses. A non-EU business may face penalties levied by the Romanian tax authorities in case the refund was fraudulently or incorrectly obtained.

In practice, refund claims may take 6 to 12 months to be processed.

Slovak Republic

The Slovak VAT Act is known as the “Act No. 222/2004 Coll. on value added tax.”

The standard VAT rate is 20%, and there is a reduced VAT rate of 10%.

An extensive overview of the VAT rates applied in Slovakia can be found at: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Slovak fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Slovakia is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Slovak established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically through the portal of the tax authorities of the country in which the claimant is established (<https://www.financnasprava.sk/sk/titulna-stranka> for companies established in Slovakia).

The application must be submitted by the claimant or by an authorized person by using a certified electronic signature.

The Slovak tax office Bratislava will notify the claimant electronically upon receipt of the application.

IT requirements

The login details are automatically provided by the authorities when the taxable person registers for electronic submissions (i.e. filing of an electronic registration form, authorization of login details at the relevant tax office, etc.). As from 1 January 2014, the electronic filing of documents is mandatory for Slovak VAT taxpayers.

The electronic form consists of three main sections:

- General information relating to the taxpayer and the period for which the refund is requested;
- List of invoices and data included on the invoices and import documents relating to the supply of goods or services;
- Annexes: scanned invoices or import documents submitted electronically (max. 5 MB).

Once the claim is submitted, the taxpayer will receive a confirmation from the website, referencing the application.

The preparation and filing of the VAT refund application is done via the web portal of the Slovak tax directorate: <https://www.financnasprava.sk/sk/titulna-stranka>. The form can be manually completed on a line-by-line basis or uploaded on the portal via an xml file.

There is no maximum number of invoices that can be submitted within a same refund claim or per year.

Non-EU countries (13th Directive equivalent)

This refers to a Slovak established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Slovak established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Slovak portal is not to be used.

Another difference with the former 8th Directive EU VAT refund procedure is that a “certificate of taxable status” issued by the member state of establishment will often be required by the non-EU countries of refund. This form is called “Postavenie o postavení daňového subjektu” in Slovakia.

Slovakia is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Slovakia.

Eligibility for refund

A foreign taxable person is entitled to recover Slovak VAT if the following conditions are satisfied:

- It is registered for VAT in the EU member state in which it has its seat, place of business, fixed establishment or domicile;

- It does not have residence, its seat or a fixed establishment in Slovakia during the period for which the VAT refund claim is submitted;
- It has not carried out any taxable supplies in Slovakia during the period for which the VAT refund claim is submitted, except for:
 - Transport services and auxiliary services that are exempt from VAT;
 - Services and goods supplied with installation or assembly in Slovakia if the recipient is obliged to pay VAT;
 - Supply of natural gas, electricity, heat or cooling if the recipient is obliged to pay VAT;
 - Supply of goods from Slovakia to another EU member state imported from the third country if the foreign person was represented by a tax representative according to the Slovak VAT Act;
 - Supply of goods under the triangular simplification rules where the foreign taxable person acts as the first customer and the person liable to pay VAT will be the second customer.
- It is entitled to recover Slovak VAT provided that the acquired goods and services are used for carrying out taxable transactions in the member state in which the claimant has a seat, place of business, fixed establishment, domicile or habitual residence;
- The claimed VAT is deductible based on the Slovak VAT Act.

Non-refundable VAT

VAT cannot be recovered on:

- Supplies of goods and services where the application of VAT was not compliant with the Slovak VAT legislation;
- Supplies of goods that are or may be exempt from VAT (intra-Community supplies of goods, exports of goods); or
- Supplies made under the tour operator margin scheme.

Partially refundable VAT

There are no expenses for which non-established companies would only be entitled to a partial refund of the Slovak VAT.

Making claims

Minimum amounts

If the VAT refund application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three calendar months (e.g. from 1 January to 31 March) in one calendar year or not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November

to 31 December). The application may relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

It is not possible to submit more than one refund claim covering the same period.

Proxy

If a Power of Attorney is granted to an agent in order to act on behalf of the company for VAT refund claims, the respective Power of Attorney should be provided to the tax authority. It is recommendable to attach the proxy to the refund claim and submit these together. The original hard copy of the Power of Attorney might also be requested by the tax authority.

Supporting documentation

The general threshold for the submission of an electronic copy of an invoice is EUR 1,000 for the taxable basis mentioned on the invoice or import document (EUR 250 where the invoices relate to fuel costs).

The Slovak authorities can request additional documents/information (e.g. originals or copies of invoices or import documents that do not meet the above thresholds).

E-invoicing

E-invoices are generally accepted and self-sufficient in order to claim input VAT via the former 8th Directive procedure. Slovakia does not have specific requirements/restrictions related to e-invoicing (besides the general requirements as described in the Second EU Invoicing Directive) and follows the respective explanatory notes.

Refunds and appeals

The Slovak tax authorities must issue their decision on a VAT refund application within four months from receipt of the application:

- The authorities can accept the claim and notify the claimant;
- The authorities can reject the claim in whole or in part and notify the claimant;
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month from the receipt of the request.

The queries/decisions will in principle be sent to the e-mail address of the contact person mentioned on the VAT refund claim.

If additional information is requested, the tax authorities must make a decision on the claim within two months following the receipt of the requested information. If additional information is not provided to the tax authorities, the authorities must make a decision within two months following the deadline for providing the additional information.

If this two-month period ends before the six-month period following receipt of the VAT refund claim by the tax authorities, the authorities must decide on the claim within six

months following the date of receipt. If additional information are requested, the tax authorities must make their decision regarding the VAT refund claim within eight months following the date of receipt of the claim.

If the VAT refund is granted, it will be processed in Euro within 10 business days after the relevant period and paid to the bank account in Slovakia or in another EU member state.

The Slovak tax authorities will be liable for late payment interests if the refund is not processed in a timely manner.

If only one submitted invoice is incorrect, then the VAT related to the respective invoice will not be refunded.

The VAT refund claim can be fully rejected by the Slovak tax authority in case a single query on a specific invoice is not answered.

If the refund is not granted, the grounds for rejection of the application will be stated in the official decision issued by the tax authority within the deadlines. Generally, an appeal against the denied claim can be made to the Slovak tax authorities within 15 days following the day that the decision was notified to the taxpayer.

Common causes of rejection of the refund are the impossibility to deduct the VAT on the basis of the Slovak VAT Act (e.g. meals, refreshment) or in case VAT is incorrectly stated on the invoice.

The appeal against the rejection of the refund should be filed personally towards the tax authorities and it should be drafted in Slovak.

In principle, the Slovak tax authorities will not impose penalties with reference to a rejected refund claim. Only the incorrectly claimed VAT will not be refunded unless a fraudulent intention is proved.

In general, the tax authorities will process the VAT refund claim within the set legal deadline.

Non-EU businesses (13th Directive)

This refers a non-EU established company submitting a 13th Directive claim in Slovakia.

Eligibility for refund

A foreign taxable person is entitled to recover Slovak VAT if the following conditions are satisfied:

- It is registered for VAT or other similar tax in the state in which it has its seat, place of business, fixed establishment or domicile;
- It does not have its residence, its seat or a fixed establishment in an EU member state during the period for which the VAT refund claim is submitted;
- It has not carried out any taxable supplies in Slovakia during the period for which the VAT refund claim is submitted, except for:

- Transport services and auxiliary services that are exempt from VAT;
- Services and goods supplied with installation or assembly in Slovakia if the recipient is obliged to pay VAT;
- Supply of natural gas, electricity, heat or cooling if the recipient is obliged to pay VAT;
- Supply of goods from Slovakia to another EU member state imported from the third country if the foreign person was represented by a tax representative according to the Slovak VAT Act;
- Supply of goods under the triangular simplification rules where the foreign taxable person acts as the first customer and the person liable to pay VAT will be the second customer.
- The claimant is entitled to the VAT refund if the claimed VAT is deductible based on the Slovak VAT Act.

Reciprocity is required and the conditions should be confirmed by the Tax Authority every quarter. Currently, this is addressed on a case-by-case basis. However, in practice, VAT should always be refunded to Canadian and Swiss companies.

Non-refundable VAT

VAT cannot be recovered on:

- Supplies of goods and services where the application of VAT was not compliant with the Slovak VAT legislation; or
- Supplies of goods that are or may be exempt from VAT (e.g. exports of goods).

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of Slovak VAT.

Making claims

Minimum amounts

The amount of requested VAT may not be less than EUR 50.

Time limits

The application must cover a period of one calendar year.

The application must be submitted to the Slovak tax authorities within six months of the end of the calendar year, following the year in respect of which the refund is claimed, i.e. by 30 June of the following year. The deadline cannot be extended.

Proxy

If a Power of attorney is granted to an agent in order to act on behalf of the company, the respective power of attorney should be provided to the tax authority. It is recommendable to attach the proxy to the refund claim and submit these together.

Application forms

The application is made on Form 'Ziadost o vratenie dane z pridanej hodnoty zahranicnej osobe podla § 56 az 58 zakona c. 222/2004 Z.z.'

The form can be completed in Slovak or in English and it has to be completed in Euro.

The application must be signed by a person who is legally entitled to represent the company. Otherwise, a letter of authority must be provided.

Supporting documentation

The following documents must be submitted with each application:

- Original invoices;
- Original import documents and proof that import VAT has been paid; and
- Confirmation issued by the tax authorities of the country in which the claimant is established that it is registered for VAT purposes (or a similar tax). This certificate may not be more than one year old.

The tax authorities must return the originals of the invoices and import documents to the claimant within 60 days following the date of submission, but they can mark the relevant documents so they cannot be used on subsequent applications.

E-invoicing

E-invoices are generally accepted and self-sufficient in order to claim input VAT via the 13th directive procedure. Normally e-invoices can be provided to the tax authorities in paper format or via e-mail depending on the agreement with the tax authority.

Refunds and appeals

The Slovak tax authorities should issue their decision on a VAT refund application (should be an official letter) within six months from receipt of the application:

- The authorities can accept the claim and notify the claimant; or
- The authorities can reject the claim in whole or in part and so notify the claimant.

The queries/decisions by the tax authorities will in principle be sent to the contact person mentioned in the VAT refund claim application.

Even if additional information are requested, the deadline cannot be extended.

In principle the VAT refund should be paid within the deadline for the issuance of the decision, i.e. within six months after the VAT refund request filing.

In principle, Slovak tax authorities will be liable for payment of late payment interests.

If only one submitted invoice is incorrect, then only the VAT related to the respective invoice can be rejected.

The VAT refund claim can be fully rejected by the Slovak tax authorities in case a single query on a specific invoice is not answered.

If the refund is not granted, the grounds for rejection of the application will be stated in the official decision issued by the tax authority.

Common causes of rejection of the refund are the impossibility to deduct the VAT on the basis of the Slovak VAT Act (e.g. meals, refreshment) or in case VAT is incorrectly stated on the invoice.

The appeal against the rejection should be filed personally towards the tax authorities and it should be drafted in Slovak.

In principle, the Slovak tax authorities will not impose penalties with reference to a rejected refund claim. Only the incorrectly claimed VAT will not be refunded unless a fraudulent intention is proved.

In general, the tax authorities will process the VAT refund claim within the set legal deadline.

Slovenia

Slovenian VAT is known as “Davek na dodano vrednost” (DDV).

Slovenia increased the tax rates from 20% to 22% and from 8.5% to 9.5% as of July 2013.

An extensive overview of the VAT rates applied in Slovenia can be found at: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Slovenian fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

Slovenia is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Slovenian established company submitting an EU (former 8th Directive) claim in another EU member state.

Filing

The application must be electronically submitted (in Slovene or English) through the portal of the Slovene tax

authorities: <http://edavki.durs.si/OpenPortal/Pages/StartPage/StartPage.aspx>.

The request must be submitted by the claimant or an authorized person if certain requirements are met. The authorized third party does not need to be established in Slovenia. A person acting on behalf of the claimant in another EU member state must however first obtain a tax identification number (applicable to persons established or residing outside Slovenia) and a digital certificate, which allows access to eDavki – the electronic system of the Slovene tax authorities.

Taxable persons granting authorization for representation in VAT refund procedure in another EU member state also must complete a special authorization form specifically designed for the eDavki system.

When being the member state of establishment, the Slovene authorities will issue a confirmation of receipt of the VAT refund claim.

IT requirements

Slovene taxable persons registered for VAT purposes shall file their refund claims electronically using the e-Davki web service. Registration with the system is required, after which access is granted using a digital certificate. This digital certificate may be obtained by contacting HALCOM d.d. or any other issuer of digital certificates.

Once in the e-filing system, the form VATR-APP is to be used. The information must be manually uploaded on a line-by-line basis.

The file size of the supporting documentation cannot exceed 5 MB. Attachments may be in the form of a PDF, JPEG, TIFF or zip file.

