



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Indirect taxation and tax administration  
**VAT and other turnover taxes**

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**VAT in the European Community**

**APPLICATION IN THE MEMBER STATES**

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**FACTS FOR USE BY**

**ADMINISTRATIONS/TRADERS,**

**INFORMATION NETWORKS, ETC.**

**Note**

**This document collates a range of basic information on the application of VAT arrangements in the Member States which has been obtained from the tax authorities concerned.**

**The sole purpose of distributing details of national provisions is to create a work tool. In no way does this document reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.**

# THE NETHERLANDS

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## GENERAL INFORMATION

### **1. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD HE CONTACT (ADDRESS, TELEPHONE, FAX, E-MAIL)?**

Foreign traders may obtain information about the Dutch VAT system from:

Belastingdienst/Limburg/kantoor Buitenland (Tax Department/Limburg/Office for Foreign Traders)  
Postbus 2865  
NL 6401 DJ Heerlen  
Tel.: 31 55 5 385 385 (BelastingTelefoon Buitenland)

Working hours:

- Monday to Thursday: 8.00 - 20.00
- Friday: 8.00 - 17.00

### **2. WHAT IS THE ADDRESS OF THE NATIONAL TAX ADMINISTRATION WEBSITE? WHICH CATEGORIES OF INFORMATION ON VAT IS AVAILABLE ON THAT WEBSITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? AND IN WHICH LANGUAGE(S)?**

The website is [www.belastingdienst.nl](http://www.belastingdienst.nl) and is available in Dutch, English and German. It contains VAT and other information for individuals and companies.

### **3. WHERE IS IT POSSIBLE TO FIND NATIONAL VAT LEGISLATION AND REGULATIONS? IN WHICH LANGUAGE(S) ARE THEY AVAILABLE?**

Information about VAT can be obtained from the Office for Foreign Traders (at the above address) or the Tax Department's website. The information on the website is available in Dutch, English and German. VAT legislation is available only in Dutch.

## VAT REGISTRATION OF FOREIGN TRADERS

### **4. WHAT ARE THE CIRCUMSTANCES GOVERNING THE NEED TO BE REGISTERED FOR VAT?**

VAT registration is required in the following circumstances:

- where foreign traders supply taxed services or goods in the Netherlands to private individuals or other foreign traders;
- where foreign traders carry out distance selling from other Member States to private individuals in the Netherlands for which they are liable for VAT in the Netherlands;
- where foreign traders carry out intra-Community supplies from the Netherlands;
- where foreign traders make taxed intra-Community acquisitions in the Netherlands;
- where foreign traders import goods referred to in Annex A to Article 17 of the

## Turnover Tax Implementing Order.

NB: foreign traders who have appointed a tax representative with a limited licence do not have to register.

There is a separate procedure for non-EU traders supplying electronic services. Traders established outside the EU who supply electronic services to customers in the EU are liable for VAT in the EU State in which the customer is established, if the customer is not a trader. There is a special procedure for such non-EU traders. They need only register as traders in one EU country and can then declare the VAT they owe in all EU countries using the 'electronic services declaration'. They use a single declaration to report their total remuneration and the VAT payable on it, broken down by EU country. All VAT amounts must be paid to the EU country of registration, which will then pass the payments on to the other EU countries.

### **5. WHAT ARE THE SITUATIONS WHERE REGISTRATION IS UNNECESSARY BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE FOR THE TAX? IN SUCH SITUATIONS, IS IT POSSIBLE TO REGISTER ON A VOLUNTARY BASIS?**

- Where a trader is not established in the Netherlands but supplies services or sells goods within the Netherlands to a trader or body established in this country;
- Also in the case of subcontracting, the supply of staff, the supply of immovable property located in the Netherlands, the supply of used material and the supply of services in this field to other traders, Dutch regulations provide that tax will be levied from the trader to whom the goods are supplied or service provided.

### **6. WHOM SHOULD A FOREIGN TRADER CONTACT TO GET REGISTERED FOR VAT? (DETAILS ABOUT THE DEPARTMENT, INCLUDING ADDRESS, TELEPHONE AND FAX E-MAIL...)**

Belastingdienst/Limburg/kantoor Buitenland  
Postbus 2865  
NL 6401 DJ Heerlen  
Tel.: 31 55 5385385 (BelastingTelefoon Buitenland)

### **7. PLEASE DESCRIBE THE DETAILED PROCEDURES (INCLUDING NECESSARY DOCUMENTS) FOR ISSUING VAT IDENTIFICATION NUMBERS, SPECIFICALLY TO FOREIGN TRADERS.**

The following procedure is applied for issuing VAT identification numbers. To register with the Tax Department foreign traders can write to Belastingdienst/Limburg/kantoor Buitenland. The Tax Department will then send them a general form to be filled in and returned. The registration form can also be downloaded from the website.

Depending on the nature and scale of the activities in the Netherlands, the Tax Department will decide whether the trader has to submit periodic VAT returns or may simply submit a form requesting a refund.

