



# ENTERPRISE WORLDWIDE

## European Newsletter

1 February 2011, Issue 4

### Cyprus – Cyprus Has Been Removed From Italy’s Black Lists

Italy has officially removed Cyprus from its controlled foreign company (CFC) and tax haven black lists (Ministerial Decree No. 180), applying from 4 August 2010. In addition Cyprus has been added to Italy’s “white list”, i.e. countries that will exchange tax information with Italy.

#### As a result the following benefits have arisen:

##### *Italian parent company:*

- An Italian company which controls at least 20% of the dividends rights of a Cyprus resident company will no longer be taxed on the profits of the Cyprus company (10% for Cyprus listed companies), whereas before the Italian company was taxed on the profits of the Cyprus company in proportion to its shareholding regardless of whether the Cyprus company distributed its profits.
- 95% of the dividends received from a Cyprus company are tax-free.
- 95% of the gains on sale of shares in Cyprus companies are tax-free.
- There is no limit on the deduction of costs incurred by an Italian company in connection with a Cyprus company, whereas before costs arising on transactions between Italian and Cyprus companies were not tax deductible.

It should be noted that the CFC rules will still apply if the Cyprus subsidiary is subject to an effective income tax rate lower than 50% of the theoretical Italian tax rate and the majority of its revenue is passive income or generated via inter-company services.

#### Opportunities for Cyprus/Italy tax planning

- Application of 10% corporate income tax rate in Cyprus which is the lowest in the EU
- No withholding tax on dividends, interest and most royalties paid by a Cyprus company
- No withholding tax on most dividends paid to a Cyprus



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- company, and on interest and most royalties received from an EU company
- No tax on profits and gains arising on the disposal of securities
- No tax on profits of an overseas permanent establishment of a Cyprus company
- No capital gains on disposal of assets other than certain immovable property that is situated in Cyprus
- Tax treaties with over 45 countries including Russia, Ukraine and India

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## **France - Entry into force of the Protocol to the France-US Tax Treaty and of the new France-UK Tax Treaty**

The ratification of the Protocol to the France-United States Tax Treaty and of the new France-United Kingdom Tax Treaty has now been finalized. International groups should review and analyze the impact of the revised treaties on their contemplated or existing structures, inter-company payments and other flows of income.

### 1. Entry into force of the Protocol to the France-US Tax Treaty

On late December 2009, France and the United States have exchanged the instruments of ratification allowing the effective entry into force of the Protocol signed in early 2009 amending the France-US Tax Treaty dated August 31, 1994.

The Protocol provides for the elimination of source-country taxation on qualifying parent/subsidiary dividends and cross-border royalty payments. These new withholding tax exemptions will be applicable retroactively to qualifying payments and distributions made since January 1, 2009.

The Protocol also strengthens the previous limitation of benefits ("LoB") provision and provides, inter alia, for a mandatory arbitration in specific circumstances that cannot be settled by the competent authorities within a specified period of time. The Protocol also amends the rules regarding the exchange of tax payer information between the tax authorities of both countries.

### 2. Entry into force of the new France-United Kingdom Tax Treaty

The new tax Treaty between France and the UK, signed on half 2009 entered into force on December 2009. It replaces the France-UK Tax Treaty signed in 1968 and will have application as from January 1, 2010. The application scope now includes several additional social contributions, French-UK partnerships and several real estate vehicles (SIIC and OPCI on the French side, REITs on the UK side).

General tax credit mechanisms are also part of the new provisions as opposed to the exemption method prevailing with respect to income tax under previous Tax Treaty.

As opposed to the France-US Protocol mentioned above, the new France-UK Tax treaties does not have a retroactive application to year 2009 either with respect to withholding taxes or to income taxes.