There is no specific software required/available except that the taxable person must obtain the digital certificate for entering e-Davki.

Once the claim is submitted, the taxpayer will receive a confirmation from the website, referencing the application.

Non-EU countries (13th Directive equivalent)

This refers to a Slovenian established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Slovenian established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Slovenian portal is not to be used.

Another difference with the “former 8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called Potrdilo o identifikaciji za namene DDV in Slovenia

<i>Slovenia is the Member State of Refund</i>
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EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Slovenia.

Foreign taxable persons registered for VAT purposes in another member state shall file their refund claims in the member state of establishment via the electronic portal of the respective member state or according to the respective legislation.

IT requirements

The refund claim shall include the following information:

- General information relating to the taxable person and the period for which the refund is requested and in particular:
 - name and full address of the applicant;
 - email address of the applicant;
 - description of the applicant's business activity for which the goods and services have been acquired;
 - the period of refund for which the request is made;
 - a statement that, during the refund period, the applicant did not supply goods or services which could be considered to have been supplied in Slovenia, except transactions referred to in point b) of paragraph (1) of Article 74 of the Slovene VAT Act;
 - VAT identification number or tax reference number of the applicant;
 - bank account information including the International Bank Account Number (IBAN) and Bank Identification Code (BIC).
- List of invoices or import documents. Each document can be manually typed and must include the following:
 - name and full address of the supplier;
 - Slovene VAT number (except for imports) of the supplier;
 - Date and number of the invoice or import document;
 - Taxable basis and the amount of VAT (in EUR), calculated on the invoice or import document (in EUR);
 - Pro rata, if any; and
 - Nature of the goods or services acquired marked with codes, prescribed by the Slovene VAT Regulation.

Eligibility for refund

A foreign taxable person is entitled to recover Slovene VAT if the following conditions are satisfied in the period for which the refund is requested:

- The business is not registered, liable or eligible to be registered for VAT in Slovenia;
- The business does not have residence, its seat or a fixed establishment in Slovenia;
- The business has not carried out any taxable supplies in Slovenia, except for:
 - Certain tax-exempt cross-border transport (and related supporting activities) from/to non-EU countries; or
 - Supplies for which the reverse charge mechanism applies.
- For supply of goods or services carried out by Slovene taxable persons and used for transactions for which they are entitled to deduct VAT in their country of residence. The VAT refund is possible in the same proportion as the VAT deduction of claimants in their country of residence.

Non-refundable VAT

VAT cannot be recovered for:

- Yachts and boats for sport and amusement, fuel, lubricants, spare parts and closely related services, other than vessels used for transport of passengers and goods, leasing, renting and resale;
- Aircraft and fuel, lubricants, spare parts and connected services, other than aircraft used for transport of passengers and goods, leasing, renting and resale;
- Passenger cars and motorcycles, fuels, lubricants, spare parts and services which are closely linked thereto, other than vehicles used for transport of passengers and goods, leasing, renting and resale, vehicles used in driving schools for the provision of the driver's training and combined vehicles for carrying out an activity of a public line and special line transport, as well as special vehicles exclusively adapted for the transport of deceased people;
- Accommodation, meals and beverages, unless these costs are incurred by a taxable person in the course of supplies made as part of their economic activity; and
- Entertainment expenses (where entertainment expenses shall include only the costs of entertainment and amusement during business or social contacts).

Further to the above restrictions, VAT also cannot be recovered if:

- VAT was charged incorrectly; or
- was calculated on supplies of goods which are exempt or may be exempt (e.g. IC supplies, export);
- VAT was charged by a taxable person who, according to the Slovene VAT Act, is not allowed to charge VAT on its invoices.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Slovenian VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made, may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

If a claimant submits one refund claim for the remainder of a calendar year and then receives additional invoices from certain suppliers, it is possible to submit another refund claim in a yearly VAT refund claim for the remainder of the calendar year.

Proxy

Proxy granting authorization to submit a VAT refund claim shall be submitted as an attachment to the initial VAT refund claim. It shall be submitted in electronic form via the electronic portal (scanned document) or sent to the tax authority in paper form, which shall then be kept in the records of the tax authority until its expiry date.

The form of the proxy for the procedures of VAT refund to taxable persons established in another member state is not prescribed. However, precise details of the taxable person granting the power of attorney as well as precise details of the authorized representative shall be evident in the proxy. Additionally, the proxy shall contain a statement authorizing the proxy holder for representation in the VAT refund procedure in Slovenia as well as the time period of validity of the proxy, date and place of the issue of the proxy and signatures of both parties. In case the principal authorizes the authorized representative to receive the VAT refund, this shall also be stated on the proxy. Importantly, the proxy shall be in Slovene language and/or in bilingual form.

According to an official clarification of the Slovene tax authority, in case the latter would doubt the authenticity of the proxy, it may request to provide a certified/notarized proxy. In practice however, the Slovene tax authority only requests proxies to be notarized in cases where the VAT refund claim exceeds EUR 4.000 and is requested to be paid on the account of the authorized representatives.

E-invoicing

E-invoices are regarded as equal to paper form invoices. As such, e-invoices are accepted and sufficient to claim input VAT via the former 8th Directive procedure. The requirements that apply to paper invoices also apply to e-invoices, therefore no specific requirements exist for e-invoices.

Supporting documentation

Copies of invoices or import documentation are mandatory if the taxable basis of the invoice exceeds 1.000 EUR, or 250 EUR in case of invoice for fuel.

Refunds and appeals

The Slovene tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant or the respective tax authority of the EU member state of establishment via electronic means. The claimant must provide all requested information within one month of receipt of the request. The date of receipt of electronic notification is considered as the 15th day after the day when the notification was sent.

Queries/decisions will be sent to either the claimant only or to the authorized person only (if so authorized).

The tax authority shall process the VAT refund claim in four months as from the receipt of the claim. The period in which the authorities must make a decision will be extended by two months from the receipt of the additional information where the latter are requested by the tax authority. The maximum period in which the authorities must make a decision is 8 months.

If a refund is granted, it will be processed in Euro within 10 business days upon expiration of the relevant deadline mentioned above – i.e. 4 months, 6 months or 8 months, and paid to the bank account number provided to the authorities. This bank account can be held by the claimant, a proxy holder or any other person.

The Slovene tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

In case one of the submitted invoices is incorrect or not compliant with the format requirements, the refund claim will be only rejected for the concerned part.

If the refund is not granted, the grounds for rejection of the application will always be stated. An appeal against the denied claim can be made to the Slovene tax authorities within 15 days from the day of receiving the decision.

The appeal should be submitted by letter in Slovene language.

In case of rejected refund claims, no penalties should in principle be imposed by the Slovene tax authorities.

In practice, the refund claims usually take from 6 to 8 months to be processed.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Slovenia.

Eligibility for refund

Reciprocity is required. The status of reciprocity can be checked at: http://www.durs.gov.si/si/davki_predpisi_in_pojasnila/davek_na_dodano_vrednost_pojasnila/splosno/#c18899

On 1 October 2013, Slovenia updated the list of third countries with whom this reciprocity is in place.

The last change refers to the Republic of Serbia, full reciprocity now being granted.

Non-refundable VAT

VAT cannot be recovered for:

- Yachts and boats for sport and amusement, fuel, lubricants, spare parts and closely related services, other than vessels used for transport of passengers and goods, leasing, renting and resale;
- Aircraft and fuel, lubricants, spare parts and connected services, other than aircraft used for transport of passengers and goods, leasing, renting and resale;
- Passenger cars and motorcycles, fuels, lubricants, spare parts and services which are closely linked thereto, other than vehicles used for transport of passengers and goods, leasing, renting and resale, vehicles used in driving schools for the provision of the driver's training and combined vehicles for carrying out an activity of a public line and special line transport, as well as special vehicles exclusively adapted for the transport of deceased people;
- Accommodation, meals and beverages, unless these costs are incurred by a taxable person in the course of supplies made as part of their economic activity; and
- Entertainment expenses (where entertainment expenses shall include only the costs of entertainment and amusement during business or social contacts).

Further to the above restrictions, VAT also cannot be recovered if:

- VAT was charged incorrectly; or
- was calculated on supplies of goods which are exempt or may be exempt (e.g. IC supplies, export);
- VAT was charged by a taxable person who, according to the Slovene VAT Act, is not allowed to charge VAT on its invoices.

Partially refundable VAT

There are no expenses for which non-established companies would only be allowed to a partial refund of the Slovenian VAT.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than six months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than EUR 50.

Time limits

The application must cover a period of not less than six consecutive calendar months (e.g. from 1 January to 30 June) in one calendar year or not more than one calendar year. However, applications may relate to a period of less than six months where the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The application must be submitted to the Slovene tax authorities within six months of the end of the calendar year in which the tax became chargeable, i.e. by 30 June of the following year.

Proxy

Proxy granting authorization to submit a VAT refund claim shall be submitted to the tax authorities. It shall be submitted in electronic form via the electronic portal. The form is prescribed.

In case the principal authorizes the authorized representative to receive the VAT refund, this shall also be stated in the proxy. The proxy shall be in Slovene or English language.

According to an official clarification of the Slovene tax authority, in case the latter would doubt the authenticity of the proxy, it may request to provide a certified/notarized proxy. In practice however, the Slovene tax authority only requests proxies to be notarized in cases where the VAT refund claim exceeds EUR 4.000 and is requested to be paid on the account of the authorized representatives.

Application forms

Since 1 July 2012, all non EU VAT refund claims should be in electronic form. For such submission, a Slovene tax number is required. The applicant needs to submit a DR-04 form (application for the reference of a legal person into the tax register).

The application must be electronically submitted through the Slovenian Tax Authorities web portal eDavki (<http://edavki.durs.si/OpenPortal/Pages/StartPage/StartPage.aspx>) for which a digital certificate is required. The submission is either possible directly through the electronic portal or by an authorised person. This third party could be a non-established company. A person acting on behalf of a claimant must first obtain a tax identification number (applicable to persons established or residing outside Slovenia) and a digital certificate that allows access to eDavki. Additionally, special authorization form (i.e. proxy) will need to be completed where a third party is to submit a claim.

The application must be submitted through the web portal eDavki in electronic form. It should be completed in Euro. An example of the form in the Slovene language may be found at the address given below: http://www.uradni-list.si/files/RS_-2011-082-03493-OB~P003-0000.PDF.

Supporting documentation

The following documents must be submitted with each application and/or indicated in the form:

- Copies of invoices, import documents or credit notes;
- A confirmation that the claimant has not carried out any taxable activities in Slovenia during the period for which the refund application applies;
- A certificate of VAT status confirming that the claimant is registered for VAT purposes in its country of residence. The certificate may not be more than one year old; and
- A proxy if a third party submits an application on behalf of the claimant.

The applicant is obliged to repay any unduly obtained (refunded) VAT amount.

E-invoicing

E-invoices are regarded as equal to paper form invoices. As such, e-invoices are accepted and sufficient to claim input VAT via the 13th Directive procedure. The requirements that apply to paper invoices also apply to e-invoices, therefore no specific requirements exist for e-invoices.

Refunds and appeals

The tax authority shall decide on the request within eight months as from the receipt of the refund claim.

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and so notify the claimant via electronic means; or
- The authorities can request additional information and notify the claimant via electronic means, although not explicitly stated in the legislation, the claimant must in practice provide all information within of one month of receipt of the request.

If the communications are carried out via electronic means, notifications can be received either via email or via a notification on the portal.

Decisions will be sent to either the claimant only or to the authorized person only (if so authorized).

Even if additional information are requested, the period in which the authorities must make a decision cannot be extended as the absolute deadline is set to 8 months.

A decision on the acceptance or rejection of the refund shall always be issued. In case it is not issued in due time, it does not imply that the refund claim is either rejected or accepted. If the tax authority grants the request for refund, the refund shall be paid to the applicant's account in Slovenia or, at the applicant's request, to his account in a foreign country at his own costs, within no later than 10 business days after the expiration of the time limit for the processing of the request – i.e. 8 months.

If the refund is not timely processed, Slovenian tax authorities will be liable for late payment interests.

In case one of the submitted invoices is incorrect or not compliant with the format requirements, the refund claim will be only rejected for the concerned part.

If the refund is not granted, the grounds for rejection of the application will be stated.

An appeal against the denied claim can be made to the Slovene tax authorities within 15 days from the day of receipt of the decision.

In case of rejected refund claims, no penalties should in principle be imposed by the Slovene tax authorities.

In practice, the refund claims usually take eight months to be processed.

Spain

Spanish VAT is known as “Impuesto sobre el Valor Añadido” (IVA).

The standard VAT rate is 21%, and there are reduced rates of 10% and 4%.

The Canary Islands, Ceuta and Melilla are not considered part of the EU for VAT purposes.