Foreign traders registering for VAT must provide the following information:

- identification details (name, address, town, country);

- the number under which the trader is registered for VAT or other taxes in the home country;
- the nature and legal form of the undertaking;
- the nature of the client purchasing the goods or services (private individual/trader/non-trader);
- the estimated annual turnover in the Netherlands.

Traders established outside the EU must also, if requested, provide a declaration of their status as traders, issued by the tax authorities in the country of establishment, together with a certified translation of this document. They will also be asked for a copy of the act of incorporation or proof of registration in the register of the chamber of commerce, the companies' register or similar trader registration system normally used in the country of establishment.

Once registered, foreign traders will receive a Dutch VAT identification number, which they will need for intra-Community transactions carried out in the Netherlands.

## **THRESHOLDS**

### **8. WHICH THRESHOLD DO YOU OPERATE AS REGARDS INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 34 OF THE VAT DIRECTIVE (2006/112/EC)?**

A threshold of €100 000 applies to goods sent or transported to the Netherlands<sup>1</sup>.

### **9. WHICH THRESHOLD DO YOU OPERATE AS REGARDS ACQUISITIONS BY NON-TAXABLE LEGAL PERSONS OR EXEMPT PERSONS UNDER THE SECOND SUBPARAGRAPH OF ARTICLE 3(2) OF THE VAT DIRECTIVE (2006/112/EC)?**

No tax is levied provided that the total remuneration relating to such acquisitions in the current calendar year does not exceed €10 000 and on condition that the total remuneration for such acquisitions in the previous calendar year did not exceed €10 000<sup>2</sup>.

## **APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN (NON-EU) TRADERS**

### **10. WHAT ARE THE SITUATIONS IN WHICH THE APPOINTMENT OF A TAX REPRESENTATIVE IS OBLIGATORY?**

A trader who is not domiciled or established in the Netherlands and has no fixed establishment there is required to appoint a tax representative in the following cases<sup>3</sup>:

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<sup>1</sup> Article 5a of the 1968 Turnover Tax Act.

<sup>2</sup> Article 1a(2) subparagraph 2 of the 1968 Turnover Tax Act.

<sup>3</sup> See Article 33g(2) of the Turnover Tax 1968 in conjunction with Article 24d of the Turnover Tax Implementing Order 1968.

- A foreign trader who is liable for tax in the Netherlands pursuant to Article 5a(1) of the 1968 Turnover Tax Act (distance sales to Dutch customers) must appoint a tax representative with a general licence if the trader is established or has his registered office in a non-EU country with which no legal instrument for mutual assistance as referred to in Article 204(1) subparagraph 2 of the 2006 VAT Directive exists.
- A foreign trader is required to appoint a tax representative for goods or services supplied to him for which he is charged tax pursuant to Part a, point 7, Special provision, or Part a, point 8, Special provision (VAT warehouses), of Table II of the 1968 Turnover Tax Act. The requirement in the first sentence also applies to supplies by the foreign trader subsequent to those referred to there.

## **11. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?**

A person wishing to act as tax representative must have a licence. There are two types of licence: general and limited.

- Tax representatives with a general licence (AFV) act on behalf of the foreign trader for all goods and services on which the trader is liable to tax and for intra-Community acquisitions and imports.
- Tax representatives with a limited licence (BFV) act on behalf of the foreign trader for imports of goods and subsequent supplies. They can also act in matters relating to zero-rated supply and purchase of excise and bulk goods.

Tax representatives must be duly licensed by the Inspector. Applications for a licence to operate as a tax representative must be made to the Inspector. There are rules governing the information to be provided in the application<sup>4</sup>.

The application must be accompanied by a declaration by the trader who is not domiciled or established in the Netherlands and has no fixed establishment there, authorising the applicant to act as a tax representative on his behalf.

In the case of a tax representative with a general licence, the foreign trader must be registered with the Belastingdienst/Limburg/kantoor/Buitenland and will receive a VAT identification number. If he already has a VAT number, this must be given in the licence application.

Foreign traders who use a tax representative with a limited licence do not have to register with the Tax Department. Invoices issued by the foreign trader for supplies where a tax representative is involved must give the representative's VAT identification number and name and address.

## **12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?**

Tax representatives act on behalf of the foreign trader and assume the trader's rights and obligations connected with the tax return, the statement of intra-Community supplies and tax payments.

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<sup>4</sup> See Article 24c of the Turnover Tax Implementing Order 1968.

General licences are issued to tax representatives subject to the following conditions<sup>5</sup>:

- the applicant will act on behalf of the foreign trader for all goods and services liable to tax and for intra-Community acquisitions and imports, except in cases where a tax representative with a limited licence has been appointed;
- the applicant will be jointly responsible in each calendar year for the tax payable and the associated interest, recovery interest and administrative fines, up to a maximum amount lodged as security.

