

FISCAL REPRESENTATION IN THE NETHERLANDS

In principle a non-resident companies making taxable supplies of goods and/or services in the Netherlands need to register for VAT purposes. E.g. companies releasing goods for free circulation in the Netherlands and making subsequent supplies to customer in the Netherlands or abroad. As a consequence the non-resident company with a Dutch VAT registration must submit periodic VAT returns.

Fiscal representative takes care of administrative obligations

A non-resident company, however, may decide to appoint a fiscal representative in relation to its VAT obligations. The fiscal representative takes care of submitting the VAT return, paying the amount of VAT due to the authorities, submitting the European Sales Listing and Intrastat declarations if applicable. Next to the administrative benefits, appointing a fiscal representative also creates the possibility to apply for an import VAT deferment license.

Import VAT deferment license

When goods are released for free circulations (import) import duties and VAT at import become due. In principle, import duties and VAT at import must be paid at the moment the import declaration is submitted. However, the Netherlands have implemented a so-called import VAT deferment system. Under this system the payment of VAT at import is postponed from the moment of submitting the import declaration until submitting the next periodic VAT return. The import VAT payable reported in the VAT return can in principle be deducted as input tax in the same VAT return. So on balance no import VAT is actually paid. The import VAT deferment system results in an cashflow and interest benefit!

Application of the deferment system requires a license from the tax authorities. Non-resident companies, however, can only apply for an import VAT deferment license if they appoint a fiscal representativ in the Netherlands.

Types of fiscal representation

The Netherlands have implemented two types of fiscal representation: a fiscal representative with a general license and a fiscal representative with a limited license. Only Dutch resident companies can be appointed as fiscal representative with either a general or limited license.

A fiscal representative with a general license acts on behalf of a non-resident company with respect to all its supplies of goods and services for which Dutch VAT is due, intra-Community acquisitions of goods and the import of goods.

A fiscal representative with a limited license can only act on behalf of a non-resident company for the import of goods and subsequent supplies of these goods. Thus, a fiscal representative with a limited license cannot act on behalf of the non-resident company for its intra-Community acquisitions or services rendered.

BeTWinkeling BV acts a fiscal representative with a general license

Our company BeTWinkeling BV, a subsidiairy of Acconavn Accountants & Adviseurs, acts as a fiscal representative with a general license on behalf of non-resident companies. As described above, BeTWinkeling BV takes care of the administrative obligations with respect to VAT in the Netherlands. So the non-resident entrepreneur does not need to make a profound study of the Dutch VAT rules. But perhaps even more important is that the non-resident entrepreneur can apply the import VAT deferment system, resulting in cashflow and interest benefits.

Should you require more information about BeTWinkeling BV acting as fiscal representative with a general license, please send an email to: info@betwinkeling.nl or call to +31-(0)26-3639078.

Met vriendelijke groet,

Jannica van de Craats

Secretariaat

van vilsteren BTW advies bv

t 026 - 369 83 49

f 026 - 369 83 19

e secretariaat@btwadvis.com

w www.btwadvies.com

KvK Arnhem 09136209