An extensive overview of the VAT rates applied in Spain can be found at: http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf

Spain is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Spanish established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically through the website of the tax authorities of the country in which the claimant is established (<https://www.agenciatributaria.gob.es/AEAT.sede/tramitacion/GZ09.shtml> for companies established in Spain).

The Spanish form 360 must be submitted by the applicant or by an authorized person. Electronic submission is only possible through a user certificate issued by the Spanish authorities, and only persons with a Spanish ID Number (DNI) or NIE can obtain such a certificate.

When being the member state of establishment, the Spanish authorities must issue a confirmation of receipt of the VAT refund claim.

IT requirements

Taxpayers registered and established for VAT purposes in Spain must file their refund claim electronically on Form 360.

The form can be obtained at:

- 1) If the entity is established within the Spanish VAT territory

https://www.agenciatributaria.gob.es/AEAT.sede/Inicio/Procedimientos_y_Servicios/Impuestos_y_Tasas/IVA/Modelo_360_Modelo_360_en_el_territorio_en_el_que_soportan_el_Impuesto/Tramites/MODELO_360_Solicitudes_de_devolucion_del_IVA_soportado_en_otros_Estados/MODELO_360_Solicitudes_de_devolucion_del_IVA_soportado_en_otros_Estados.shtml

- 2) If the entity is established in the Canary Island, Ceuta or Melilla.

https://www.agenciatributaria.gob.es/AEAT.sede/Inicio/Procedimientos_y_Servicios/Impuestos_y_Tasas/IVA/Modelo_360_Modelo_360_en_el_territorio_en_el_que_soportan_el_Impuesto/Tramites/MODELO_360_Solicitudes_de_devolucion_IVA_Canarias_Ceuta_o_Melilla/MODELO_360_Solicitudes_de_devolucion_IVA_Canarias_Ceuta_o_Melilla.shtml

The claimant should also satisfy the following conditions:

- Have a Spanish identification number;
- Have an electronic certificate issued by the Spanish tax authorities; and
- Be registered in the Safe Electronic Notifications Service to receive electronic notifications from the tax authorities.

The electronic form is divided into two main sections:

- General information relating to the taxpayer, the period for which the refund is requested and bank details for the payment of the refund;
- Annexes: scanned invoices/annexes can be uploaded taking the following into account:
 - File types accepted: PDF or TIFF;
 - Maximum file size: 5MB;
 - Standard scanning preference: Black and white / max 200 dpi.

The form can be filed through an upload file, therefore it is not necessary to manually input the data on a line-by-line basis. In such case, only a TXT format is allowed for the upload.

If the application does not meet all the requirements, the authorities must inform the claimant that it will not be forwarded to the member state where the VAT was incurred. Rejection of the claim could be due to any of the following circumstances:

- The claimant does not have the status of a business or a professional acting as such;
- The claimant only carried out transactions that are not eligible for a full tax deduction;
- The claimant carries out taxable activities under the special agriculture, livestock breeding and fishing schemes or an equivalent scheme.

The claimant may file an appeal with the Spanish tax authorities provided that it has a digital signature.

In principle, there is no maximum number of invoices that can be uploaded per refund claim or per year. The company will be able to upload all the invoices until the 5 MB limit is exceeded. If the file size exceeds this limit, the invoices should be detailed in page two.

The electronic copies of the invoices should be attached.

Non-EU countries (13th Directive equivalent)

This refers to a Spanish established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Spanish established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Spanish portal is not to be used.

Another difference with the “former 8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called ‘certificado de condición de sujeto pasivo’ in Spain.

<i>Spain is the Member State of Refund</i>

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim in Spain.

Eligibility for refund

A foreign taxable person is entitled to recover Spanish VAT if the following conditions are satisfied:

- The company does not have residence, a seat or a fixed establishment in Spain from which it carries out taxable transactions; or it has a fixed establishment in Spain but it is not involved in the transactions carried out within the VAT territory and;
- The business has not carried out any taxable transactions in Spain, except for:
 - Certain tax-exempt cross-border transportation from/to non-EU countries; or
 - Supplies for which the reverse charge mechanism applies.

Non-refundable VAT

VAT cannot be recovered on:

- Entertainment expenses;
- Food and drinks, tobacco;

- Goods and services considered as gifts to employees, clients or third parties;
- Jewels and precious stones.

VAT on accommodation, restaurant and travel expenses will be refundable only to the extent the expenses are deductible for personal and corporate income tax purposes.

VAT incurred on car rentals and fuel will in principle only be refundable if the car is exclusively used and affected for business activities. If not exclusively used for business activities, refunds of VAT on car purchases, car importations and car leases will be possible, but only if the car can be considered an investment good for Spanish VAT purposes (i.e. it is used for at least one year within the company), and only for the proportion that the vehicle is used for business purposes (in principle, a business use of at least 50% is required).

Partially refundable VAT

For certain specific transactions, such as acquisitions of vehicles and related costs (e.g. fuel) VAT might only be partially refunded.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, it may not be less than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

If the claimant has submitted a refund claim and then receives additional invoices, the claimant must cancel the previously submitted claim through the website of the country or residence and complete a new claim including all invoices. If the foreign website does not allow cancellation of the first claim, the Spanish tax authorities suggest filing a writ before them, explaining that for extraordinary circumstances the company was unable to cancel the claim.

Follow up on submitted claims

When being the member state of refund, the Spanish authorities may request a third party service provider to prove its authorization to follow up on the status of the refund claim.

Proxy

Proxies will be required in case third parties will follow up on the procedure.

In principle, it is possible to provide the Spanish Tax Authorities with the relevant authorization i) together with the refund claim or ii) when the third party asks for additional information by electronic means.

The authorization should be written in Spanish.

Supporting documentation

The general threshold for the submission of an electronic copy of an invoice is where the taxable basis on the invoice or import document equals at least EUR 1,000. However, where the invoice relates to fuel costs, the threshold for providing a copy is EUR 250. The serial number used in the application form must be mentioned on the documents.

The Spanish authorities may request additional documents/information from the claimant, third parties or the tax authorities where the claimant is established (e.g. authorization document from the foreign taxpayer stating that payment may be granted to a third party).

The Spanish tax authorities should also notify the claimant (by email) about any other communications that the member state of refund may send through the Spanish authorities.

E-invoicing

E-invoices are generally accepted provided they are submitted in an admissible format i.e. PDF or TIFF. The person submitting the application will have to ensure that the image is accurate and complete.

Refunds and appeals

The Spanish tax authorities must issue a decision on the refund claim within four months from the receipt of the claim:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via registered mail; or
- The authorities can request additional information and notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the request.

The company will be notified via electronic means whenever the taxpayer is required by law to set up an electronic address. Otherwise, the resolution will be notified by post.

- If the claimant has not appointed a representative, the notifications will be sent directly to the Company.
- If the claimant operates through an agent, the notifications will be sent to the agent.

- However the notifications will not be sent to both claimant and agent.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, it will be processed in Euro within 10 business days after the relevant period and paid to the bank account number provided to the authorities. The bank account holder must be the claimant or a filing party with a power of attorney specifically authorising them to collect the refund. If the claimant has not provided a Spanish bank account number, costs arising from the bank transfer will reduce the amount of the refund.

The Spanish tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

In the event that only one invoice does not comply with all requirements, only the refund of that invoice will be denied.

The most common cause of rejection of refund claims is the lack of formal requirements.

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal against a denied claim can be made to the Spanish tax authorities within 15 days from the receipt of the notification (tax assessment). However, this time limit may be extended upon request. If this appeal is not successful, the claimant can initiate proceedings before the national court.

In principle, the Spanish tax authorities will not impose any penalty in case of rejection, however this possibility cannot be totally excluded.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Spain.

Eligibility for refund

A non-EU business must appoint a representative established within the Spanish VAT territory to submit the refund claim and who will be jointly and severally liable if an undue refund is paid. The representative must have a notarized and sealed (with The Hague apostille) power of attorney.

Reciprocity is required. Spain has concluded reciprocity agreements with Canada, Israel, Japan, Monaco, Norway and Switzerland. However in the case of Canada, reciprocity is limited.

As a general rule, reciprocity is required, but there may be some exceptions.

Non-refundable VAT

VAT cannot be recovered on:

- Entertainment expenses;
- Food and drinks, tobacco;
- Goods and services considered as gifts to employees, clients or third parties;
- Jewels and precious stones.

VAT on accommodation, restaurant and travel expenses will only be refundable to the extent the expenses are deductible for personal and corporate income tax purposes.

The VAT refund procedure under the 13th Directive is extended to countries where no reciprocity agreement exists, regarding the following imports and acquisitions of goods and services:

- Hotel, restaurant and transport services, related to fairs and conferences, performed in the Spanish VAT territory.
- The supply of molds and equipment acquired or imported into the Spanish VAT territory by a non-established entrepreneur, to be made available to an established entrepreneur, for its use in the manufacture process of goods which are to be dispatched or transported outside the EU for the non-established entrepreneur if, at the end of the manufacture of the goods, the molds and equipment are either exported to the non-established entrepreneur or destroyed.

VAT incurred on car rentals and fuel will in principle only be refundable if the car is exclusively used for business activities. If not exclusively used for business activities, refunds of VAT on car purchases, car importations and car leases will be possible, but only if the car can be considered an investment good for Spanish VAT purposes (i.e. it is used for at least one year within the company), and only for the proportion that the vehicle is used for business purposes (in principle, a business use of at least 50% is required).

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than EUR 400; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount must be higher than EUR 50.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The application must be submitted to the Spanish tax authorities within nine months from the end of the calendar year in which the tax became chargeable, i.e. by September 30th of the following year. The deadline cannot be extended.

Proxy

A non-EU business must appoint a representative established within the Spanish VAT territory to submit the refund claim and who will be jointly and severally liable if an undue refund is paid. The representative must have a notarized and sealed (with The Hague apostille) power of attorney.

Application form

The application is made on Form 361 available on the website of the Spanish authorities and it must be filed

electronically: https://www.agenciatributaria.gob.es/AEAT.sede/Inicio/Procedimientos_y_Servicios/Impuestos_y_Tasas/IVA/Modelo_360_Modelo_361_Solicitudes_devolucion_IVA_terceros_paises_con_reciprocidad/MODELO_361_Solicitudes_devolucion_IVA_terceros_paises_con_reciprocidad.shtml

Electronic access can be requested by a representative duly established in Spain.

Supporting documentation

The following documents must be submitted with each application:

- A statement by the claimant or its tax representative confirming that the claimant does not carry out taxable supplies within the Spanish VAT territory, except for:
 - Certain tax-exempt cross-border transports from/to non-EU countries;
 - Supplies for which the reverse charge mechanism applies.
- If the claimant has a fixed establishment in Spain, it must inform the authorities that it is not engaging in any VAT taxable activities in Spain;
- A commitment by the claimant or its representative to repay any undue VAT amounts received; and
- An original certificate issued by the tax authorities of the country in which the claimant is established showing that the claimant carries out taxable transactions in that country.

E-invoicing

There is no specific procedure to reclaim VAT under Directive 2008/9/EC or the 13th Directive on the basis of e-invoices. However e-invoices provided in electronic format are generally accepted to reclaim input VAT.

Refunds and appeals

The Spanish tax Authorities must issue a decision on the VAT refund claim within four months from its receipt. The period in which the authorities must issue a decision will be extended to six or eight months depending on the new information requested.

The decision will be directly provided to the Spanish notification address of the agent.

In case additional information is requested by the tax authorities, the timeframe during which the authorities must issue a decision will be extended to six or eight months depending on the new information requested.

If a refund is granted, it will be processed within 10-15 business days after the relevant period and paid to the bank account number provided to the authorities.

The Spanish tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

In the event that only one invoice does not comply with all requirements, in principle only the refund of VAT incurred on that invoice will be denied.

If a query on one specific invoice is not answered, only the amount of the related VAT will not be refunded. However, if no answer is provided to the notification issued by the Tax Authorities, the full VAT refund will be rejected.

The most common cause of rejection of refunds is the lack of formal requirements.

In case the refund is rejected, the claimant may file an appeal as from one month after the notification of the decision.

In principle, the Spanish tax authorities will not impose any penalty in case of rejection.

On average, the refund claim will be processed within a period of six to twelve months.

Sweden

Swedish VAT is known as “Mervärdesskatt” (MOMS).

The standard VAT rate is 25% and there are reduced rates of 12%, 6% and 0%.

An extensive overview of the VAT rates applied in Sweden can be found at: http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Swedish fiscal representative to claim a VAT refund under Directive 2008/9/EC or the 13th Directive.

Sweden is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a Swedish established company submitting an EU (former 8th Directive) claim in another EU member state.

Procedure

Filing

The application must be submitted electronically through the portal of the tax authorities of the country in which the claimant is established (<http://www.skatteverket.se/4.76a43be412206334b8980001256.html> for Swedish taxpayers). The request must be submitted by an authorized person, who must have a Swedish e-identification or a dedicated electronic certificate issued by the Swedish Tax Agency.