Limited licences are issued to tax representatives subject to the following conditions<sup>6</sup>:

- the applicant, as a tax representative with a limited licence, may act on behalf of the foreign trader in the following matters:
  1. importation of goods;
  2. supplies of goods subsequent to import, other than referred to in Article 5a(1) of the 1968 Turnover Tax Act;
  3. the supply of goods subject to zero rating pursuant to Part a, point 7 or 8, of Table II of the 1968 Turnover Tax Act;
  4. the intra-Community acquisition of goods prior to supply as referred to in point 3 above;
  5. the supply of goods subject to zero rating pursuant to Part a, point 2 or 6, of Table II of the 1968 Turnover Tax Act following supply as referred to in point 3 above;
  6. the supply referred to in Part a, point 7, Special provision, or Part a, point 8, Special provision, of Table II of the 1968 Turnover Tax Act for the foreign trader, if it is addressed to him, and the next supply to be carried out by that trader.
- The applicant will be jointly responsible for the tax payable on the taxable transactions referred to above and the interest, recovery interest and administrative fines associated with it.

### **13. WHAT ACTION CAN YOU TAKE IN THE EVENT OF FAILURE BY A TRADER IN ANOTHER COUNTRY TO DESIGNATE A TAX REPRESENTATIVE IN YOUR TERRITORY?**

A distinction must be drawn between the two cases in which a tax representative has to be appointed (referred to in the reply to question 10).

1. Distance sales by a trader established in a non-EU country.

To date there has been no case of a foreign trader failing to appoint a tax representative.

2. The situation is different for these particular supplies, where the obligation to appoint a tax representative is connected with the possibility of applying the zero rate. If the trader fails to appoint a tax representative the supply is simply taxed at the normal or reduced rate of VAT, which then constitutes the penalty.

### **14. IS IT NECESSARY TO SET UP A BANK GUARANTEE?**

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<sup>5</sup> See Article 24c(4) of the Turnover Tax Implementing Order 1968.

<sup>6</sup> See Article 24c(5) of the Turnover Tax Implementing Order 1968.

A guarantee must be lodged with the Collector of Taxes before a licence for the tax representative is issued. The Collector determines what form the guarantee must take, e.g. a cash deposit, surety, mortgage or pledging of goods, securities or claims.

## **APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU**

### **15. IS IT POSSIBLE TO APPOINT A TAX REPRESENTATIVE?**

Yes. See reply to question 10 for situations in which appointment is compulsory.

### **16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?**

See the reply to question 11.

### **17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?**

See the reply to question 12.

### **18. ARE THERE SITUATIONS WHERE IT IS OBLIGATORY TO SET UP A BANK GUARANTEE?**

A guarantee must be lodged with the Collector of Taxes before a licence for the tax representative is issued. A guarantee is therefore compulsory when a tax representative is appointed.

## **INVOICING RULES ABOUT INVOICING**

### **19. WHERE CAN THE RELEVANT RULES (LAWS, REGULATIONS, INSTRUCTIONS, GUIDELINES...) BE FOUND?**

The main provisions on invoicing can be found in Articles 15, 35 to 35d and 37 of the 1968 Turnover Tax Act.

All of the articles referring to invoices are listed below:

- Articles 13, 15, 17c, 17g, 25, 28h, 32g, 32n, 33c, 35, 35a, 35b, 35d and 37 of the 1968 Turnover Tax Act.
- Articles 2, 3, 4 and 24b of the Turnover Tax Implementing Order 1968.
- Articles 4a, 10a, 17, 18, 18a, 18b, 23a, 32, 33 and 36 of the Turnover Tax Implementing Order 1968.

## **ISSUANCE OF INVOICES**

### **20. WHAT ARE THE CASES WHEN AN INVOICE NEEDS TO BE ISSUED?**

Traders are required to issue an invoice in the following cases<sup>7</sup>:

- if they are supplying goods or services to another trader or to a non-trader who is a legal person;
- if they receive an advance payment from a trader or a non-trader who is a legal person before the goods or services are supplied. If several advance payments are made an invoice must be issued for each part payment;
- if they make a distance sale;
- if they supply a new means of transport to a private individual in another EU Member State.

The invoice requirement also applies if the customer is not entitled to deduct input tax, for example because he supplies exempt goods or is covered by the flat-rate scheme for farmers. In cases other than those listed in the four points above, there is no obligation to issue an invoice, but it is of course permissible to do so. If an invoice is issued when it is not compulsory to do so, it does not have to comply with all the statutory requirements.

## **21. WHAT ARE THE RULES ON CORRECTIVE INVOICES (CREDIT / DEBIT NOTES)?**

If an invoice issued on paper or sent electronically needs to be supplemented or corrected<sup>8</sup>:

- the invoice can be cancelled and replaced by a new one;
- an additional invoice or credit note can be issued.

## **22. WHAT IS THE TIME LIMIT FOR ISSUING INVOICES?**

If a trader is required to issue an invoice he must do so before the 15<sup>th</sup> day of the month following the month in which the goods or services were supplied<sup>9</sup>.

In the case of advance payments, the invoice must be issued in each case before the date on which the payment falls due. If several advance payments are made for a particular item or service, which fall due on different dates, an invoice must be issued on time for each part payment.

A periodic invoice may be issued relating to several separate goods or services (similar or otherwise), in which case the period covered by the invoice may not exceed one month.