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## Germany – New German Accounting Law Effective as of Financial Year 2010

### Preliminary Remarks:

According to Article 15, the German Accounting Law Modernisation Act (*Bilanzrechts-Modernisierungsgesetz, BilMoG*) entered into force on 29 May 2009. Article 66 (3) Clause 1 *EGHGB* (Introductory Law to the German Commercial Code) requires that the majority of the new *BilMoG* provisions must be applied to financial years starting after 31 December 2009 (application date). In cases whereby the financial year corresponds to the calendar year, the regular start of application of the new law is the year 2010. Conversion entries according to the new accounting law must be effected as per 1 January 2010 as a matter of principle. A voluntary early regular start of application was permissible for financial years commencing after 31 December 2008. This article focuses on the relevant changes affecting individual financial statements. Changes concerning consolidated financial statements shall not be addressed in this paper.

### General aims of *BilMoG*:

*BilMoG* abolishes most of the previous accounting, valuation and reporting options as well as consolidation options. It severely restricts the companies' accounting policy leeway, thereby increasing the informative value of the statements both in chronological and inter-company comparison.

### Individual issues relating to the annual financial statements:

- **Goodwill:** Original goodwill continues to be subject to an accounting prohibition. Derivative goodwill, which has been acquired in return for payment and arises from the difference between the purchase price of a company and the balance of the fair value of the individual acquired assets and acquired liabilities, must be capitalised in accordance with Section 246 (1) Clause 4 *HGB* (German Commercial Code). The capitalised amount is subject to scheduled and, where applicable, unscheduled depreciation. Should the assumed useful life of the goodwill exceed 5 years, Section 285 No. 13 *HGB* provides for a duty to disclose this information in the notes. The so-called impairment-only approach under IFRS, according to which only non-scheduled depreciation is applied to the acquired goodwill, has not been incorporated into the German law.
- **Self-produced intangible assets:** Self-produced intangible fixed assets may be included as asset items in the balance sheet (Section 248 (2) p. 1 *HGB*). Hence, companies may capitalise such assets but are not obliged to do so. Self-produced brands, print titles, publishing rights, customer lists or comparable intangible fixed assets may not be included in the balance sheet. An express prohibition to capitalise applies to expenses associated with the foundation of a company, the procurement of equity and expenses associated with the conclusion of insurance contracts.
- **Accounting of research and development costs:** According to the new provisions, companies have the option to capitalise research and development costs if such costs relate to the development of intangible fixed assets. Expenses arising in the research phase may not be capitalised. However, development costs may be capitalised in the assets' development phase. Where research and development cannot be reliably separated, such assets may not be capitalised.
- **Pension provisions:** Pension provisions represent contingent liabilities arising from commitments towards the staff to pay future company pensions or provide comparable benefits. Such provision must be calculated on the basis of common actuarial methods. The discount rate must be discounted using the average market interest rate of the past seven financial years. Pension commitments may also be discounted on a lump-sum basis using the average market interest rate resulting from the assumption of a residual term of 15 years. Future price and cost increases shall be included in the valuation of provisions. This means that both a wage/salary trend and a pension trend must be taken into account.
- **Other provisions:** Provisions for future expenses and provisions for rescheduled maintenance work

that is to be carried out within 4 to 12 months after the expiration of the financial year are prohibited. In contrast, provisions must be formed for expenses associated with rescheduled maintenance work that is to be carried out within 3 months after the end of the financial year. The calculation of such provisions must include future price and cost increases. The old accounting law did not provide for the discounting of long-term provisions as a matter of principle. However, according to the new law, provisions with terms in excess of one year must be discounted using the average discount rate of the past seven financial years that corresponds to their residual term. Consequently, all provisions with a residual term in excess of one year must be discounted irrespective of the question whether they relate to monetary commitments or benefits in kind. The discount rates are announced by the *Deutsche Bundesbank*.