When being the member state of establishment, the Swedish authorities will issue a confirmation that the refund claim has been received and forwarded to the member state of refund.

IT requirements

Swedish taxpayers that are registered for VAT purposes must file their refund claims electronically using the web service of the Swedish tax authorities.

Access is granted by using a Swedish e-identification. The claimant must have a Swedish personal identification number in order to obtain an e-identification. Agents established outside Sweden that cannot use a Swedish e-identification will be granted a dedicated electronic certificate issued by the Swedish tax agency. The Swedish company will have to submit Form SKV 4852UTL, under which it appoints a foreign representative to act on its behalf. This solution is provisional and applies only for EU refund claims.

The preparation and filing of the form must be done through the website of the tax authorities, either on a line-by-line basis, or through upload of an electronic file. Documents, e.g. invoices, can be uploaded as a supplement if required by the member state of refund.

A claimant must notify the tax authorities as to who is authorized to submit the application by submitting the form SKV 4852 (it is possible to use a representative).

The electronic form is divided into seven sections:

- General information relating to the taxpayer, the country and period for which the claim is made;
- Information on the representative, if applicable;
- Information on the business of the claimant, including the NACE-code and bank information for the repayment;
- Specification of invoices, including invoice numbers and VAT amount;
- Upload of invoices if required by the recipient country:
 - File types accepted: JPG/JPEG, PDF, TIFF or zip;
 - Maximum file size: 5Mb;
 - Standard scanning preference: Black and white/max 200 dpi.
- Completed application; and
- Receipt.

Automatic upload on the portal is possible. No specific software is required but the upload file must fulfil certain requirements.

There is no maximum number of invoices that can be included in the same refund claim or per year if registered manually. If uploaded by file, each file can only contain 8.000 items.

Non-EU countries (13th Directive equivalent)

This refers to a Swedish established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a Swedish established company claiming input VAT in a non-EU country, must be submitted according to the requirements of the country of refund. The Swedish portal is not to be used.

Another difference with the “former 8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU countries of refund. This form is called “Registreringsbevis” in Sweden.

Sweden is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting a former an EU (former 8th Directive) claim in Sweden.

Eligibility for refund

A foreign taxable person is entitled to recover Swedish VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in Sweden;
- The business does not have residence, a seat or a fixed establishment in Sweden carrying out taxable transactions; and
- The business has not carried out any taxable supplies in Sweden, except for:
 - Certain tax-exempt cross-border transportation from/to non-EU countries;
 - Supplies for which the reverse charge mechanism applies;
 - Electronically provided supplies where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons.

Non-refundable VAT

VAT cannot be recovered on:

- Permanent accommodation;
- Travel services (only applicable to persons supplying travel services);
- Unreasonable entertainment services;
- Purchase of motor vehicles.

Partially refundable VAT

- Car rentals (these are 50% refundable), with certain exceptions for:
 - Vehicles intended to be sold or leased by a taxable person whose particular economic activity involves the sale or leasing of motor vehicles;
 - Vehicles intended to be solely used for passenger transport for hire or reward; and
 - Vehicles intended to be used for driving license education and transport of the deceased.
- Entertainment costs, including food.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than SEK 4,000 (approximately EUR 450); if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than SEK 500 (approximately EUR 55).

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

Once a claimant submits a refund claim for a certain period, it is not possible to submit another claim for that period. Additional invoices received may however be included in a future claim. When using the web service of the Swedish tax authorities, invoices can be registered without submitting a claim. The data remains available for 90 days and the claimant may add other invoices to the claim during this time.

Follow up on submitted claims

When being the member state of refund, the Swedish authorities will not request a third party service provider to prove its authorization.

Proxy

The Swedish authorities will not require a proxy when Sweden is the member state of refund. This should be handled by the member state of establishment.

Supporting documentation

From a Swedish perspective, no invoice copies are required for the application. However, the Swedish authorities can request invoices or additional documents/information if there are questions about the application.

E-invoicing

E-invoices are generally accepted. There are no specific requirements besides the general Swedish invoice requirements.

Refunds and appeals

The Swedish tax authorities must issue a decision on a refund claim within four months of receipt of the claim:

- The authorities can accept the claim and notify the claimant via electronic means;
- The authorities can reject the claim in whole or in part and notify the claimant via electronic means;
- The authorities can request additional information from the claimant, from the authorities in the member state of establishment or from someone else, via electronic means. The information must be provided within one month from receipt of the request from the tax authorities.

The decision or request for additional information will be sent to the e-mail address stated on the application (claimant or agent).

Where additional information is requested, the period in which the authorities must make a decision will be extended to two months from the date the additional information is received (the authorities have six months to make a decision starting from the day the application is received) or eight months (if the authorities request additional information after the first request).

If no query or decision has been issued in due time, the refund claim shall be deemed rejected.

If a refund is granted, it will be made in SEK within 10 business days after the relevant period and paid to the bank account number provided to the authorities. This bank account can be held by the claimant, a proxy holder or any other person. If payment is made to an account in another EU member state, bank fees will be deducted from the amount payable.

The Swedish VAT authorities will be liable for late payment interest if the refund payment is not processed in a timely manner.

In practice, the Swedish tax authorities will reject the refund claim, where they consider that the claimant has a fixed establishment in Sweden or has performed transactions taxable in Sweden. If the refund is not granted, the grounds for rejection of the application will be stated. A refund claim can also be partly granted, i.e. one or more invoices/costs included in the claim are rejected. The Swedish authorities will not impose tax penalties in case a refund claim is rejected. An appeal against the denied claim may be made to the Swedish tax authorities before the end of the sixth year from the calendar year to which the application relates. If this appeal is not successful, the claimant can initiate proceedings before the County Administrative Court within two months from the receipt of the notification.

On average, the VAT refund process takes about 1 to 3 months.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim in Sweden.

Eligibility for refund

Sweden does not apply the principle of reciprocity. Businesses from any country of establishment are allowed to submit a VAT refund claim in Sweden.

Non-refundable VAT

VAT cannot be recovered on:

- Permanent accommodation;
- Travel services (only applicable to persons supplying travel services);
- Unreasonable entertainment services;
- Purchase of motor vehicles.

Partially refundable VAT

- Car rentals (these are 50% refundable), with certain exceptions for:
 - Vehicles intended to be sold or leased by a taxable person whose particular economic activity involves the sale or leasing of motor vehicles;
 - Vehicles intended to be solely used for passenger transport for hire or reward;
 - Vehicles intended to be used for driving license education and transport of the deceased.
- Entertainment costs, including food.

Making claims

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than SEK 4,000; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than SEK 500.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December).

The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The application must be submitted to the Swedish tax authorities within six months of the end of the calendar year in which the tax became chargeable, i.e. by June 30th of the following year.

Proxy

If the claim is filed by an agent, a proxy must be provided together with the refund application. The proxy should be provided in original.

Application forms

The application must be made on Forms SKV 5801 or SKV 5811 (depending on the nationality of the claimant) issued by the Swedish tax authorities. The application must be completed in Swedish or English and all amounts must be shown in Swedish krona (SEK). If the amount has to be recalculated in SEK, the exchange rate applicable on the date of delivery must be used. However if invoicing was made in close proximity to the time of delivery, the exchange rate on the invoicing date may be used.

It is preferable to have the form printed in the same language as used in the application.

All invoices must be mentioned in attachment to the application. An excel spreadsheet may be used to provide an overview of the claimed amounts, and if an invoice refers to underlying invoices, those documents also must be attached.

The application must be signed by a person who is legally entitled to represent the company i.e. authorized signature or representative, if the claimant uses a representative a proxy has to be provided together with the application.

Entrepreneurs from Albania, Bosnia-Herzegovina, Faeroe Islands, Greenland, Iceland, Macedonia, Montenegro, Serbia and Turkey must use Form SKV 5811 and send the form and supporting documents to:

Skatteverket
Utlandsskattekontoret
SE-205 31 MALMÖ
Sweden
T: +46 77 15 67 567
Fax: +46 10 574 62 03
E-mail: uk.malmo@skatteverket.se

The form is available
at: <http://www.skatteverket.se/download/18.1a098b721295c544e1f80006615/581105.pdf>

Entrepreneurs from all other countries must use Form SKV 5801 and send the form and supporting documents to:

Skatteverket
Utlandsskattekontoret
SE-106 61 STOCKHOLM
Sweden
T: +46 77 15 67 567
Fax: +46 10 574 18 11
E-mail: stockholm@skatteverket.se

The form is available
at: <http://www.skatteverket.se/download/18.58d555751259e4d661680007793/580115.pdf>

Supporting documentation

The following documents must be submitted with each application:

- Original invoices, import documents or credit notes (copies are not accepted). The serial number as used in the application form must be included on the documents;
- A certificate issued by the tax authorities of the claimant's home country stating that the claimant is a taxable person. The certificate must have been issued within the past year;
- Other documents that are necessary to assess whether the claimant is entitled to a refund; and
- A power of attorney if a third party submits the claim on behalf of the claimant.

E-invoicing

E-invoices are accepted in order to claim refund. However, for practical reasons, a paper copy of the e-invoice must be enclosed.

Refunds and appeals

The Tax authority must issue a decision within six months upon receipt of the complete refund claim. The decision will be sent to the claimant. If the refund is not granted, the grounds for rejection will be stated on the decision.

An appeal against a denied claim has to be filed within two months from the date the claimant received the decision.

Queries and decisions by the tax authorities will be sent to the address of the person mentioned on the application.

Even if additional information is requested, the time limit to decide on the refund will not be extended.

There is no implicit rejection or acceptance of the refund claim in case the decision or the request for additional information are not issued in due time.

The Swedish tax authorities will not be liable for late payment interest if the refund is not processed in a timely manner.

A refund claim can be partially granted, i.e. one or more invoices/costs included in the claim are rejected.

The Swedish authorities cannot impose tax penalties for refund claims, e.g. in case a refund claim is rejected.

On average, it takes one to three months to have the refund granted in Sweden.

Switzerland

Swiss VAT is known as “Mehrwertsteuer (MWST),” “Taxe sur la Valeur Ajoutée (TVA)” and “Imposta sul Valore Aggiunto (IVA).”

The standard VAT rate is 8% and there are reduced rates of 3.8% on hotel accommodation services and 2.5% mainly on food (not for food sold in restaurants), medical products and books.

A Swiss fiscal representative must be appointed for a business to apply for a VAT refund.

Switzerland is the Member State of Establishment

13th Directive

This refers to a Swiss established company, submitting a 13th Directive claim in an EU country.

The refund application for a Swiss established company claiming input VAT in an EU country, must be submitted according to the requirements of the country of refund. VAT refund reciprocity rules (allowing or not Swiss established companies to submit a VAT refund claim) should be verified with the member state of refund.

An original “certificate of taxable status” issued by the Swiss Federal Tax Administration (“Eidgenössische Steuerverwaltung ESTV” in German, “Administration fédérale des contributions AFC” in French, “Amministrazione federale delle contribuzioni AFC” in Italian) will need to be provided to the EU countries of refund. This certificate is called “Eintragungsbestätigung” / “Unternehmerbescheinigung” in German, “Commande de l’attestation de l’immatriculation comme assujetti TVA” in French, “Ordinazione dell’attestazione quale impresa iscritta nel registro IVA” in Italian.

13th Directive equivalent legislation in Switzerland

As Switzerland is not part of the European Union, the EU Directive 2008/09/EC and the 13th Directive are not applicable to foreign domiciled companies asking for a VAT refund in Switzerland.

However, it is possible to reclaim VAT in Switzerland for foreign domiciled companies via a “13th Directive equivalent legislation”.

Eligibility for VAT refund

Foreign domiciled companies (whether or not located within the EU) that pay the tax on the supply of goods and/or services made to them within Switzerland by Swiss registered persons and that have been invoiced according to the regulations for these supplies or services, using the supplies or services for business purposes generally are entitled to benefit from the VAT refund procedure.

The claimant must be resident or domiciled abroad and may not deliver goods or supply services in Switzerland, unless the services (not supplies) are subject to the reverse charge mechanism related to exempt transport services or supplies under warranty. Any on-site work supplied within Switzerland (e.g. certain type of supply and installation work) will result in forfeiture of the claimant's entitlement to input VAT recovery via the VAT refund procedure and could trigger the need for VAT registration, depending on the turnover. The claimant also must provide evidence of VAT registration (i.e. its status as a taxable person) in the country in which it is resident or has its business domicile, as well as evidence (only upon request of the Swiss Federal Tax Administration) that the invoices on which its claim is based have effectively been paid.