## **23. WHAT ARE THE RULES FOR SUMMARY INVOICING?**

Instead of an invoice, some traders first issue bills or other documents. Then, once a week or once a month, they send the actual invoice, which will refer to these bills, copies of which will often be attached. The invoice will not usually reproduce the details of the bills. This method of invoicing is permitted, provided that the invoice alone, or in conjunction with the duplicate bills etc., satisfies the invoicing requirements. The periodic summary invoice is then deemed to be the actual invoice<sup>10</sup>.

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<sup>7</sup> Article 35(1) and (2) of the 1968 Turnover Tax Act and Article 32(1) of the Turnover Tax Implementing Order 1968.

<sup>8</sup> Article 35(4) of the 1968 Turnover Tax Act.

<sup>9</sup> Article 35(5) and (6) of the 1968 Turnover Tax Act.

<sup>10</sup> Article 33(1)d of the 1968 Turnover Tax Act.

## **24. WHAT ARE THE CONDITIONS IMPOSED ON SELF-BILLING?**

The rules allow for self-billing, subject to a number of conditions.

1. Self-billing must be undertaken in the name and on behalf of the trader who has supplied the goods or services. Consequently, the supplier is and remains responsible for the accuracy of the invoice.
2. The invoice must be made out in the name of the supplier, who must also fulfil the other invoicing requirements. The customer can then deduct input tax in the normal way, on the basis of the invoice he has drawn up himself, on behalf of his supplier.
3. Self-billing must be based on a prior agreement between the supplier or service-provider and the customer.
4. Each invoice drawn up by the customer must be part of a procedure of acceptance by the trader providing the goods or services.

## **25. IS THERE ANY SPECIFIC RULE IN RELATION TO OUTSOURCING OF INVOICES TO A PERSON WHO IS ESTABLISHED OUTSIDE THE EU?**

Outsourcing is authorised provided that the invoices are issued in the name and on behalf of the trader who has supplied the goods or services. The trader's name must be given on the invoice and all other invoicing requirements must also be satisfied.

## **CONTENT OF INVOICES**

### **26. UNDER WHAT CONDITIONS MUST THE VAT NUMBER OF THE CUSTOMER BE ON THE TAX INVOICE?**

The invoice must state the VAT identification number of the customer to whom the goods or services are provided and on whom the tax is levied or to whom goods are supplied pursuant to Part a, point 6, of Table II of the 1968 Turnover Tax Act (intra-Community supply)<sup>11</sup>.

Provision may be made by ministerial order to exempt certain traders or groups of traders from certain obligations imposed by this article if the invoice is for an insignificant amount or if the business or administrative practices of the sector in question, or the technical conditions under which the invoices are issued, make it difficult to comply with all of the obligations imposed in Article 35a(1)d of the 1968 Turnover Tax Act.

### **27. ANY OTHER SPECIFIC RULE IN RELATION TO THE CONTENT OF THE INVOICE**

If an invoice has to be issued it must contain the following details<sup>12</sup>:

- the date the invoice was issued;

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<sup>11</sup> Article 35a(1)d of the 1968 Turnover Tax Act.

<sup>12</sup> Article 35a of the 1968 Turnover Tax Act and Article 33 of the Turnover Tax Implementing Order 1968.

- a sequential number, based on one or more series, which uniquely identifies the invoice;
- the VAT identification number under which the trader supplied the goods or service;
- the VAT identification number of the customer to whom the goods or service were supplied, if:
  - the VAT payable is charged to this customer; or
  - intra-Community supplies are involved.
- the name and address of the trader supplying the goods or services;
- the name and address of the customer;
- the nature and quantity of the services provided;
- the date on which the goods or services were supplied or completed or the date on which advance payment was made, if that can be established and is different from the date of the invoice;
- the remuneration related to each rate or exemption;
- the unit price excluding VAT and any discounts or other reductions, if not included in the unit price;
- the VAT rate applied;
- the amount of tax (in euros);
- in the case of i) an exemption, ii) intra-Community supplies, iii) the VAT payable being levied on the customer or iv) supplies to which the margin scheme applies, a specific mention must be made on the invoice;
- the information necessary to determine whether a means of transport is new;
- if the VAT is paid by a tax representative, his name, address and VAT identification number must be given on the invoice.

Where necessary for the purposes of inspection, the Inspector may request a Dutch translation of invoices which:

- relate to goods and services supplied in the Netherlands; and
- are received by traders established in the Netherlands.

The Tax Department will in principle only invoke this provision in the case of languages that are not commonly used for trade purposes in the Netherlands.

## **ELECTRONIC INVOICING**

**28. AS REGARDS INVOICES SENT WITH ADVANCED ELECTRONIC SIGNATURES, IS IT OBLIGATORY TO USE QUALIFIED CERTIFICATED AND SECURE-SIGNATURE-CREATION DEVICES? IF SO, PLEASE SPECIFY.**

No, there are no statutory requirements for the format and transmission of data when using electronic invoicing<sup>13</sup>.