- **Valuation of self-produced assets based on full costing:** Self-produced assets must be valued at production cost. Production costs are the expenses caused by the consumption of goods and services needed for the production of an asset. They include direct material costs, prime costs and special direct costs of production. However, in contrast to the old law, the appropriate portions of the indirect material costs, production overheads and the wear and tear of assets caused by production (depreciation) must be included in addition to the direct costs. The new lower value limit is relevant for production processes that commenced in the financial year starting after 31 December 2009. When calculating their production costs, companies still have the option to include appropriate portions of their general administrative costs and appropriate expenses for their social facilities as well as for company pensions if such costs relate to the production period. Unfinished goods may be valued on a full cost basis as of 2010 even if the production processes commenced before this date.

#### **Final remark:**

This article is intended to serve as an initial overview of the new German accounting law. Further new provisions have been introduced. As a rule, when converting to the new accounting law, companies will prepare an opening balance sheet as per 1 January 2010 which their auditors must include in the audit of the 2010 financial statements.

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## **Germany – The German Federal Government Simplifies Tax Law**

The coalition of Free Democratic Party (FDP) and Christian Democratic Union (CDU) wants to relieve citizens and enterprises by simplifications of the tax law. In addition, the coalition leaders worked out a catalog consisting of 41 points. By these simplifications, the treasury relinquishes on 590 million Euros. This is the assumed amount that only employees get benefited. In favor of the economy, approximately 4 billion Euros are saved on the bureaucratic costs each year.

Here is an overview of the most important and yet decided simplifications:

1. The rise of the employee lump sum (Arbeitnehmer-Pauschbetrag):

The employee lump sum is raised from at present Euro 920,00 to 1000,00 Euros. Only if the costs of the employee in reference to his workplace are higher, then the checks and bills have to be delivered to the tax authorities to have it proved. The lump sum is a cut-off to the taxable earnings for every single employee without reporting anything. Using lump sums is coming more and more applicable in the German Tax Law.

2. Employees only report earnings every two years to the tax authority:

Filing two years of tax declarations and getting them done by the Tax Authority at once is a lot easier. This is an alternative for all employees. They don't suffer any disadvantages thereby. And they can go back to the yearly method, whenever they want.

### 3. Already filed tax declaration:

The taxpayer downloads individual files from the tax office. These files contain all the information that is already registered in the database. Within the electronic tax declaration documents, the right fields are filled in automatically. After additions and corrections, the completed explanation is conveyed to the tax office. For the majority of the citizens paperless communication is to be made possible by 2013.

### 4. Care Costs of the children:

The differentiation between privately caused or (through the professional work) compelled costs for the caring of the children still produces additional work. A whole page in the tax declaration used to be filed with these details. Now the page is obsolete. The tax office does not differentiate whether it's private or business anymore.

### 5. Child benefit (Kindergeld):

Parents in Germany get Kindergeld, a fixed sum for each child until reaching 25 years old under certain circumstances. E.g. the tax declaration needed detailed lists about the amount of earnings of each child. Only when they earn less than a certain amount, parents have had a concrete claim on Kindergeld. Now, all these bureaucratic obstacles are torn down. There is no more need to file the earnings of daughters and sons.

### 6. Driving costs to the workplace:

The distance lump sum is a price set for each kilometer. If you drive by car from home to work, you multiply the distance by the working days and by the distance lump sum that equals the costs that can be cut off from taxable earnings. The case is more problematic when you go by car and by passenger transportation. The simple change is that the taxpayer doesn't need to give detailed recordings about how he got to work each day anymore. Everyone applicable now uses the same, above-mentioned calculation.

### 7. Different possibilities to declare taxes for married people:

At present seven variants of tax tariff exist for married people. After the tax simplifications become law, only four remain.

### 8. Capital gains / Donations:

With the directly taxed capital gains, the banks transfer the taxes collected to the treasury. With the German "Abgeltungssteuer" there is no need to report earnings from Share Capital like dividends. But when these earnings are in reference to the declared donation departure, the tax office still needs the files.