A VAT refund requires that full reciprocity is granted by the country in which the claimant is established or domiciled. Reciprocity exists with the following countries: Australia (from 1 January 2010), Austria, Bahrain (from 1 January 2011), Belgium, Bermuda Islands, Bulgaria, Canada (VAT refunds will be granted only for input VAT on accommodation services up to 30 days, exhibition costs and attendance at unofficial international conferences, seminars, etc.), Croatia (from 1 January 2011), Cyprus, Czech Republic (from the refund year 2014 no refund is granted on travel expenses, accommodation and lodging, telephone costs, taxi and fuel), Denmark (VAT refunds for input VAT on accommodation, food and beverages will be granted only up to 25%; from the refund year 2015 relating to invoices dated starting 01.01.2014, VAT refunds for input VAT on accommodation will be granted for 75%, food and beverages only up to 25%), Estonia, Finland, France and other countries.

Reciprocity also exists with Germany (a VAT refund will not be granted for input VAT on fuel and travel costs on a per diem basis), Greece, Hong Kong, Hungary, Ireland, Israel (various supplies are zero rated), Italy, Japan, Latvia, Lithuania, Luxembourg, Macedonia, Monaco, Netherlands, Poland, Portugal, Saudi Arabia, Slovakia, Slovenia, Spain, Sweden, the U.K. (no reciprocity exists with Jersey, Guernsey and the other Anglo-Norman Islands, i.e. Alderney, Herm and Sark), Romania, Taiwan (from 1 July 2010), Turkey (a VAT refund will only be granted for input VAT on transport services, fuel and services related to the attendance to exhibitions and fairs) and the U.S.

Non-refundable VAT

A refund will not be granted for VAT incurred on, amongst other things:

- Supplies of goods and services not used for business purposes;
- Foreign travel agencies on deliveries and services refunded if such costs are re-invoiced to their customers;
- Incorrectly completed invoices or cash receipts;
- In case proof of payment is missing;
- VAT charged on exempt or zero-rated transactions and transactions that are outside the scope of a supply.

VAT will not be refunded to residents of countries that do not have a VAT refund reciprocity agreement with Switzerland. Wrongly invoiced Swiss VAT will not be refunded by the Swiss Federal Tax Administration.

Partially refundable VAT

There are some expenses for which non-established companies would only be allowed to a partial refund of the Swiss VAT. This depends on the respective VAT refund reciprocity rules and the applicable Swiss VAT rules and is to be reviewed on a country-by-country basis.

Making claims

Minimum amounts

The minimum VAT amount per year for a refund is CHF 500; a refund will not be issued for a total amount less than CHF 500.

Time limits

The application for a VAT refund must be made from the end of the calendar year until six months after the year in which the supply was invoiced, i.e. by 30 June of the following year.

A claimant can only submit one refund claim per year. Late claims will not be accepted and the deadline will not be extended. The postmark date is used as the date of submission.

Proxy

The fiscal representative, which must be established in Switzerland (this can be an individual or a company), has to file the VAT refund application form (Form No 1222) together with the Form No 1223 (i.e. invoice summary) and demonstrate its status with a Power of Attorney included within the Form No 1222. The form No 1222 has to be signed by both the claimant and its Swiss representative. As the proxy is part of the application for refund, it cannot be separately submitted.

No electronic filing is currently possible in Switzerland. No special notarization of the forms is required. The given application forms are available in German, French or Italian only. A Swiss domiciled fiscal representative needs to be appointed by an EU established company submitting a VAT refund claim in Switzerland.

Only a Swiss domiciled fiscal representative can be appointed as an agent for the submission and for the follow-up of Swiss VAT refunds.

A new proxy is needed with each refund claim for each calendar year in question (Form No 1222).

Application forms

If services have been purchased both in Switzerland (incl. import) and in the Principality of Liechtenstein, then the VAT refund application has to be made for each country separately. The respective application forms for the Liechtenstein VAT refund can be found here: (www.stv.llv.li) and need to be filed to the following addressed: Liechtensteinische Steuerverwaltung, Postfach 684, 9490 Vaduz.

The Swiss VAT refund application is made on Forms No 1222 and 1223 issued by the Swiss Federal Tax Administration (EU forms will not be accepted). The forms must be completed either in German, French or Italian. The application must be completed in capital letters. Claim forms can be obtained at: http://www.estv.admin.ch/mwst/dienstleistungen/01455/index.html?lang=de#sprungmarke0_69

The application form (Form No 1222) needs to be submitted in original, stamped, dated and signed by both the claimant and by the Swiss fiscal representative.

A person entitled to sign on behalf of the company needs to sign the respective Swiss VAT refund application form.

Because the refund application must be filed in Swiss francs (CHF), invoices issued in a foreign currency must be converted into Swiss francs using the monthly average exchange rate or the corresponding current day's rate, both of which are published on the website of the Swiss Federal Tax Administration. The internal group exchange rate may also be used.

VAT on imports may be refunded only if the businesses, after importing the goods, can use the goods in its own name and it must be in possession of the original documents.

It is likely however that a foreign entrepreneur will perform Swiss domestic supplies after the import and thus will not be entitled to use the VAT refund procedure, but might be required to request a local VAT registration instead.

Applications cannot be filed electronically.

The Swiss Federal Tax Administration does not issue confirmation of receipt of the claim.

The claimant must provide the Swiss Federal Tax Administration with an overview of the claimed amounts in Form No 1223. Since the Form No 1223 is mandatory, an additional excel spreadsheet is not required.

Follow up on submitted claims

The claimant and the Swiss fiscal representative can follow up on a VAT refund claim. There is no available electronic portal.

Supporting documentation

The following documents must be submitted with each claim application:

- Original supplier invoices and customs clearance forms (copies are not accepted) that are issued in the name of the claimant and that meet the formal legal requirements of article 26 § 2 of the Swiss VAT Law; and
- A statement of taxable status, e.g. a certificate of VAT registration in an EU member state or Form IRS 6166 for the U.S. (this form is based on the information included in Form No. 8802).

An identification number is granted by the authorities and may be used for the next refund claim.

E-invoicing

Print-outs of e-invoices are generally accepted provided that on request of the Swiss Federal Tax Administration the E-invoices on DVD, CD, or in a password-protected compressed and packed data file (e.g. WinZip, WinRAR) are provided by email.

Refunds and appeals

The Swiss Federal Tax Administration handles VAT refund applications in chronological order, i.e. from the date of receipt (if all necessary documents are available), so it is in the claimant's interest to send the forms as early as possible.

Repayments are in Swiss Francs and are paid to a Swiss or the foreign bank account of a non-resident business or its fiscal representative.

Payments are usually processed within six months following the filing date of the refund claim.

Late payment interest is paid as from the 181st day after the complete VAT refund claim is filed if full reciprocity is granted by the country in which the claimant is resident or domiciled (currently, only Belgium, Germany, Italy and Spain grant full reciprocity for late payment interests).

Once the Swiss VAT refund is filed with the Swiss Federal Tax Administration, it needs to be complete; otherwise its further processing can be refused.

The possible extension of the processing period is not foreseen in the Swiss VAT guidelines, i.e. the 180 days period applies.

The Swiss Federal Tax Administration informs the claimant that the refund is rejected or granted via an official letter addressed to the Swiss fiscal representative.

In practice, the VAT refund is usually processed by the Swiss Federal Tax Administration within the 180 days period.

If the Swiss Federal Tax Administration rejects the refund claim, the claimant can request a formal decision that can be appealed. An appeal must be filed with the Swiss Federal Tax Administration within 30 days of receipt of the decision. Decisions on the appeal can be further appealed to the Federal Tax Appeals Commission. Decisions on complaints to the Commission can be appealed within 30 days to the Supreme Court.

In case only one invoice submitted with the refund claim is incorrect or a query on a specific invoice is not answered only the full or partial VAT amount of the respective invoice may be rejected, however not the whole VAT refund claim.

Common causes of rejection of the VAT refund are:

- Filing after the set deadline;
- Invoice documentation provided as a copy rather than original;
- Conclusion of the Swiss Federal Tax Administration that the claimant is generating domestic turnover (subject of respective exemptions);
- When no reciprocity for VAT purposes is given between Switzerland and the country in which the claimant is domiciled;
- Use of the respective supplies for the non-business related purpose or VAT exempt turnover without input VAT credit;
- VAT refund for services where the VAT was mistakenly charged;
- Foreign domiciled agencies and similar businesses are not entitled to Swiss VAT refund.

In principle, no penalties will be imposed by the Swiss tax authorities in case of rejection of a refund claim.

United Kingdom

U.K. VAT is known as “Value Added Tax” (VAT).

The standard VAT rate is 20%, and there are reduced rates of 5% and 0%.

Goods and services supplied to or from the Isle of Man are regarded as having been supplied within the U.K. The Channel Islands are not part of the U.K. or the EU for VAT purposes.

An extensive overview of the VAT rates applied in the U.K. can be found at: http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf.

It is not necessary to appoint a U.K. fiscal representative to claim a VAT refund based on Directive 2008/09/EC or the 13th Directive.

The United Kingdom is the Member State of Establishment

EU countries (Directive 2008/09/EC)

This refers to a U.K. established company submitting an EU (former ‘8th Directive’) claim in another EU member state.

Procedure

Filing

Applications must be submitted via the electronic online system. To make an electronic application for a refund, it is necessary to be registered for VAT online services (<https://www.gov.uk/send-vat-return>).

IT requirements

If a claimant is U.K. VAT registered, it will be registered for VAT online services.

To register for online services, the claimant business will need to have its VAT 4 Certificate of U.K. VAT registration and a copy of its latest submitted VAT return, and to follow the on-screen instructions. An activation PIN number will be mailed to the business address registered with HMRC within set time limits (currently 7 to 10 days). Once this is received, the claimant will have 28 days from the date of the letter to activate the service.

A claimant can appoint an agent to make a VAT refund claim on its behalf. Full instructions are available on <https://www.gov.uk/appoint-tax-agent>.

The electronic form is comprised of standard information and specific invoice information.

Standard Information fields:

- Name;
- Electronic contact address (email address);
- Description of the business activity to which the goods and services to be claimed relates.

The electronic portal will permit up to three business activities to be entered.

- Period of application;
- Declaration of the eligibility to claim;
- VAT registration number; and
- Specified bank account details to include IBAN and BIC codes.

Specific invoice information:

- Name and address of the supplier;
- Except in cases of importation, the VAT identification number or tax reference number of the supplier, including the prefix of the member state of refund;
- Date and number of the invoice or import document;
- Taxable amount and amount of VAT expressed in the currency of the member state of refund;
- Amount of deductible VAT expressed in the currency of the member state of refund. This is the amount of VAT recoverable taking into account any partial exemption restriction, and any restriction on the recovery of input tax applying in the member state of refund;
- Where applicable, the deductible proportion calculated under the rules of the member state of establishment;
- Nature of the goods and services acquired, described according to the following expenditure codes.
 1. Fuel;
 2. Hiring of means of transport;
 3. Expenditure relating to means of transport (other than in the first two bullets);
 4. Road tolls and road user charges;
 5. Travel expenses, such as taxi fares, public transport fares;
 6. Accommodation;
 7. Food, drink and restaurant services;
 8. Admissions to fairs and exhibitions;
 9. Expenditure on luxuries, amusement and entertainment; and
 10. Other.

Sub-codes in addition to the main codes set out above, may also be required. Where applicable, these sub-codes will appear as completion options on the electronic portal. Where code 10 is used, without an accompanying sub-code, a narrative description of the goods or services must be entered in a free text box.

If an invoice includes items covering more than one expenditure code, the code relating to the highest proportion of expenditure is the one that should be used.

Where required, scanned invoices/annexes can be uploaded via the HMRC website/portal taking the following into account:

- File types accepted: JPEG, PDF or TIFF;
- Maximum file size: 5MB.

The claimant will be informed electronically at the following stages:

- If the application fails basic validation checks;
- When HMRC forwards the application to the member state of refund;
- When the member state of refund receives the application;
- If the member state requires additional information;
- When the member state of refund makes its decision.

Non-EU countries (13th Directive equivalent)

This refers to a U.K. established company submitting a non-EU (13th Directive equivalent) claim in a non-EU country.

The refund application for a U.K. established company claiming input VAT in a non-EU country must be submitted according to the requirements of that country. The HMRC portal cannot be used.

Another difference with the “8th Directive EU VAT refund procedure” is that a “certificate of taxable status” issued by the member state of establishment will usually be required by the non-EU country of refund.

The United Kingdom is the Member State of Refund

EU businesses (Directive 2008/09/EC)

This refers to an EU established company submitting an EU (former 8th Directive) claim to the U.K.

Eligibility for refund

A taxable person established in a member state other than the U.K is entitled to recover U.K. VAT if the following conditions are satisfied:

- The business is not registered or liable or eligible to be registered for VAT in the U.K.;
- The business does not have a place of business in the U.K. or the Isle of Man;
- The business has not carried out any taxable supplies in the U.K., except for:
 - Certain transportation and ancillary services carried out in connection with the international carriage of goods; or
 - Goods and services where the VAT on the supply is payable solely by the person to whom the supply is made.