**29. AS REGARDS INVOICES SENT BY ELECTRONIC DATA INTERCHANGE, IS AN ADDITIONAL SUMMARY DOCUMENT ON PAPER OBLIGATORY? IF SO, PLEASE GIVE DETAILS ABOUT ITS CONTENT AND PROCEDURE.**

No.

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<sup>13</sup> Decision of 12 February 2009, No CPP2009/263M, Government Gazette No 32.

**30. DO YOU ALLOW INVOICES ISSUED PURSUANT TO ARTICLE 233(1), SECOND SUBPARAGRAPH OF THE VAT DIRECTIVE ("BY USING ANY OTHER ELECTRONIC MEANS")? IF SO, UNDER WHICH CONDITIONS AND FORMALITIES?**

Yes, the 'other method' is accepted.

**31. ARE THERE ANY OTHER SPECIFIC RULE IN RELATION TO ELECTRONIC INVOICING?**

There are no specific rules for electronic invoicing.

## **STORAGE OF INVOICES**

**32. WHAT ARE THE RULES ON THE PLACE OF STORAGE OF INVOICES?**

Traders must keep a copy of all invoices they issue themselves or that are issued in their name and on their behalf by another party<sup>14</sup>. They must also keep all the invoices they receive.

If a trader sends, receives or stores invoices electronically the Tax Department is entitled to access them for inspection purposes, if necessary. In such cases the trader must provide online access. The Tax Department is also entitled to download and use these electronic invoices for inspection purposes. This applies equally if the invoice data (electronic or otherwise) is stored in another EU country.

**33. IS PRIOR NOTIFICATION OF INVOICES STORED IN ANOTHER COUNTRY AN OBLIGATION? IF SO, PLEASE SPECIFY.**

No.

**34. WHAT IS THE OBLIGATORY STORAGE PERIOD FOR INVOICES?**

Basic information must be kept for the statutory term of seven years<sup>15</sup>. Basic information in all cases includes:

- the general ledger;
- the accounts receivable and accounts payable;
- the sales and purchase ledgers;
- the salary administration; and
- the information relevant to investigations into the taxation of third parties.

For other information, written agreements may be made with the Tax Department on an individual basis and relating to specific aspects, providing for a shorter storage period.

Ledgers, documents and other records relating to immovable property must be kept for nine years after the year in which the trader started to use the immovable property<sup>16</sup>. The longer period in this case is connected with the adjustment period for immovable property.

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<sup>14</sup> Article 35c(1) and (2) of the 1968 Turnover Tax Act.

<sup>15</sup> Article 31(6) of the 1968 Turnover Tax Implementing Order Act.

<sup>16</sup> Article 34a of the 1968 Turnover Tax Act.

### **35. WHAT ARE THE SPECIFIC RULES ON STORAGE FORM AND POSSIBLE CONVERSIONS?**

There are a number of rules on the form of storage and possible conversions<sup>17</sup>.

Traders must guarantee the invoices' authenticity of origin and integrity of content, as well as their readability (for invoices sent both by paper and electronically), for the entire period of storage. If invoices are stored electronically, the data guaranteeing their authenticity of origin and integrity of content must also be stored and kept. The data in electronic invoices may not be altered and must remain readable throughout the entire storage period. Invoice data must be made available to the Inspector, on request, within a reasonable period of time. Electronic storage of an invoice means the storage by means of electronic equipment for the processing (including digital compression) and storage of data, and employing wires, radio, optical technologies, or any other electromagnetic means.

### **36. ANY OTHER SPECIFIC RULE IN RELATION TO INVOICE STORAGE?**

No.

## **SIMPLIFIED INVOICES**

### **37. WHAT ARE THE SITUATIONS WHERE SIMPLIFIED INVOICING IS ALLOWED PURSUANT TO ARTICLE 238 OF THE VAT DIRECTIVE (2006/112/EC)? AND WHAT ARE THE SPECIFIC RULES?**

The invoicing requirements are simplified in the following cases<sup>18</sup>:

- a. the transport of persons by public transport or taxi;
- b. the supply of food and beverages in the hotel and catering sector;
- c. exchange transactions between traders;
- d. summary invoices;
- e. the use of bank giro slips and automatic transfers.

In cases a., b. and e. simplified invoices are permitted on condition that the document issued by the service provider contains at least the following information:

- the date of issue;
- identification of the trader supplying the goods or services;
- identification of the nature of the goods or services supplied (e.g. subscription to a trade journal);
- the amount of VAT payable, or the information needed to calculate it, such as the total price and the words 'incl. 6% (or 19%) VAT'. There is no need to mention the amount of VAT in the case of supplies in the hotel and catering sector.

The use of simplified invoices in cases a. to e. above does not apply to distance sales or intra-Community supplies to which the zero rate is applied.

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<sup>17</sup> Article 35c(3) and (4) and Article 35d of the 1968 Turnover Tax Act.

<sup>18</sup> Article 35a(4) of the 1968 Turnover Tax Act and Article 33 of the Turnover Tax Implementing Order 1968.