### 9. Paperless communication with the tax offices:

The taxation procedures as well as the correspondence media from citizen to authority and vice versa are going to be fundamentally modernized. With the paperless income return made possible a few years ago, there is still a lot of savings potential to reach.

More tax simplifications are due as the German Minister of Economics, Rainer Brüderle presumed. Now, after bringing a bright light in the dark tax jungle, party colleagues of Rainer Brüderle (FDP) want to go on with the value added tax swamp and the progressive tax tariff. The cold progressive tax tariff cannot last forever. The

German tax tariff is infamous because after social and insurance costs then taxes are deducted. There is less than half left of the pay increase in the hands of the German employee.

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## **Ireland – Outline of Audit Exemption in Ireland**

In Ireland the most common type of limited company is a private limited company. This means that shareholders have liability up to the amount they have subscribed for the issued share capital. The Directors of a Private limited company have to decide if their company meets the conditions for claiming audit exemption during a particular accounting year and if so whether it is a good idea to prepare audit exempt Financial Statements?

The main conditions for claiming audit exemption are as follows:

1. The company must be a Private Limited Company;  
This condition precludes public limited companies & guarantee companies from audit exemption.
2. The amount of turnover of the company must not exceed €7.3 million per annum;
3. The company's assets must be less than €3.65 million at the end of its financial year;
4. The average number of employees must not exceed 50;
5. The company must not be a parent company or a subsidiary company;

### **Further Key Issues to consider with Audit Exemption in Ireland**

6. From 5. Above, it is clear therefore that if the shares are held by/or the company owns a US LLC or UK limited company then audit exemption is not available.  
The group structure & proposed business model should be considered carefully, where appropriate. It is easier to pass dividends, free of dividend withholding tax to US LLC or UK Limited company parent companies than it is to non-resident individuals due to changes made in Section 33, Finance Act 2010. This removed the requirement for certain non-resident companies receiving dividends from Irish resident companies to provide a tax residence and/ or auditor's certificate, along with a signed non-resident declaration form, in order to obtain exemption from Dividend Withholding Tax (DWT) at source. Instead, a self-certification system applies under which a qualifying non-resident company provides a declaration to the dividend paying company or qualifying intermediary to claim exemption from DWT.
7. Certain Financial services companies do not qualify for audit exemption under the Second Schedule to the Companies Act 1999.
8. The company's annual return for the previous and current year must be filed on time.
9. If you are applying for Bank funding then you may need to produce audited accounts.
10. Audited accounts carry more credibility that the accounts are accurately and completely prepared
11. Audited accounts may reduce the risk of a revenue audit.
12. Audited accounts cost more to produce than non-audited Financial Statements due to the substantial amount of extra work involved.

If you are considering locating your business in Ireland and require further advice on these issues please do not hesitate to contact us directly.

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## Malta – Company Taxes – Trading and Corporate Structures

| Company Law Rules Overview                      |  |
|---|--|
| Types   | Limited liability company, private/public company, private exempt/non-exempt company.                                    |
| Standard issued share capital                   | EUR1,250 (approx. USD1500) (in any foreign currency)   |
| Minimum paid up share capital on incorporation: | 20% (EUR250 - approx. USD300)*   |
| Minimum number of Shareholders required:        | One shareholder (if the company director is a natural person) or<br><br>Two shareholders (if the director is corporate). |
| Nominee shareholders permitted:                 | Yes, by fiduciaries authorized by the MFSA.  |
| Minimum number of directors:                    | One. In certain cases, director may also act as company secretary.   |
| Local directors required:                       | No.  |
| Corporate directors permitted:                  | Yes, resident directorship services provided   |
| Local company secretary required:               | Any nationality, company secretarial services provided   |
| Objects/Powers                                  | Limited to those specified in the Memorandum – must be stated.   |
| Local meeting required:                         | No   |
| Meetings:                                       | At least one General Meeting each year, in addition to any other company meetings.                                       |
| Local Registered office required:               | Yes. We offer registered office services to Malta Companies.   |
| Exchange Control:                               | No exchange control regulations - may conduct business in any currency   |
| Average timeframe to set up a new company:      | 24-48 hours (depending on availability and adequacy of documentation/information provided)                               |

