



## RECLAIM YOUR EU VAT FROM 2020

Has your business in the EU incurred VAT from other EU member states in 2020 than the member state in which it is established? If that is the case, you may be eligible to recover this VAT by applying for a special VAT refund. One of the conditions is that you have to apply for the refund before October 1, 2021, so time to make use of this opportunity right now.

### EU VAT

For multinational enterprises (MNEs) it is not uncommon that they incur VAT from other EU member states than the one they are established in. This is likely to happen for business expenses made in other EU member states (or for supplies of services to an MNE where the reverse charge mechanism does not apply). For example, an MNE may incur VAT on costs for trade fairs and conferences in other EU member states, accommodation, travelling and fuel costs, printing materials and stationary. This VAT is only recoverable through a special procedure.

### General conditions

All EU member states have their own specific rules concerning an EU VAT refund. However, since this regulation is based upon the EU VAT directive, in general the rules are the same. The general conditions are:

- you must have a business establishment in an EU member state;
- you do not have a VAT registration in the country from where you are trying to recover VAT;
- the expenses are business related.

As mentioned above, the 2020 VAT refund claim must be filed prior to October 1, 2021. This is a so-called fatal deadline, it is not possible to obtain an extension.

### Minimum amount

All EU member states require a minimum amount of VAT to be refunded. For example, the Netherlands requires a minimum of € 50 for a calendar year or € 400 for a quarter. These amounts differ from country to country, but are in general in the range of the aforementioned amounts.

### Invoices

Some EU member states require you to send the original invoices whereby copies or PDFs are not accepted. Most EU member states however permit electronic invoices.

### Next steps

If your business has incurred VAT from other EU member states in 2020, you should start identifying this VAT and collect underlying invoices and other documentation in order to submit this special VAT return. As the deadline is fast approaching, please contact us as soon as possible. We will be able to advise you if the invoices are suitable to file a claim.

Furthermore, we can help you claim your VAT refund in a cost efficient manner. If you would like more information about reclaiming VAT incurred in other EU member states, please contact your trusted RSM advisor.