N.B. In the case of supplies of fuel for land vehicles the name and address of the customer may be omitted, provided his details can be traced via the means of payment, thus allowing identification<sup>19</sup>.

## **PERIODIC VAT RETURNS**

### **38. UNDER WHAT CIRCUMSTANCES IS A TRADER OBLIGED TO SUBMIT A VAT RETURN?**

The party liable for the VAT must file a VAT return and pay the tax. This means that he must himself calculate how much VAT he owes and then pay this amount on his own initiative.

The party liable for VAT will usually be the trader. Traders setting up a business must register with the Inspector and submit periodic VAT returns thereafter. They will be sent the forms for declaring VAT by the Inspector.

Some traders are only occasionally liable for VAT. They do not have to make periodic returns, but must request a declaration form when they are liable for VAT.

In certain cases non-traders may also be liable for VAT. They, too, must request the declaration form themselves.

If a person liable to tax has not received a letter explaining how to submit a declaration he is legally required to request a declaration form from the Inspector in writing, and must do so before the deadline for paying the tax. The tax due must be paid on time even if the taxpayer did not receive the declaration form.

### **39. AT WHAT INTERVALS ARE VAT RETURNS AND ASSOCIATED PAYMENTS TO BE MADE?**

The following intervals are applicable:

- Most traders must submit quarterly returns.
- The Inspector will insist on monthly returns if the trader usually has to pay more than €15 000 per quarter. The Inspector will also require monthly returns if the trader is regularly late with his payments.
- For traders who do not have to pay more than €1 883 per year the interval is usually one year. Traders who are entitled to a reduction under the small traders scheme are therefore only required to submit an annual return.
- In special cases the Inspector may set a different interval, particularly in the case of business start-ups.
- If a trader's accounting year does not coincide with the calendar year the accounting quarters and months will be used instead of calendar quarters and months.

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<sup>19</sup> Article 33(2)a of the Turnover Tax Implementing Order 1968.

**40. WHAT IS THE PROCEDURE FOR THE REPAYMENT OF EXCESS VAT REPORTED IN THE PERIODIC VAT RETURN? WHAT ARE THE TIME LIMITS FOR THE EXCESS VAT REPAYMENT IF ANY? IF SO, WHAT ARE THEY?**

If a trader has declared more input tax during a tax period than he owes on supplies of goods and/or services the tax return will produce a negative amount. The trader will then apply for a refund via the tax return<sup>20</sup>. The decision on this application is taken by the Inspector.

In addition to negative returns there are special requests for a refund (for example for debts that are written off). For these a separate application must be made to the Inspector in writing. The decision on such applications is also taken by the Inspector.

If the Inspector refunds less than the trader had claimed, an appeal may be lodged against the decision.

Negative tax returns and other requests for a refund must be submitted within one month of the period in which the trader became eligible for a refund. Negative returns or other requests for a refund submitted late will be declared inadmissible by the Inspector. By law, the trader is then no longer entitled to a refund. However, the Inspector will usually grant a refund automatically, but if he refunds less than the trader had requested there is no possibility of appeal to the courts.

For foreign traders the time limit for submitting both positive and negative tax returns is two months after the end of the reporting period (not one).

Foreign traders who are not required to file a return and who wish to apply for a VAT refund are subject to the procedure in Directive 2006/112/EC (if they are established in the EU) or the procedure of the 13<sup>th</sup> Directive 86/560/EEC (if they are established outside the EU). Both procedures are based on Article 171 of the VAT Directive.

**41. DOES A SPECIAL REGIME AS REGARDS PERIODIC VAT RETURNS EXIST FOR SMALLER TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE THEM.**

Special regimes for periodic VAT returns:

- For traders who do not have to pay more than €1 883 per year the reporting period is usually one year. Traders who are entitled to a reduction under the small traders scheme are therefore only required to submit an annual return.  
Traders who are established abroad and have no fixed establishment in the Netherlands are in principle excluded from application of the small traders scheme under Dutch law. However, if such a trader supplies goods and services exclusively in the Netherlands, he will be allowed to apply the scheme<sup>21</sup>.
- Traders engaged exclusively in exempt supplies or covered by the flat-rate scheme for farmers will not receive a periodic VAT return form. If such traders are liable for tax (for example on intra-Community acquisitions) they must request a tax return form themselves.
- Non-traders who are liable to tax occasionally must submit a return as and when necessary.

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<sup>20</sup> Article 17 of the 1968 Turnover Tax Act.

<sup>21</sup> Decision of the Minister of Finance, 25 January 2007, no. CPP2006/2469M.

**42. DO YOU OPERATE SIMPLIFIED CALCULATIONS OF TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?**

Traders who are unable to calculate exactly how much tax is owed within one month of the end of the reporting period may ask the Inspector for permission to estimate the amount.

There are two systems for this:

- a. a system solely for those submitting monthly returns;
  - b. a system for those submitting monthly or quarterly returns.
- a. In the case of monthly returns, the system allows the trader to estimate tax for the first two months of the quarter. In the third month of the quarter the trader must then accurately declare the tax for the entire quarter, including the third month.
- b. Traders making monthly or quarterly returns may be authorised to estimate the tax for the period covered by the return. When they submit their next return they must accurately declare the tax they estimated in the previous return. In other words, each return contains an accurate calculation for the previous reporting period and an estimate for the period to which the return refers.