Non-refundable VAT

VAT cannot be recovered on:

- Goods and services used for non-business activities;
- Business entertainment (VAT on basic entertainment for overseas customers can be recovered);
- Incorrectly invoiced VAT or where the VAT has been charged on the dispatch of goods to another member state, or the export of goods outside the EU (this must be taken up with the supplier); and
- The purchase of a motor car. Only 50% of VAT can be recovered on the lease of a motor car.

The goods or services on which VAT is being claimed must be for the purpose of carrying out economic activities in a country other than the U.K. and that would create the right to a VAT deduction in that country.

Where the supply of goods or services are used by the claimant for making exempt supplies without full recovery of VAT on related costs, it is necessary to identify the proportion of VAT that would have been recoverable by the person in its country of establishment on such supplies.

Making claims

The period covered by the application is known as the “refund period.” This must not be more than one calendar year or less than three calendar months (unless it covers the remainder of a calendar year, e.g., where claims already have been submitted covering more than nine months).

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than GBP 295; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than GBP 35.

Time limits

Properly completed applications must be submitted at the latest by 30 September of the calendar year following the refund year. If a company deregisters for VAT during the refund year, it must submit an application as soon as possible following deregistration.

The U.K. will accept corrected applications, but advice should be sought from the tax authorities on how these should be submitted through the electronic facility in the member state of the claimant.

The U.K. may impose penalties for applications that are incorrect, so if an error has been made on an application, a correction should be submitted as soon as possible. The correction procedure can be used to amend existing claim lines, a claim line cannot be deleted but the VAT value can be reduced to zero and no additional lines may be inserted. If an invoice has been omitted from an application, it should be included in a later application. The claims procedure also should be used to amend an email address or bank details if these change after the application is submitted. Corrected applications must be submitted by the same deadline as original applications, that is, by 30 September of the year following the year in which the VAT was incurred.

Agents

A claimant can appoint an agent to make a VAT refund claim on its behalf. The agent will need either a Power of Attorney or a letter of authority before acting for, and receiving money on behalf of, the claimant.

The following is an example of a letter of authority, which is acceptable to HMRC:

I [name and address of claimant] hereby appoint [name and address of agent] to act on my behalf in connection with any application I make to the Commissioners of HMRC under the Value Added Tax Regulations 1995 as from time to time amended or replaced. Any repayment of VAT to which I am entitled pursuant to any such application made on my behalf by my above named agent shall be paid to [name and address of payee].

Date Signed [by the claimant]

Supporting documentation

Scanned copies of invoices and import documents must be attached where the taxable amount exceeds the threshold of GBP 750 (GBP 200 for invoices relating to fuel costs).

E-invoicing

Invoices must be in PDF, TIFF or JPEG format and must not exceed 5MB in size.

Refunds and appeals

The U.K. VAT authorities must issue a decision within four months of receiving the refund claim:

- The authorities can accept or partly or wholly reject the claim and notify the claimant; or
- The authorities can request additional information. The claimant must provide all information within one month of receipt of the request.

The U.K. tax authorities then have eight months from the date they received the application to notify the claimant of the decision.

If a refund is granted, it will be processed in pounds sterling within 10 business days after the relevant period and paid to the bank account referenced in the application.

The U.K. tax authorities will be liable for late payment interest if the payment is not processed in a timely manner.

If the refund is refused, the U.K. tax authorities must tell the claimant why it has been refused. The claimant can then ask for the decision to be reviewed by an HMRC officer not previously involved in the matter or appeal to an independent tribunal. If the claimant opts for a review, there can still be an appeal to the tribunal after the review is finished.

A review must be requested within 30 days of the decision being received. To appeal to the tribunal, the appeal must be sent within 30 days of the decision.

Examples of where claims may be rejected by HMRC include incorrect VAT charges, claims for business entertainment expenses, situations where the claimant should have been VAT registered in the UK, and lack of evidence of VAT payment.

HMRC processes claims and makes refunds within the time limits for doing so in the majority of cases.

Non-EU businesses (13th Directive)

This refers to a non-EU established company submitting a 13th Directive claim to the U.K.

Eligibility for refund

If the claimant is registered for business purposes in a non-EU country, it can use the 13th Directive procedure to reclaim VAT paid in the U.K., provided the claimant:

- Is not registered and is not liable or eligible to be registered for VAT in the U.K.;
- Does not have a place of business or other residence in the EU; and
- Does not make any supplies in the U.K. (other than transportation services related to the international carriage of goods, or services where VAT is payable by the person in the U.K. to whom the supply is made).

It is also a condition of the scheme that the claimant's own country allows similar concessions to U.K. traders in respect of its own turnover taxes. In practice, the application will only be rejected on these grounds if the claimant's own country has a scheme for refunding these taxes, but refuses to allow U.K. traders to use it.

Non-refundable VAT

The scheme to reclaim VAT cannot be applied on:

- Non-business supplies (although if a supply covers both business and non-business use, VAT can be reclaimed on the business element of the supply);

- A supply used or to be used to make a supply in the U.K.;
- The supply or importation of most ordinary business cars; only 50% of the VAT incurred on the hire or lease of a car for mixed business and private purposes is allowed;
- Certain second-hand goods, such as cars and antiques, for which a tax invoice is not issued;
- Business entertainment/hospitality expenses (except for VAT on basic entertainment for overseas customers);
- Exports of goods (although these will be zero-rated provided the supplier has the necessary evidence); or
- Goods and services, such as hotel accommodation, purchased for resale and which are for the direct benefit of travellers;
- Any supply used or to be used to make an exempt supply outside the U.K. (for this purpose, an exempt supply is a supply described as exempt in Schedule 9 to the VAT Act 1994, whether or not the place of the supply is in the U.K.).

If the claimant has to arrange for goods to be imported into the U.K., it can reclaim any VAT due, provided there is no other VAT relief available at import, but the scheme cannot be applied if, as a result of importing the goods, the claimant becomes liable to register for VAT purposes in the U.K.

Making claims

Minimum amounts

If the application is for a period covering less than 12 months, the total amount of VAT claimed must not be less than GBP 130.

However, when the application is for the full 12 months of the prescribed year, or there are less than three months remaining in the prescribed year, the amount of VAT claimed must not be less than GBP 16.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 July to 30 September) of the prescribed year and not more than a prescribed year. The prescribed year is the 12 month period from 1 July to 30 June. However, applications may relate to a period of less than three months where the period represents the remainder of a prescribed year (e.g. from 1 May to 30 June). Applications may also relate to invoices or import documents not covered by previous applications that concern transactions completed during that year.

The application must be submitted to the U.K. tax authorities within six months of the end of the calendar year in which the tax became chargeable, i.e. by 31 December. An extension of this deadline is not possible. If accepted, the payment will be made within six months of the application. The payment can either be made to the claimant's non-U.K. bank account via SWIFT, a U.K. bank account or by payable order. Payments will be made in pounds sterling.

Agents

A claimant can appoint an agent to make a VAT refund claim on its behalf. The agent will need either a Power of Attorney or a letter of authority before acting for, and receiving money on behalf of, the claimant.

The following is an example of a letter of authority, which is acceptable to HMRC:

I [name and address of claimant] hereby appoint [name and address of agent] to act on my behalf in connection with any application I make to the Commissioners of HMRC under the Value Added Tax Regulations 1995 as from time to time amended or replaced. Any repayment of VAT to which I am entitled pursuant to any such application made on my behalf by my above named agent shall be paid to [name and address of payee].

Date Signed [by the claimant]

Application forms

The application can be made on [Form VAT 65A](#), issued by the U.K. tax authorities. It must be completed in English.

All invoices to which the claim relates must be listed in the application form.

The application must be signed by a person who is legally entitled to represent the company (e.g., a director, company secretary or some other authorised officer of the claimant).

The form and supporting documentation must be sent to:

HM Revenue and Customs
VAT Overseas Repayment Unit
PO Box 34
Foyle House
Duncreggan Road
Londonderry
BT48 7AE
UK

Supporting documentation

The following documents must be submitted with each application:

- Original VAT invoices or proof of import VAT paid (copies are accepted if the originals are lost and the copies are certified by the supplier). The invoice number as used in the application form must be included on the documents;
- A valid certificate from the officials of the claimant's country showing that it is registered for business purposes in that country. When the certificate is applied for, it is recommended that all information the U.K. authorities will need to process the application be included. For example, if the invoices are made out in the claimant company's trading style, the certificate must show this as well as the name of the person registered. [Form VAT66A](#) can be used.

The certificate must contain:

- The name, the address and official stamp of the authorising body;
- The claimant's name and address;
- The nature of the business; and
- The business registration number.

An original certificate must be provided (a photocopy is not acceptable). The certificate is valid for one year, so once the certificate has expired, a new one will have to be obtained to submit with any subsequent applications.

Examples of where claims may be rejected by HMRC include incorrect VAT charges, claims for business entertainment expenses, situations where the claimant should have been VAT registered in the UK, and lack of evidence of VAT payment.

HMRC processes claims and makes refunds within the time limits for doing so in the majority of cases.

Penalties can be imposed in the case of false declarations.

Refunds and appeals

The U.K. VAT authorities must issue a decision within six months of receiving a satisfactory application.

If the refund is refused, the U.K. tax authorities must tell the claimant why it has been refused. The claimant can then ask for the decision to be reviewed by an HMRC officer not previously involved in the matter or appeal to an independent tribunal. If the claimant opts for a review, there can still be an appeal to the tribunal after the review is finished.

A review must be requested within 30 days of the decision being received. To appeal to the tribunal, the appeal must be sent within 30 days of the decision.

Appendix I - 2008/09/EC Directive

(Council Directive 2008/09/EC of 12 February 2008 laying down detailed rules for the refund of value added tax, provided for in Directive 2006/112/EC, to taxable persons not established in the member state of refund but established in another member state)

Article 1

This Directive lays down the detailed rules for the refund of value added tax (VAT), provided for in Article 170 of Directive 2006/112/EC, to taxable persons not established in the member state of refund, who meet the conditions laid down in Article 3.

Article 2

For the purposes of this Directive, the following definitions shall apply:

1. 'taxable person not established in the member state of refund' means a taxable person within the meaning of Article 9(1) of Directive 2006/112/EC who is not established in the member state of refund but established in the territory of another member state;
2. 'member state of refund' means the member state in which the VAT was charged to the taxable person not established in the member state of refund in respect of goods or services supplied to him by other taxable persons in that member state or in respect of the importation of goods into that member state;
3. 'refund period' means the period mentioned in Article 16 covered by the refund application;
4. 'refund application' means the application for refund of VAT charged in the member state of refund to the taxable person not established in the member state of refund in respect of goods or services supplied to him by other taxable persons in that member state or in respect of the importation of goods into that member state;
5. 'applicant' means the taxable person not established in the member state of refund making the refund application.

Article 3

This Directive shall apply to any taxable person not established in the member state of refund who meets the following conditions:

(a) during the refund period, he has not had in the member state of refund, the seat of his economic activity, or a fixed establishment from which business transactions were effected, or, if no such seat or fixed establishment existed, his domicile or normal place of residence;

(b) during the refund period, he has not supplied any goods or services deemed to have been supplied in the member state of refund, with the exception of the following transactions;

(i) the supply of transport services and services ancillary thereto, exempted pursuant to Articles 144, 146, 148, 149, 151, 153, 159 or 160 of Directive 2006/112/EC; (ii) the supply of goods and services to a person who is liable for payment of VAT in accordance with Articles 194 to 197 and Article 199 of Directive 2006/112/EC.

Article 4

This Directive shall not apply to:

(a) amounts of VAT which, according to the legislation of the member state of refund, have been incorrectly invoiced;

(b) amounts of VAT which have been invoiced in respect of supplies of goods the supply of which is, or may be, exempt under Article 138 or Article 146(1)(b) of Directive 2006/112/EC.

Article 5

Each member state shall refund to any taxable person not established in the member state of refund any VAT charged in respect of goods or services supplied to him by other taxable persons in that member state or in respect of the importation of goods into that member state, insofar as such goods and services are used for the purposes of the following transactions:

(a) transactions referred to in Article 169(a) and (b) of Directive 2006/112/EC;

(b) transactions to a person who is liable for payment of VAT in accordance with Articles 194 to 197 and Article 199 of Directive 2006/112/EC as applied in the member state of refund.

Without prejudice to Article 6, for the purposes of this Directive, entitlement to an input tax refund shall be determined pursuant to Directive 2006/112/EC as applied in the member state of refund.

Article 6

To be eligible for a refund in the member state of refund, a taxable person not established in the member state of refund has to carry out transactions giving rise to a right of deduction in the member state of establishment.

