

FONASBA MEMBERSHIP ENQUIRY



ENQUIRY RESPONSE FORM

ORIGINATING ASSOCIATION:	Denmark
ENQUIRY DETAILS: In Denmark, the transport of goods to non-EU countries is currently exempt from VAT, and that exemption applies to all parties in the transport chain, whether they invoice the shipper directly or charge to another party as a sub-contractor. As a result of the recent EU Court of Justice case C-288/16, copy attached, the Danish customs authorities are now proposing that only those parties that directly invoice the shipper are able to claim exemption from VAT for their services.	<i>Please advise if, in your country:</i> <ol style="list-style-type: none">1. <i>Do your authorities apply the decisions arising from C-288/16? Yes/No.</i>2. <i>If yes, how do the parties to the export contract address the issue of VAT on the non-exempt sections of the transport contract?</i>3. <i>If no, how is the transport of goods to a non-EU country addressed in relation to VAT liabilities on the parties involved?</i>
REPLY TO:	admin@fonasba.com
CLOSING DATE FOR REPLIES:	Wednesday, 28th October 2020

RESPONDING ASSOCIATION COMMENTS: (Please include any attachments)

Belgium	<ol style="list-style-type: none">1. In 2017, consultations were held between the professional organizations (forwarders, agents, transport organizers,...), the VAT administration and the cabinet of the Minister of Finance . At that time, Belgium took a wait-and-see attitude and so far has not adapted its VAT rules. On the basis of discussions within the VAT Committee (Commission), the member states have meanwhile taken a common position, and also the Belgian VAT administration has indicated that it will support the EU position. The Belgian VAT administration was again contacted last week and based on their answer it seems that in Belgium the conditions for the application of the VAT exemption will also be tightened after consultation with the cabinet of the Minister of Finance. We will also jointly address the Minister of Finance again but in view of the situation in other member states the chance that we will yield any result is utterly small.2./3. There was no guidance published yet but it seems this is only a matter of time. A lot of our members will be affected by this. We will join forces with the other professional organizations in order to organize ourselves.
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	<p>Further to my answer in this survey. The Belgian VAT authority have today agreed on a transition period u/l 31/12/2021 to discuss this further with the professional organisations – this while stressing again the fact that rules will have to be tightened.</p>
Croatia	<ol style="list-style-type: none"> 1. Yes 2. Only parties that directly invoice the shipper can claim VAT exemption.
France	<ol style="list-style-type: none"> 1. No 3. Transport related to exportation is not subject to VAT – pre carriage, shipping, on carriage.
Germany	<ol style="list-style-type: none"> 1. Yes from 1.1.2021 2. The tax handling will vary according to the invoice receiver's residence. Customers residing in any other country from now onwards will be invoiced with Reverse Charge. For final receiver of the cargo, there is no change in VAT for imports into the EU/ exports out of the EU.
Hungary	<ol style="list-style-type: none"> 1. Yes 2. For the non-exempt section we charge VAT
Italy	<p>In Italy, if goods are destined to a non – EU COUNTRY all the parties involved issue their invoice VAT EXEMPTION.</p> <p>All the parties / subcontractor involved in the chain issue their invoices VAT exemption even if they do not invoice directly to the Shipper. Attached to the invoice should be copy of Custom export document.</p>
Malta	<ol style="list-style-type: none"> 1. We are not aware of the general approach that the Malta VAT authorities apply in this regard since we as a company never had any dealings pertaining to this matter with them. 3. International Transport and ancillary services are exempt with credit supplies as per the Fifth Schedule (Art.4) to the VAT Act Cap 406. <p>With regards to the second question we are making reference to the Fifth Schedule of the Malta VAT Act article 4 (international Transport and ancillary services), which are deemed to be exempt with credit supplies</p>
Netherlands	<p>The VAT discussion was and still is a very difficult subject, especially because of the fact that devil is in the detail.</p> <p>The following is crucial for the criteria of 0% VAT:</p> <ul style="list-style-type: none"> • Sea vessel • >70% used for shipping on sea • 100% commercially exploited <p>The so-called 'proof' can be a statement document of the shipping line, however if this is done in practice is just a big question mark for us. The VAT discussion was a high discussion in 2018, but at this moment there is a</p>

	<p>complete silence as we do not hear anything from the governmental bodies. At the same time, we are not asking for it as it works for us as it is now. The only fear we have is that this discussion is popping up somewhere in the future.</p> <p>Please treat this feedback CONFIDENTIALLY, so please do not further distribute this information. Trust to have informed you properly.</p>
Portugal	<ol style="list-style-type: none"> 1. In Portugal, entities involved in transport of goods to non-EU countries exempt the service from VAT, even if they are subcontracted, so they don't apply the decision arising from EU Court of Justice. Until now, the authorities have not yet shown any intention to change this procedure. 3. All the parties keep the supporting documentation in order to present to an eventual VAT inspection.
Slovenia	<p>In Slovenia we are acting in accordance of the decision from C-228/16 since October 2017.</p> <p>We apply the VAT exemptions under 146(1) article of Directive 2006/112 only in cases when the service is done and invoiced directly to the shipper.</p> <p>When the service is done to the other EU parties or non EU-parties we apply the VAT reverse charge, so we exempt the VAT in accordance of articles 43. and 44. of EU Directive 2006/112.</p>
Spain	<ol style="list-style-type: none"> 1. No 3. In Spain, no VAT is charged at all, to anyone, related to transportation of export freights, neither to imports in transit. If case arise, we are strongly opposite to Denmark position, which will mean a clear competitive disadvantage for cargo agents versus Freight Forwarders. <p>Even more, the natural consequence of it, will be that all current inland haulage arranged by shippers will definitively be moved to Freight Forwarders, thus tax income will be the same (zero).</p> <p>Have heard nothing from the market here, and have no intention to raise the issue (just in case).</p>