## **RECAPITULATIVE STATEMENTS**

**43. DO YOU ALLOW SUBMISSION OF RECAPITULATIVE STATEMENTS BY CALENDAR QUARTER ? IF SO, UNDER WHICH THRESHOLD AND CONDITIONS ?**

Each trader must periodically produce a list of supplies of intra-Community goods and services by customer ('Opgaaf ICP' or statement of intra-Community supplies). It is partly up to the trader to decide how frequently such a statement is produced.

The rule of thumb is that the statement should be produced quarterly. However, if a trader has recorded intra-Community supplies of more than €100 000 in that quarter or in one of the four previous quarters he will have to submit a monthly statement. The trader may list his intra-Community services quarterly even if he lists his goods monthly.

Traders may opt to produce two-monthly statements, but only if in the second month of the chosen period their supplies of intra-Community goods have exceeded €100 000. Once a trader has submitted this statement he is required to list his supplies of intra-Community goods monthly.

Traders who are required to submit VAT returns only annually may be able to list their intra-Community supplies annually too. They must submit a request to the Inspector to this effect and meet the following conditions:

- the value of all goods and services, excluding VAT, for the year does not exceed €200 000;
- annual turnover in intra-Community supplies does not exceed €15 000;
- the trader does not carry out any intra-Community supplies of new means of transport.

**44. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN ARTICLE 266 OF THE VAT DIRECTIVE (2006/112/EC)?**

There are currently no other requirements.

**45. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 269 OF THE VAT DIRECTIVE (2006/112/EC)? IF SO, WHAT ARE THE RELATED THRESHOLDS FOR APPLYING SUCH PROCEDURES?**

Traders who are required to submit VAT returns only annually may be able to list their intra-Community supplies annually too. They must submit a request to the Inspector to this effect and meet the following conditions:

- the value of all goods and services, excluding VAT, for the year does not exceed €200 000;
- annual turnover in intra-Community supplies does not exceed €15 000;
- the trader does not carry out any intra-Community supplies of new means of transport.

In connection with these conditions, the trader must include in his application:

- a statement of expected annual turnover, excluding VAT;
- a statement of the expected volume of his intra-Community supplies;
- a declaration to the effect that his intra-Community supplies will not include any supplies of new means of transport.

If the trader ceases to meet these conditions he must immediately inform the Inspector. The scheme will then cease to apply.

## **ELECTRONIC RETURNS**

**46. IS IT POSSIBLE TO SUBMIT VAT RETURNS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT STATEMENTS ELECTRONICALLY?**

VAT returns have to be submitted electronically. Paper returns are permitted in only a small number of situations.

There are three ways of submitting an electronic return:

- a. the trader himself files his return via the Tax Department's internet site. He gets a user name and password from the Tax Department;
- b. the trader himself files his return using a program he installs on his own computer;
- c. the trader gets an intermediary, such as an accountant or tax adviser, to file his return for him. The intermediary produces the return, using a software package, and sends the return to the Tax Department electronically.

Towards the end of the period for which the trader has to submit a return he will receive a letter reminding him that he is required to file a return and indicating the deadlines for the return and payment.

A paper return is permitted only if:

- the trader only has to file a VAT return occasionally;

- one or more declaration periods has already passed by the time the Tax Department includes the entrepreneur as a trader in its records;
- the trader is exempt from the obligation to file returns electronically.

Foreign traders are neither required nor allowed to file returns electronically. Their returns must be filed on paper, accompanied by detailed information about each of the headings completed.

There is, however, a special procedure intended solely for traders established outside the EU who provide electronic services to non-traders domiciled or established in the EU, which allows them to electronically declare all services supplied in the EU with the Member State with which they have chosen to register<sup>22</sup>.

**47. IS IT POSSIBLE TO SUBMIT RECAPITULATIVE STATEMENTS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT STATEMENTS ELECTRONICALLY?**

The statement of intra-Community supplies must be submitted electronically. The methods for electronic submission of the statement are the same as for the VAT return. The letter informing the trader of his obligation to file a VAT return will also inform him that he has to submit a statement of intra-Community supplies if he has carried out such supplies in a given quarter.

A tax representative with a general licence must produce the statement of intra-Community supplies under the Dutch VAT identification number of the foreign trader whom he is representing. If he is acting for more than one foreign trader he must submit a separate statement of intra-Community supplies for each trader.

A tax representative with a limited licence must produce the statement of intra-Community supplies under the VAT identification number allocated to him separately. If he is acting for more than one foreign trader, he must declare the intra-Community supplies of all of these traders on a single statement.

A tax representative who also carries out intra-Community supplies on his own account must of course list these on a statement produced under his own (normal) VAT identification number.

