

Budget 2009 – EU VAT recovery

It has been announced that UK VAT registered businesses will be able to submit claims to HMRC where VAT has been incurred in other EU member states. Currently claims have to be made to the tax authorities of the relevant member states.

The current paper-based system is to be replaced with an electronic procedure using a standardised form and the time limits for making a claim is to be extended from six to nine months. HMRC will have to make a refund within four months (rather than the current six months). Interest will be paid by the member state of refund where refunds are not paid within the relevant deadlines.

Who is affected?

UK businesses who wish to obtain a refund of VAT incurred in other EU member states.

Timing

The new rules will take effect from 1 January 2010.

4 Eyes Ltd assists companies with their EU VAT reclaims. This is likely to speed-up and hopefully simplify the process meaning that most businesses will be able to recover the VAT that they have incurred. Please contact us if this is relevant to you.

Non EU businesses will still have to make a separate reclaim in each Member State.

**WE HOPE YOU FIND THIS NEWS ARTICLE HELPFUL. IF YOU WOULD LIKE TO REGISTER TO RECEIVE
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