

SITPRO

International Trade Guides

Exporting

Supplying Goods to Customers in the European Union



Supplying Goods to Customers in the European Union

This guide provides important information about:

- how VAT is charged and accounted for on goods moving between Member States
- the system for collecting EU trade statistics
- what commercial documentation should be used

You should read it if you are supplying goods from the UK to a customer in any of the Member States of the European Union (EU):

- Austria
- Belgium
- Bulgaria
- Cyprus (only those areas controlled by the Government of the Republic of Cyprus)
- The Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden

How do I charge and account for VAT?

Value Added Tax (VAT) is a tax you must charge when you supply goods or services where the total value of your supplies goes over a certain limit. You can find out the current value threshold for supplying goods or services by contacting HM Revenue & Customs on the National Advice Service (Tel: 0845 010 9000). If the value of your business supplies exceeds the limit you must 'register' for VAT with HM Revenue & Customs. Similar arrangements apply to traders in other Member States.

Goods sold between VAT registered traders in different Member States are zero rated for VAT by the seller. The VAT is due in the country of destination on acquisition of the goods. To be able to zero rate goods it is necessary to show both the seller's and buyer's VAT registration numbers (with the correct national codes) on the invoice. The formats of the VAT registration numbers used in each Member State together and the national codes used for VAT purposes can be found in the table overleaf.

However if the buyer is not registered for VAT or the seller cannot obtain his VAT number then the seller must charge the UK rate of VAT.

It is also important that you retain commercial evidence that the goods have been sent from the UK, such as a certificate of shipment from your freight forwarder or carrier. The evidence must be sufficient to identify your goods and show that they left the UK. If you fail to obtain or keep satisfactory evidence that the goods have left the UK the sale is not eligible to be zero rated as an intra Community supply, and it will be liable to UK VAT. This is particularly important if you sell on terms where your customer or a third party arranges the transport and shipment, for example under 'ex-works.' If your customer or the carrier does not provide you with the commercial evidence that the goods have left the UK, then you risk being liable to the VAT as if you had sold the goods in the UK.

In addition to completing a VAT return, if you make supplies of goods to traders registered for VAT in other Member States you will also be required to send details of these sales, known as the European Sales Listing (ESL), to HM Revenue & Customs. This form is available from your local VAT office, or by calling HM Revenue & Customs on the National Advice Service (Tel: 0845 010 9000). The ESL must be submitted calendar quarterly, within six weeks of the period covered. Submissions may be made more frequent with prior approval from Customs. Similarly, if you make an annual VAT return you may be able to submit your ESL once a year. The ESL can be submitted on a pre-printed return provided by Customs (VAT 101), by plain paper, computer media or electronic data interchange (EDI).

More information on VAT in the Single Market can be obtained from your local HM Revenue & Customs office and Customs Public Notice 725.

What are my responsibilities for trade statistics?

VAT registered traders with a value of trade in goods with other Member States above a certain threshold have to supply supplementary statistical information on their intra-EU trade each month. These declarations are known as Intrastat.

The declarations for goods you receive from customers (called "arrivals") and goods you send to customers (called "despatches") are independent of each other. If a business exceeds the threshold for the arrival of goods but not for despatches, a supplementary declaration need only be completed for arrivals. Similarly, if despatches (and not arrivals) exceed the threshold then only despatches have to be included on the declaration. However, if both arrivals and despatches exceed the threshold then separate declarations must be made for both. You can find out the current Intrastat value thresholds for despatches and arrivals by contacting HM Revenue & Customs on the National Advice Service (Tel: 0845 010 9000).

The country codes for Intrastat declarations are the same as the codes used for VAT purposes except Greece (GR) and Luxembourg (LU).

The Intrastat declaration must be submitted to HM Revenue & Customs every calendar month by the end of the month following the period covered, either on the official forms (C1500-arrivals and C1501-despatches), or electronically. Full details are included in HM Revenue & Customs Public Notice 60.

What about commercial documents?

Goods which are in free circulation within the European Community (i.e. those which are not liable to pay Customs duty in the Community as they either originate there or the duty has already been paid) can move between Member States without any documentation. This does not apply to goods liable to excise duties or goods subject to prohibition or restrictions (e.g. weapons) which still need accompanying documentation.

However we would still advise that normal commercial documentation (e.g. invoices, packing lists) is sent with your goods, or that you use the supplied “postal pack” if the goods are being sent by post. We would also recommend the use of a Standard Shipping Note to accompany goods for maritime despatch. For all hazardous goods a Dangerous Goods Declaration is required and for surface modes of transport (sea, road, rail) we recommend the use of the SITPRO Dangerous Goods Note. For consignments moving by air the IATA Shipper’s Declaration of Dangerous Goods should be used and we suggest you contact either your freight forwarder (if you use one) or the airline carrier for further information.

Where can I get further information?

VAT

You should first contact the HM Revenue & Customs National Advice Service, tel: 0845 010 9000. The NAS can answer the basic simple questions about VAT. More complex enquiries will be dealt with by referral to either a VAT office or a VAT policy section.

HM Revenue & Customs also produce a range of free Public Notices that include:

- 700 - a guide to the main VAT rules and procedures;
- 700/1 - a guide to registration of VAT
- 725 - a guide to charges and accounts for VAT in the EU

Intrastat

As above for VAT. Public Notice 60 is a general guide to Intrastat.

Documentation

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National codes for VAT purposes and VAT Registration Number Formats

Country	National VAT Code	Format of national VAT registration number
Austria	AT	Nine characters including one alpha character e.g. U13245857
Belgium	BE	Nine digits e.g. 404994497
Bulgaria	BG	Nine or ten digits e.g. 654187388 or 6541873881
Cyprus	CY	Nine characters ending with one alpha character e.g. 52468724A
Czech Republic	CZ	Eight, nine or ten digits e.g. 69845872 or 698458723 or 6984587235. Where an eleven, twelve or thirteen digit code is used, the first three digits should be disregarded since they are a tax code.
Denmark	DK	Eight digits e.g. 11568807
Estonia	EE	Nine digits e.g. 421765893
Finland	FI	Eight digits e.g. 32375831
France	FR	Eleven characters e.g. 80 323758318 (usually digits but can include alpha characters at the start with the exception of 1 or 00)
Germany	DE	Nine digits e.g. 993451955
Greece	EL	Nine digits always starting with zero e.g. 093451955
Hungary	HU	Eight digits e.g. 32864157
Ireland	IE	Eight characters (including one or two alpha characters) e.g. 1994361X or 1X94361X
Italy	IT	Eleven digits e.g. 04196760013
Latvia	LV	Eleven digits e.g. 62864751964
Lithuania	LT	Nine or twelve digits e.g. 715473129 or 715473129402
Luxembourg	NL	Eight digits e.g. 14090909
Malta	MT	Eight digits e.g. 28463519
Netherlands	NL	Nine digits e.g. 119699977B01 (All Dutch VAT registration numbers have a three character suffix in the range B01 to B99)
Poland	PL	Ten digits e.g. 4385296412
Portugal	PT	Nine digits e.g. 502254890
Romania	RO	Between two and ten digits e.g. 52 or 526 or 5268 or 52684 or 526846 or 5268463 or 52684632 or 526846324 or 5268463249
Slovakia	SK	Ten digits e.g. 9248516732
Slovenia	SI	Eight digits e.g. 62734515
Spain	ES	Nine digits (including one or two alpha characters) e.g. A28200400 or A2820040B
Sweden	SE	Twelve digits in one group e.g. 384944972203

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