## **OBLIGATIONS AT IMPORTATION**

**48. WHO ARE THE PERSONS THAT CAN BE DESIGNATED OR RECOGNISED AS LIABLE TO PAY IMPORT VAT UNDER ARTICLE 201 OF THE VAT DIRECTIVE ?**

Anyone who can present the goods to customs or have them presented and can produce the requisite documents is entitled to make a customs declaration.

In most cases a customs agent is commissioned to make the customs declaration, which he does in his own name and on his own account, but on behalf of another party, such as the importer. The customs agent can also act as an indirect representative, in which case

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<sup>22</sup> Articles 28q to 28t of the 1968 Turnover Tax Act.

he declares the goods in his own name but for the account of his client, who must give him a written authorisation.

It is also possible to make an import declaration in the name and for the account of the party concerned (the importer). This is referred to as direct representation. In that case the customer is the declarant, not the customs agent, and the customer (declarant) is liable.

On the other hand, tax on imports of goods intended for designated entrepreneurs and bodies other than traders is levied on those entrepreneurs and bodies<sup>23</sup>.

#### **49. WHAT ARE THE RULES FOR DECLARATION AND PAYMENT OF IMPORT VAT ?**

VAT payable on imports is levied in the same way as import duty<sup>24</sup>. If the goods are released for free circulation via a customs declaration, import duties have to be paid. The Customs will issue a demand for payment, which will also show the VAT owed. This VAT must be paid by the declarant. The same applies *mutatis mutandis* if VAT is owed because the goods have been withdrawn from a customs procedure.

The option of combining liability to import VAT with the periodic VAT return, provided for in Article 23 of the 1968 Turnover Tax Act, is also open to foreign traders, but on condition that they use a tax representative. If the imported goods feature in Annex A to Article 17 of the Turnover Tax Implementing Order 1968 the import VAT must be paid via the VAT return. Foreign traders importing such goods will have to register in advance with the Office for Foreign Traders, as traders required to submit a VAT return.

#### **50. DO YOU APPLY THE OPTION OF "POSTPONED ACCOUNTING" REFERRED TO IN ARTICLE 211 OF THE VAT DIRECTIVE ? AND IF SO, ON WHAT TERMS?**

In many cases the import VAT will not be levied via a demand for payment but combined with the importer's normal periodic VAT return<sup>25</sup>. The same applies to goods withdrawn from a customs procedure if the addressee of the goods is entitled to apply the scheme for combining payment with the periodic VAT return. When the latter scheme is applied the normal customs procedure is followed in other respects.

## **ADMINISTRATIVE REQUIREMENTS**

#### **51. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, TO WHOM DOES THE SCHEME APPLY?**

A flat-rate calculation method may only be used for dividing up receipts according to goods supplied<sup>26</sup>. However, if the trader supplies goods under a hire purchase agreement or payment by instalment agreement, he must record the receipts for such goods separately and divided according to the different VAT rates. The same applies to receipts for services.

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<sup>23</sup> Article 23(1) of the 1968 Turnover Tax Act.

<sup>24</sup> Articles 22, 22a and 23 of the 1968 Turnover Tax Act.

<sup>25</sup> Article 23 of the 1968 Turnover Tax Act.

<sup>26</sup> Article 16 of the Turnover Tax Implementing Order 1968.

Goods and services in the hotel and catering sector were originally treated as supplies of goods. Following a Court of Justice judgment they are now treated as services. However, the continued use of the flat-rate method of calculation for supplies of food and beverages has been authorised. Application of the flat-rate method is also subject to the following conditions:

- the trader must use the cash accounting scheme;
- the trader may not divide his receipts on the basis of his accounting system according to the different rates of VAT;
- the trader must select the method to be used before the accounting year in question and must inform the Inspector accordingly, in writing;
- The method chosen must be used until the accounting year after the year in which the trader notifies the Inspector, in writing, of his intention to stop using it. A trader cannot, therefore, simply switch method if the chosen method proves disadvantageous in a particular year.

**52. DO YOU OPERATE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, WHAT ARE THEY?**

No.

**53. IN WHICH LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED INTO?**

The returns and recapitulative statements are in Dutch. Various explanations are available in English and German.

## **RIGHT OF DEDUCTION**

**54. FOR WHICH CATEGORIES OF GOODS AND SERVICES IS THERE NO RIGHT OF DEDUCTION?**

In certain cases there is no right of deduction:

- Input tax on purchases used for exempt operations or other untaxed operations is not deductible.
- VAT on hotel and catering expenditure is never deductible<sup>27</sup>.

There are also limits on deduction in cases where the goods or services are used for<sup>28</sup>:

- entertainment;
- business gifts and other gifts to persons who cannot deduct any VAT;
- staff facilities;
- supplies of food and beverages to staff.

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<sup>27</sup> Article 15(5) of the 1968 Turnover Tax Act.

<sup>28</sup> Article 1(1) of the Order concerning exclusion from the right to make deductions from turnover tax 1968.

**55. ARE THERE CATEGORIES OF GOODS AND SERVICES IN WHICH THERE IS A PARTIAL RIGHT OF DEDUCTION? IF SO, WHAT IS THE PERCENTAGE?**

Not applicable.