### Malta companies for international business:

A Maltese company can trade and provide services/consultancy/intermediation internationally throughout Europe (having a Maltese/EU VAT registration) as well as outside the EU, while enjoying a net 5% effective tax rate after refunds to shareholders. Maltese companies are not low tax companies (the corporate tax rate is 35%) as the (confidential) refunds are payable to the shareholders. They are excellent vehicles for royalty routing, treasury operations, e-gaming and e-commerce operations.

### **Malta holding companies:**

A Malta holding company can provide a holding company providing asset protection for business assets of any form (real estate anywhere, fixed assets, investments, securities, bank accounts, intellectual property, etc) but also personal assets including any luxury items, depending on the shareholders involved.

Maltese holding companies enjoy low effective tax rates on world-wide profits as follows:

- 0% on dividends received from a participating holding, that is:
  - (i) Where it holds at least 10% of the equity in a subsidiary; or
  - (ii) Where it holds an investment in a subsidiary of at least € 1.5 million and holds that investment for more than 183 days)
- 0% on capital gains on the disposal of a participating holding
- 5% on dividends from non-participating holdings
- 10% on passive income (interest, royalties etc)

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### **Netherlands – Changes to Incoterms as of 1 January 2011**

The Incoterms rules are a group of internationally recognised commercial terms used in international and domestic contracts for the sale of goods. In 2010, the International Chamber of Commerce (ICC) launched the new Incoterms 2010 rules, set to come into force on 1 January 2011. The new rules will affect anyone involved in buying or selling goods (particularly international traders), as they make clear what party is responsible for the goods at each point of the transport process and what party has to bear for instance customs duties, or handling costs. The objective of the changes to the previous incoterms is to update the system for the 21st century by addressing the recent trends in global trade and current practices.

#### **Two classes of incoterms**

The rules have been divided into two classes to help traders choose the most suitable rule in relation to the mode of transport. One class can be used for any mode of transport, and the other is reserved solely for maritime transport. The previous 13 Incoterms have been reduced to the following 11 terms applicable as of 1 January 2011:

- **Rule for any mode of transport:**
  - Ex Works (EXW);
  - Free Carrier (FCA);
  - Carriage Paid To (CPT);
  - Carriage and Insurance Paid To (CIP);
  - Delivery At Terminal (DAT);
  - Delivery At Place (DAP) and
  - Delivery Duty Paid (DDP)
- **Rules for maritime transport:**
  - Free Alongside Ship (FAS);
  - Free On Board (FOB);
  - Cost and Freight (CFR); and
  - Cost, Insurance, Freight (CIF)

### **Changes to the ‘D’ Group:**

The ‘D’ Group of terms are used when the goods are to be delivered to the buyer at a point required in the buyer’s country, at which point the responsibility and risks passes to the buyer of the goods. From the terms starting with the letter D, Delivered at Frontier (DAF), Delivered Ex Ship (DES), Delivered Ex Quay (DEQ) and Delivered Duty Unpaid (DDU) have been eliminated. They are now replaced by Delivery at Place (DAP) and Delivery at Terminal (DAT). Delivered Duty Paid (DDP) will remain unchanged.

DAP should now be used wherever DAF, DES and DDU were previously used. Delivery takes place once the seller has left the good unloaded for the buyer at the place agreed upon. DAT should now be used wherever DEQ was previously used. Delivery takes place *once the goods have been unloaded* at the named terminal.

In contrast to the previous ‘D’ Group rules, both DAP and DAT can be used for any mode of transport (not just for maritime transport), and it is intended that the changes will aid the use of these terms for container traffic.