When a taxable person not established in the member state of refund carries out in the member state in which he is established both transactions giving rise to a right of deduction and transactions not giving rise to a right of deduction in that member state, only such proportion of the VAT which is refundable in accordance with Article 5 may be refunded by the member state of refund as is attributable to the former transactions in accordance with Article 173 of Directive 2006/112/EC as applied by the member state of establishment.

Article 7

To obtain a refund of VAT in the member state of refund, the taxable person not established in the member state of refund shall address an electronic refund application to that member state and submit it to the member state in which he is established via the electronic portal set up by that member state.

Article 8

1. The refund application shall contain the following information:

- (a) the applicant's name and full address;
- (b) an address for contact by electronic means;
- (c) a description of the applicant's business activity for which the goods and services are acquired;
- (d) the refund period covered by the application;
- (e) a declaration by the applicant that he has supplied no goods and services deemed to have been supplied in the member state of refund during the refund period, with the exception of transactions referred to in points (i) and (ii) of Article 3(b);
- (f) the applicant's VAT identification number or tax reference number;
- (g) bank account details including IBAN and BIC codes.

2. In addition to the information specified in paragraph 1, the refund application shall set out, for each member state of refund and for each invoice or importation document, the following details:

- (a) name and full address of the supplier;

(b) except in the case of importation, the VAT identification number or tax reference number of the supplier, as allocated by the member state of refund in accordance with the provisions of Articles 239 and 240 of Directive 2006/112/EC;

(c) except in the case of importation, the prefix of the member state of refund in accordance with Article 215 of Directive 2006/112/EC;

(d) date and number of the invoice or importation document;

(e) taxable amount and amount of VAT expressed in the currency of the member state of refund;

(f) the amount of deductible VAT calculated in accordance with Article 5 and the second paragraph of Article 6 expressed in the currency of the member state of refund;

(g) where applicable, the deductible proportion calculated in accordance with Article 6, expressed as a percentage;

(h) nature of the goods and services acquired, described according to the codes in Article 9.

Article 9

1. In the refund application, the nature of the goods and services acquired shall be described by the following codes:

1 = fuel;

2 = hiring of means of transport;

3 = expenditure relating to means of transport (other than the goods and services referred to under codes 1 and 2);

4 = road tolls and road user charge;

5 = travel expenses, such as taxi fares, public transport fares;

6 = accommodation;

7 = food, drink and restaurant services;

8 = admissions to fairs and exhibitions;

9 = expenditure on luxuries, amusements and entertainment;

10 = other.

If code 10 is used, the nature of the goods and services supplied shall be indicated.

2. The member state of refund may require the applicant to provide additional electronic coded information as regards each code set out in paragraph 1 to the extent that such information is necessary because of any restrictions on the right of deduction under Directive 2006/112/EC, as applicable in the member state of refund or for the implementation of a relevant derogation received by the member state of refund under Articles 395 or 396 of that Directive.

Article 10

Without prejudice to requests for information under Article 20, the member state of refund may require the applicant to submit by electronic means a copy of the invoice or importation document with the refund application where the taxable amount on an invoice or importation document is EUR 1.000 or more or the equivalent in national currency.

Where the invoice concerns fuel, the threshold is EUR 250 or the equivalent in national currency.

Article 11

The member state of refund may require the applicant to provide a description of his business activity by using the harmonised codes determined in accordance with the second subparagraph of Article 34a(3) of Council Regulation (EC) No 1798/2003.

Article 12

The member state of refund may specify which language or languages shall be used by the applicant for the provision of information in the refund application or of possible additional information.

Article 13

If subsequent to the submission of the refund application the deductible proportion is adjusted pursuant to Article 175 of Directive 2006/112/EC, the applicant shall make a correction to the amount applied for or already refunded.

The correction shall be made in a refund application during the calendar year following the refund period in question or, if the applicant makes no refund applications during that calendar year, by submitting a separate declaration via the electronic portal established by the member state of establishment.

Article 14

1. The refund application shall relate to the following:

(a) the purchase of goods or services which was invoiced during the refund period, provided that the VAT became chargeable before or at the time of the invoicing, or in respect of which the VAT became chargeable during the refund period, provided that the purchase was invoiced before the tax became chargeable;

(b) the importation of goods during the refund period.

2. In addition to the transactions referred to in paragraph 1, the refund application may relate to invoices or import documents not covered by previous refund applications and concerning transactions completed during that calendar year.

Article 15

1. The refund application shall be submitted to the member state of establishment at the latest on 30 September of the calendar year following the refund period. The application shall be considered submitted only if the applicant has filled in all the information required under Articles 8, 9 and 11.

2. The member state of establishment shall send the applicant an electronic confirmation of receipt without delay.

Article 16

The refund period shall not be more than one calendar year or less than three calendar months. Refund applications may, however, relate to a period of less than three months where the period represents the remainder of a calendar year.

Article 17

If the refund application relates to a refund period of less than one calendar year but not less than three months, the amount of VAT for which a refund is applied for may not be less than EUR 400 or the equivalent in national currency.

If the refund application relates to a refund period of a calendar year or the remainder of a calendar year, the amount of VAT may not be less than EUR 50 or the equivalent in national currency.

Article 18

1. The member state of establishment shall not forward the application to the member state of refund where, during the refund period, any of the following circumstances apply to the applicant in the member state of establishment:

(a) he is not a taxable person for VAT purposes;

(b) he carries out only supplies of goods or of services which are exempt without deductibility of the VAT paid at the preceding stage pursuant to Articles 132, 135, 136, 371, Articles 374 to 377, Article 378(2)(a), Article 379(2) or Articles 380 to 390 of Directive 2006/112/EC or provisions providing for identical exemptions contained in the 2005 Act of Accession;

(c) he is covered by the exemption for small enterprises provided for in Articles 284, 285, 286 and 287 of Directive 2006/112/EC; (d) he is covered by the common flat-rate scheme for farmers provided for in Articles 296 to 305 of Directive 2006/112/EC.

2. The member state of establishment shall notify the applicant by electronic means of the decision it has taken pursuant to paragraph 1.

Article 19

1. The member state of refund shall notify the applicant without delay, by electronic means, of the date on which it received the application.

2. The member state of refund shall notify the applicant of its decision to approve or refuse the refund application within four months of its receipt by that member state.

Article 20

1. Where the member state of refund considers that it does not have all the relevant information on which to make a decision in respect of the whole or part of the refund application, it may request, by electronic means, additional information, in particular from the applicant or from the competent authorities of the member state of establishment, within the four-month period referred to in Article 19(2).

Where the additional information is requested from someone other than the applicant or a competent authority of a member state, the request shall be made by electronic means only if such means are available to the recipient of the request.

If necessary, the member state of refund may request further additional information.

The information requested in accordance with this paragraph may include the submission of the original or a copy of the relevant invoice or import document where the member state of refund has reasonable doubts regarding the validity or accuracy of a particular claim. In that case, the thresholds mentioned in Article 10 shall not apply.

2. The member state of refund shall be provided with the information requested under paragraph 1 within one month of the date on which the request reaches the person to whom it is addressed.

Article 21

Where the member state of refund requests additional information, it shall notify the applicant of its decision to approve or refuse the refund application within two months of receiving the requested information or, if it has not received a reply to its request, within two months of expiry of the time limit laid down in Article 20(2).

However, the period available for the decision in respect of the whole or part of the refund application shall always be at least six months from the date of receipt of the application by the member state of refund.

Where the member state of refund requests further additional information, it shall notify the applicant of its decision in respect of the whole or part of the refund application within eight months of receipt of the application by that member state.

Article 22

1. Where the refund application is approved, refunds of the approved amount shall be paid by the member state of refund at the latest within 10 business days of the expiry of the deadline referred to in Article 19(2) or, where additional or further additional information has been requested, the deadlines referred to in Article 21.

2. The refund shall be paid in the member state of refund or, at the applicant's request, in any other member state. In the latter case, any bank charges for the transfer shall be deducted by the member state of refund from the amount to be paid to the applicant.

Article 23

1. Where the refund application is refused in whole or in part, the grounds for refusal shall be notified by the member state of refund to the applicant together with the decision.

2. Appeals against decisions to refuse a refund application may be made by the applicant to the competent authorities of the member state of refund in the forms and within the time limits laid down for appeals in the case of refund applications from persons who are established in that member state.

If, under the law of the member state of refund, failure to take a decision on a refund application within the time limits specified in this Directive is not regarded either as approval or as refusal, any administrative or judicial procedures which are available in that situation to taxable persons established in that member state shall be equally available to the applicant. If no such procedures are available, failure to take a decision on a refund application within these time limits shall mean that the application is deemed to be rejected.

Article 24

1. Where a refund has been obtained in a fraudulent way or otherwise incorrectly, the competent authority in the member state of refund shall proceed directly to recover the amounts wrongly paid and any penalties and interest imposed in accordance with the procedure applicable in the member state of refund, without prejudice to the provisions on mutual assistance for the recovery of VAT.

2. Where an administrative penalty or interest has been imposed but has not been paid, the member state of refund may suspend any further refund to the taxable person concerned up to the unpaid amount.

Article 25

The member state of refund shall take into account as a decrease or increase of the amount of the refund any correction made concerning a previous refund application in accordance with Article 13 or, where a separate declaration is submitted, in the form of separate payment or recovery.

Article 26

Interest shall be due to the applicant by the member state of refund on the amount of the refund to be paid if the refund is paid after the last date of payment pursuant to Article 22(1).

If the applicant does not submit the additional or further additional information requested to the member state of refund within the specified time limit, the first paragraph shall not apply. It shall also not apply until the documents to be submitted electronically pursuant to Article 10 have been received by the member state of refund.

Article 27

1. Interest shall be calculated from the day following the last day for payment of the refund pursuant to Article 22(1) until the day the refund is actually paid.

2. Interest rates shall be equal to the interest rate applicable with respect to refunds of VAT to taxable persons established in the member state of refund under the national law of that member state.

If no interest is payable under national law in respect of refunds to established taxable persons, the interest payable shall be equal to the interest or equivalent charge which is applied by the member state of refund in respect of late payments of VAT by taxable persons.

Article 28

1. This Directive shall apply to refund applications submitted after 31 December 2009.
2. Directive 79/1072/EEC shall be repealed with effect from 1 January 2010. However, its provisions shall continue to apply to refund applications submitted before 1 January 2010.

References to the repealed Directive shall be construed as references to this Directive except for refund applications submitted before 1 January 2010.

Article 29

1. Member states shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive with effect from 1 January 2010. They shall forthwith inform the Commission thereof. When such provisions are adopted by member states, they shall contain a reference to this Directive or be accompanied by such reference on the occasion of their official publication. The methods of making such reference shall be laid down by member states.
 2. Member states shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.
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Article 30

This Directive shall enter into force on the day of its publication in the *Official Journal* of the *European Union*.

Article 31

This Directive is addressed to the member states.

Appendix II - 13th EU VAT Directive

(Council Directive E.C. n° 86/560, 17 November 1986 on the harmonization of the laws of the member states relating to turnover taxes - Arrangements for the refund of value added tax to taxable persons not established in Community territory, OJ. L. 21 November 1986, n° 326, 40)

Article 1

For the purposes of this Directive:

1. 'A taxable person not established in the territory of the Community' shall mean a taxable person as referred to in Article 4 (1) of Directive 77/388/EEC who, during the period referred to in Article 3 (1) of this Directive, has had in that territory neither his business nor a fixed establishment from which business transactions are effected, nor, if no such business or fixed establishment exists, his permanent address or usual place of residence, and who, during the same period, has supplied no goods or services deemed to have been supplied in the member state referred to in Article 2, with the exception of:

(a) transport services and services ancillary thereto, exempted pursuant to Article 14 (1) (i), Article 15 or Article 16 (1), B, C and D of Directive 77/388/EEC;

(b) services provided in cases where tax is payable solely by the person to whom they are supplied, pursuant to Article 21 (1) (b) of Directive 77/388/EEC;

2. 'Territory of the Community' shall mean the territories of the member states in which Directive 77/388/EEC is applicable.

Article 2

1. Without prejudice to Articles 3 and 4, each member state shall refund to any taxable person not established in the territory of the Community, subject to the conditions set out below, any value added tax charged in respect of services rendered or moveable property supplied to him in the territory or the country by other taxable persons or charged in respect of the importation of goods into the country, in so far as such goods and services are used for the purposes of the transactions referred to in Article 17 (3) (a) and (b) of Directive 77/388/EEC or of the provision of services referred to in point 1 (b) of Article 1 of this Directive.
2. Member states may make the refunds referred to in paragraph 1 conditional upon the granting by third States of comparable advantages regarding turnover taxes.
3. Member states may require the appointment of a tax representative.

