



VAT and Customs Duties

VAT affects all transactions involving the provision of goods or services in every EU jurisdiction and in many jurisdictions outside the EU. An understanding of how VAT operates is essential if businesses are to avoid failing to charge VAT when appropriate and unnecessary costs in terms of not being able to reclaim VAT charged to them. Penalties are increasingly stringent for non-compliance.

Our specialist VAT team advises clients on the incidence of VAT, how to structure commercial transactions in a VAT efficient way and registration and compliance generally.

Because of our international network, including VAT, GST and Sales Tax advisers in non-EU jurisdictions, we are able to provide a seamless cross border service, integrating the different rules of the jurisdictions into our advice. By closely monitoring developments, particularly at EU-level, we are able to ensure that our clients do not inadvertently generate VAT liabilities and are aware when VAT issues may affect their business plans detrimentally, and how this can be alleviated.

We also advise on customs duties, including the procedures for importing and exporting goods to and from the EU, the prohibitions and restrictions, the reliefs available (including temporary importation relief and inward and outward processing reliefs), the classification of goods for tariff purposes and valuation issues, so as to ensure that the correct amount of customs duties is paid at the right time.

Most of our VAT lawyers also have direct tax experience, so we are able to give VAT advice in the context of the overall tax implications of any particular transaction, ensuring that any VAT solution does not give rise to adverse direct tax consequences, for example in transfer pricing situations, and creating a permanent establishment.

We have contentious VAT lawyers within the team who can provide assistance in relation to VAT disputes and negotiating settlements. We also have contacts at the EU Commission and can assist with lobbying for tax change.

CAPABILITIES

Our Services include:

Incidence of VAT and Structuring

- Advising on the incidence of VAT on transactions, structuring advice and registration and compliance generally.
- Advising on prudent VAT mitigation in the light of the “abuse of rights” doctrine.

KEY CONTACTS

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Cross-border Activity

- Advising multi-national businesses on the VAT consequences of trading in, investing in or carrying on business in the EU and the need to register and account for VAT in accordance with the place of supply rules.
- Advising on the impact of the place of supply rules
- Advising clients on all aspects of e-business
- Advising on the creation of fixed establishments
- Advising on the VAT impact of transfer pricing issues
- Advising banks and other financial services institutions on structuring outsourcing contracts to gain as much VAT efficiency as possible and on such issues as branded credit cards and debt assignment.

VAT and Real Estate Transactions

- Advising on the effect of the VAT rules on real estate transactions and the efficient use of the option to tax, and prudent planning in relation to both commercial and residential property.

EU Developments

- Monitoring VAT developments generally and advising clients on appropriate action to take account of those developments.

VAT Disputes and Litigation

- Full service assistance in connection with VAT disputes, including negotiating successful settlements and appealing assessments at every level of tribunal and court.

Customs Duties

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GST and Sales Tax

- Liaising with our experts in the US and Australia and Asia on the impact of indirect taxes in their jurisdictions

EXPERIENCE

- Acting for financial institutions wishing to outsource services in as VAT-efficient a way as possible
- Acting for an electronic games provider on VAT compliance issues in relation to B2C transactions in many jurisdictions
- Acting for VATit on numerous VAT reclaim and consultancy problems including aviation, TOMS, exhibition organising
- Acting for various US corporations wishing to expand their markets into Europe or reorganise their business models in Europe
- Advising a crate leasing business on VAT compliance in EU and obtaining concessions from the relevant tax authorities
- Mitigating VAT on various real estate transactions

INSIGHTS

Publications

VAT - Monthly Alert - March 2021

1 April 2021

VAT MONTHLY ALERT

A summary of important VAT developments with implications for cross-border business operations.

VAT - Monthly Alert – February 2021

2 March 2021

[VAT MONTHLY ALERT](#)

Our February summary of important VAT developments with implications for cross-border business operations.

Saudi Arabia extends tax amnesty scheme enabling international groups to regularize historic tax exposure

1 February 2021

An increasing number of international taxpayers are using the KSA scheme.

VAT - Monthly Alert – January 2021

29 January 2021

[VAT MONTHLY ALERT](#)

See our January summary of important VAT developments with implications for cross-border business operations.

UK VAT changes on the sale of goods to customers from 1 January 2021

23 December 2020

With the end of the Brexit implementation period approaching at 11pm on 31 December 2020, the UK's tax authority, Her Majesty's Revenue and Customs (HMRC) on 5 October 2020, updated its guidance, "Changes to VAT treatment of overseas goods sold to customers from 1 January 2021".

Belgium introduces the tax free "recovery reserve" in response to the COVID-19 pandemic

26 November 2020

Following the introduction of the one-off carry-back of tax losses, Belgium has recently introduced a complementary measure intended to strengthen the solvency and cash-flow position of Belgian companies that have suffered a loss pursuant to the COVID-19 pandemic.

VAT - Monthly Alert – November 2020

25 November 2020

[VAT MONTHLY ALERT](#)

A summary of important VAT developments with implications for cross-border business operations.

VAT Monthly Alert October 2020

2 November 2020

VAT MONTHLY ALERT

A summary of important VAT developments with implications for cross-border business operations.

Oman introduces VAT: A law firm's perspective

22 October 2020

Prudent businesses operating in Oman are already planning for the implementation of Omani VAT and have started reviewing their legal arrangements and contracts.

DLA Piper acts for Mid Ulster District Council (as lead appellant) in successful VAT repayment claim at First Tier Tribunal

19 October 2020

Mid Ulster District Council (formerly Magherafelt District Council), in a group litigation action, as the lead case on behalf of Northern Ireland Councils, represented by the DLA Piper London's VAT group, with Counsels Melanie Hall QC and Harry Gillow, have won an important case against HM Revenue & Customs.

Updated guidance on early termination and compensation payments - impact for real estate

30 September 2020

Following the CJEU decisions in *Vodafone Portugal* (C-43/19) and *MEO* (C-295/17), HMRC has surprisingly changed its published guidance to make it clear that early termination and compensation payments relating to commercial contracts are in most cases consideration for goods or services and subject to VAT.

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VAT cash saving tips for the return to office

17 July 2020

Our International VAT leadership team, Daan Arends, Bjoern Enders, Giovanni Iaselli and Richard Woolich, have produced 10 tips concerning VAT strategies that can be used to benefit businesses.

Update: The meaning of a "fixed establishment"

15 July 2020

- Dong Yang Electronics Sp. z o.o. (Case C-547/18) – Supplies held to have been made to the overseas parent and not its local subsidiary
 - Titanium Ltd (C-931/19) – CJEU referral – Can a fixed establishment exist without human or technical resources if none are
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needed?

VAT - Monthly Alert - May/June 2020

9 June 2020

[VAT MONTHLY ALERT](#)

A summary of important VAT developments with implications for cross-border business operations.

VAT - Monthly Alert - March/April 2020

8 April 2020

[VAT MONTHLY ALERT](#)

A summary of important VAT developments with implications for cross-border business operations.

Making International VAT work for you: Eight top tips during the Coronavirus COVID-19 outbreak

2 April 2020

Coronavirus COVID-19 is affecting businesses globally in ways that no one could ever have imagined. The saying, "cash is king" reflects the importance of cashflow to a business and is relevant now more than ever. Here are some key areas that International businesses can review to hold cash longer, gain cash from VAT and help improve cashflow during this unprecedented period.

Making UK VAT work for you: Ten top tips during the Coronavirus COVID-19 outbreak

2 April 2020

Coronavirus COVID-19 is affecting businesses globally in ways that no one could ever have imagined. The saying, "cash is king" reflects the importance of cashflow to a business and is relevant now more than ever. Here are some key areas that UK businesses can review to hold cash longer, gain cash from VAT and help improve cashflow.

VAT - Monthly Alert - February 2020

5 March 2020

[VAT MONTHLY ALERT](#)

A summary of important VAT developments with implications for cross-border business operations.

VAT - Monthly Alert - January 2020

3 February 2020

[VAT MONTHLY ALERT](#)

A summary of important VAT developments with implications for cross-border business operations.

VAT - Monthly Alert - November/December 2019

20 December 2019

[VAT MONTHLY ALERT](#)

A summary of important VAT developments with implications for cross-border business operations.

VAT - Monthly Alert - October 2019

4 November 2019

[VAT MONTHLY ALERT](#)

A summary of important VAT developments with implications for cross-border business operations.

Mexico: 2020 tax reform proposal

7 October 2019

The proposed reform aims to broaden the scope of activities subject to tax, as well as the reporting obligations of Mexican and foreign taxpayers.

VAT - Monthly Alert - July 2019

5 August 2019

[VAT MONTHLY ALERT](#)

A summary of important VAT developments with implications for cross-border business operations.

New UK guidance on reclaiming import VAT

30 July 2019

The UK's HM Revenue & Customs has recently released new policy guidance on the appropriate steps for the deduction of VAT on the import of goods into the UK. This article will be of interest to businesses who reclaim import VAT on goods imported into the UK when not owning the goods.

VAT - Monthly Alert - June 2019

5 July 2019

[VAT MONTHLY ALERT](#)

A summary of important VAT developments with implications for cross-border business operations.

VAT - Monthly Alert - May 2019

31 MAY 2019

VAT MONTHLY ALERT

A summary of important VAT developments with implications for cross-border business operations.

VAT - Monthly Alert - April 2019

1 MAY 2019

VAT MONTHLY ALERT

A summary of important VAT developments with implications for cross-border business operations.