Article 3

1. The refunds referred to in Article 2 (1) shall be granted upon application by the taxable person. Member states shall determine the arrangements for submitting applications, including the time limits for doing so, the period which applications should cover, the authority competent to receive them and the minimum amounts in respect of which applications may be submitted. They shall also determine the arrangements for making refunds, including the time limits for doing so. They shall impose on the applicant such obligations as are necessary to determine whether the application is justified and to prevent fraud, in particular the obligation to provide proof that he is engaged in an economic activity in accordance with Article 4 (1) of Directive 77/388/EEC. The applicant must certify, in a written declaration, that, during the period prescribed, he has not carried out any transaction which does not fulfill the conditions laid down in point 1 of Article 1 of this Directive.
2. Refunds may not be granted under conditions more favourable than those applied to Community taxable persons.

Article 4

1. For the purposes of this Directive, eligibility for refunds shall be determined in accordance with Article 17 of Directive 77/388/EEC as applied in the member state where the refund is paid.
2. Member states may, however, provide for the exclusion of certain expenditure or make refunds subject to additional conditions.
3. This Directive shall not apply to supplies of goods which are or may be exempted under point 2 of Article 15 of Directive 77/388/EEC.

Article 5

1. Member states shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 1 January 1988 at the latest. This Directive shall apply only to applications for refunds concerning value added tax charged on purchases of goods or services invoiced or on imports effected on or after that date.

2. Member states shall communicate to the Commission the main provisions of national law which they adopt in the field covered by this Directive and shall inform the Commission of the use they make of the option afforded by Article 2 (2). The Commission shall inform the other member states thereof.

Article 6

Within three years of the date referred to in Article 5, the Commission shall, after consulting the member states, submit a report to the Council and to the European Parliament on the application of this Directive, particularly as regards the application of Article 2 (2).

Article 7

As from the date on which this Directive is implemented, and at all events by the date mentioned in Article 5, the last sentence of Article 17 (4) of Directive 77/388/EEC and Article 8 of Directive 79/1072/EEC shall cease to have effect in each member state.

Article 8

This Directive is addressed to the member states.

Appendix III - Overview of VAT recovery rules in the EU

Country	Exhibitions/ fairs	Hotel / Accommodation	Restaurant meals	Car rental	Car repairs	Taxi	Bus / train	Entertainment expenses	Telephone	Diesel / petrol	Motorway tax
Austria	100	100 (at1)	100 (at2)	0 (at3)	0 (at3)	100	100	0	100	0 (at3)	0
Belgium	100	0	0	50	50	100	100	0	100	50	N/A
Bulgaria	100	100	0/100 (bg1)	100	0/100 (bg2)	100	100	0	100	0/100 (bg2)	N/A
Croatia	100	0/100 (hr3)	0/100 (hr3)	0/100 (hr1)	0/100 (hr2)	100	100	0	100	0/100 (hr1)	100
Cyprus (cy)	100	0/100 (cy)	0/100 (cy)	0/100 (cy)	0/100 (cy)	100	100	0/100 (cy)	100	100	N/A
Czech Republic	100	100 (cz1)	0	100 (cz2)	100 (cz1)	100 (cz1)	100 (cz1)	0	100 (cz2)	100 (cz2)	N/A
Denmark	100	100 (dk1)	25 (dk2)	0 (dk3)	0 (dk3)	-	- (dk4)	0	100 (dk5)	0 (dk3)	N/A
Estonia (ee)	100	100	0	50 or 100	50 or 100	100	100	0	100	50 or 100	N/A
Finland (fi)	100	100	100	0/100	0/100	100	100	0	100	0 /100	N/A
France	100 (fr1)	0 for employees (fr2) and 100 for third parties (fr1)	100(fr1)(fr4)	0(fr3)	0	0	0 (fr3)	100 (fr1)	100 (fr1)	Diesel 80 / Petrol 0/ LGP 100 (fr1)	100 (fr1) (fr5)
Germany	100	100	100	100	100	100	100	100	100	0 or 100 (de)	N/A
Greece	100	0	0	0	0	0	0	0	100	0	N/A
Hungary	100	100	0	100	50 (hu1)	0	100	0	70	0 (hu2)	0
Iceland	100	0/100	0	0	0	N/A	N/A	0	100	0	0
Ireland	100	0 (ie)	0	0 (ie)	100	-	-	0	100	Diesel 100/petrol 0	100
Italy	100	100 (it1)	100 (it2)	40 or 100	40 or 100	0	0	0	100	40 or 100	40 or 100
Latvia	100	100 (lv)	0 / 40 (lv)	80 (lv)	80 (lv)	100 (lv)	100	0	100	80 (lv)	N/A
Lithuania	100	100	0/75	0	100	0	100	0/75	100	100	N/A
Luxembourg	100	100	100	100 (lu1)	0 (lu2)	100	100	100	100 (lu3)	100	N/A
Malta	100	100	0	0 (mt)	0 (mt)	0	0	0	100	0 (mt)	N/A
Netherlands (nl1)	100	100	0	84/100 (nl2)	100	100	100	100	100	100	N/A
Norway	100	100	0	0	100/0 (no)	100	100	0	100	100/0 (no)	N/A
Poland	100	0	0	50 or 100 (pl1)	50 or 100 (pl1)	100	100	100 (pl2)	100	50 or 100 (pl1) (pl3)	100
Portugal	100	0 (pt)	0 (pt)	0 (pt)	0	0 (pt)	0 (pt)	0	100	Diesel 50 / 100; petrol 0	0 (pt)
Romania (ro3)	100	100	100	50/100 (ro1)	50/100 (ro1)	100	100	0/100 (ro2)	100	50/100 (ro1)	50/100 (ro1)
Slovak Republic	100	100	0	100 (sk)	100 (sk)	100	100	0	100	80 - 100	N/A
Slovenia (si)	100	0	0	0	0	0	100	0	100	0 (si)	0
Spain	100	100 (es1)	100 (es1)	50/100 (es2)	50/100 (es2)	100 (es3)	100 (es3)	0	100	50/100 (es2)	50/100 (es2)
Sweden	100	100	100 (se)	50	100	100	100	0-100	100	100	N/A
Switzerland	100	100	100	100 (ch)	100 (ch)	100	100	0-100	100	100 (ch)	N/A
United Kingdom	100	100	100	50 (uk2)	100	100	-	0 (uk1)	100	100	N/A

*** This overview provides a general guideline for a first assessment of VAT recovery entitlement on the above listed items. Specific conditions and restrictions may apply. Please consult the separate country chapter in this refund guide or ask your regular Deloitte contact person for the most up to date information.**

(at1) Only possible for business purposes.

(at2) Only possible for restaurant meals for business purposes.

(at3) VAT is recovered if the vehicle is a car for which input VAT deduction is allowed (clearly defined by the Austrian Ministry of Finance)

(bg1) VAT on restaurant meals is only recoverable if it is not for representation purposes.

(bg2) VAT on taxi transport, car rental, repair and fuel is only recoverable if it is not related to the use of passenger cars.

(hr1) Only possible for business purposes.

(hr2) VAT is recovered if it concerns a vehicle for which input VAT deduction is allowed

(hr3) VAT on hotel/accommodation is not deductible when related to entertainment expenses.

(cy) The deduction will be granted for such expenses if incurred wholly and exclusively for business purposes and the invoices were issued on the company's name.

(cz1) VAT is recovered if the supply is used solely for business purposes.

(cz2) VAT is recovered if the supply is used solely for business purposes. The VAT should be claimed proportionally if the supply is used for business and private purposes.

(dk1) VAT is only recovered if the amount of the hotel accommodation (excluding all meals or other services) is separately specified on the invoice.

(dk2) Only for strictly business purposes.

(dk3) As a main rule, there is no VAT recovery on car rental, car repairs and diesel/petrol in Denmark. There are a few exceptions, which are rental, repair and diesel for lorries and vans (vans must fulfill special conditions).

(dk4) In certain circumstances (not public transport) bus services are liable to VAT. In this case, the VAT is deductible under the assumption that the services have been used for fully VAT taxable activities.

(dk5) If any private use, the VAT deduction will be based on an estimate.

(ee) Input VAT on all business related expenses is deductible based on the respective cost document.

(fi) Deductible only if acquired for taxable business purposes.

(fr1) From a French VAT standpoint, these expenses should be incurred for a business purpose in order to recover input VAT.

(fr2) VAT on lodging / housing services rendered for the security, safety and caretaking of working sites or business premises is recoverable.

(fr3) VAT on purchases / rentals of vehicles dedicated for the transport of freight or public transportation is recoverable.

(fr4) French case law has restricted the possibility for a company to recover input VAT on restaurant expenses when the corresponding invoice does not make a clear reference to the name of the company / and when the company grants a lump sum to its employees for their restaurant expenses.

(fr5) Specific mentions shall be reported on the motorway ticket to enable VAT recovery.

(de) VAT on fuel is only 100% deductible for EU companies, non EU companies do not have right to deduct VAT on their fuel expenses.

(hu1) VAT on car repair is only deductible in case of trucks.

(hu2) VAT on diesel is only deductible in case of trucks, or if it is used for certain technological developments or it is included in the taxable amount of other goods supplied.

(ie) Subject to certain conditions, Irish VAT recovery may be claimed

(it1) VAT on hotel/accommodation is not deductible if related to entertainment expenses.

(it2) VAT on restaurant meals is not deductible if related to entertainment expenses.

(lv) If deductible for Corporate and Personal Income Tax.

(lu1) VAT is deductible only when the Luxembourg VAT is correctly applied.

(lu2) As of January 1st 2010, the place of supply of car repair in a B2B transaction is the place where the recipient is established, so no Luxembourg VAT should be applied.

(lu3) Only when the Luxembourg VAT is correctly applied.

(mt) As a main rule there is no VAT recovery on the rental of motor vehicles, vessels or aircraft or on the purchase of goods or services for repairing, maintaining and fuelling thereof. There are specific exceptions for motor vehicles, vessels and aircraft that meet specified criteria / are used for a specific purpose.

(nl1) Provided that the invoice meets the Dutch VAT invoice requirements and that the goods/services are not used for private purposes.

- (nl2) The percentage of 84% is used by the Dutch tax authorities as an internal policy (as private use of the car is assumed). If it can be proven that the car is only used for business purposes, then a 100% VAT deduction should be possible.
- (no) Expenses relating to car repair and fuel are only recoverable if being incurred in relation to car hiring business, sale of cars and transport services.
- (pl1) Input VAT recovery is limited to 50% in case of cars for mixed use purposes (business and private). In case of using cars for business purposes only, 100% input VAT recovery is allowed. In case of specific types of truck cars used for transport of goods/people listed in the Polish VAT Act, e.g. buses, lorries, etc. full input VAT recovery is allowed.
- (pl2) VAT recovery is allowed, however it may depend on the nature of the expense.
- (pl3) In case of cars used for mixed purposes, input VAT recovery with respect to fuel is restricted until 30th June 2015, except for cars with N1 homologation.
- (pt) If the taxpayer is the organizer of an event, 50% of the VAT incurred on certain expenses can be recovered; if the taxpayer is a participant, 25% of the VAT can be recovered.
- (ro1) VAT on local acquisition, intra-community, import, rental or leasing of passenger vehicles and VAT on directly attributable costs (e.g. repairs, maintenance, lubricants, spare parts, fuel), depending on the actual case, may be subject to 50% limitation on the VAT deduction right.
- (ro2) Deduction on entertainment services is only allowed if the acquisition is made for business purposes. Deduction on goods granted for free as gifts is only allowed within the threshold of RON 100/ gift. VAT is non-recoverable on tobacco and alcoholic drinks.
- (sk) Only as from January 1, 2010.
- (si) Unless in relation to vehicles used for transport of passengers and goods, leasing, renting and resale, vehicles used in driving schools for the provision of the driver's training and combined vehicles for carrying out an activity of a public line and special line transport, as well as special vehicles exclusively adapted for the transport of deceased people.
- (es1) If deductible for Corporate and Personal Income Tax purposes. The invoices must be issued to the company, not to the employees
- (es2) 100% deductible if the car is directly and exclusively affected to the business activity. If not exclusively used for business purposes and in case the car is used by the company during more than one year (CGS), 50% refundable is to be assumed for the cars and all costs related (petrol, maintenance, etc.).
- (es3) Only based on invoices or simplified invoices, not on tickets.
- (se) Only a limited amount can be deducted if the meal refers to business entertainment.
- (ch) If the vehicle is also used for private purposes, a reduction of the input VAT deduction should be calculated
- (uk1) If VAT relates to entertainment of employees with a business purpose or of overseas customers for business purpose, deduction is fully allowed.
- (uk2) The 50 % rule also applies to the short-term hire of a vehicle, unless the hire period is for 10 days or less and the car is being specifically hired for business purposes only. In such cases, 100 % input tax can be reclaimed.

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