### **Other changes:**

Other changes have been made to make the rules more accessible for domestic users and to update the rules to recent trends and current practice:

- More extensive explanatory notes and user-friendly diagrams have been published to enhance understanding of the terms by users;
- Advice is given for the use of electronic documents as an alternative to paper documents
- The term ‘across the ships rail’ is removed from Incoterms CFR, CIF and FOB and replaced with the term ‘on board’
- Procedures are described for cases where goods are sold several times to different buyers (aiming to increase the use of the new Incoterms to commodity traders)

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## **Switzerland – The Swiss Franc Profits from the Euro-debt Crisis**

After a long downward movement the Euro had been able to recover in the past weeks from the strong Swiss Franc currency. But now again the Euro approaches with large steps its record low to the Franc. The exchange rate of the euro in December was for the first time in ten weeks under the mark of 1,30 Francs again. Thus, those market players that had believed that the Euro could permanently recover in relation to the Swiss currency were freed from their misunderstanding.

At present, much speaks for a prolonged and increasing loss of the euro. Thereby, the Euro-debt crisis supports the price movement in favor to the Swiss Franc, because these developments drive foreigners to invest in the Swiss Franc zone as a safe port. According to leading experts, this effect could continue further in the short run.

Swiss currency might step by step get stronger in relation to the euro, if the fear of a spreading debt crisis to Portugal and Spain remains. This is a real threat that is mirrored by the higher risk premiums that these two countries must pay for their state debts. Much will depend on how it will continue with the European debt crisis, since solving the financial problems challenges the Euro countries. Especially the future refinancing assignments of the uncertain prospects, Spain or Italy, would likewise place great tension. All these unresolved questions might provide a further high demand for investments in Switzerland.

The Tactics of Swiss National Bank is however unknown. The market is still waiting for how the Swiss National Bank reacts to a stronger and stronger Franc. In spring 2010, massive interventions of the responsible authorities have been carried out to the foreign exchange market because of the threat of the infamous deflation. In addition, this measurement also produces risks, as the Euro-denominated holding inflated balance of the Swiss National Bank demonstrates. Nevertheless the responsible authorities declared to apply all necessary measurements to prevent deflation and protect the price stability.

Naturally, a strong Franc is also a burden for the Swiss economy. So far, the rise in costs for foreign buyers of Swiss goods impaired the exports only a little. And the gross domestic product for 2010 accounts a rise of 2,7 percent. But the Swiss Industry output accounts for near zero growth in the last quarter 2010 and the expectations for the near future in relation to the economic business activity dropped slightly downwards. Thus, Switzerland is not completely free of concerns.

In the present, market players give a far stronger emphasis on the state debt situation when making investment decisions. And in this discipline Switzerland can probably count as one of the few countries of Europe that earns a surplus in its Federal Budget in 2010. And that alone might be a reason for many investors to flee from continuous problems of their Euro-denominated holdings to the Swiss Franc.

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## **United Kingdom – Value Added Tax – Place of Supply Changes: 1 January 2011**

### **Background:**

1 January 2010 was a key date in relation to the supply of services to a business customer outside the UK (known as B2B sales).

1. For **most** B2B services, the place of supply is now where the customer is based rather than the supplier. This rule relates to sales to business customers inside and outside the EU. If the place of supply is outside the UK, then no UK VAT is charged.
2. In the case of a B2B sale to a business customer in the EU, the customer will deal with the VAT instead on his own VAT return, based on the rate of VAT that applies in his own country, by doing a reverse charge calculation. This calculation produces an output tax entry and an input tax entry that cancel each other out in most cases. It also produces value entries (value of supply excluding VAT) for both outputs and inputs.
3. A UK business making B2B sales of services without a VAT charge to an EU customer now has to complete an ESL (EU Sales List) on a calendar quarterly basis.
4. The place of supply for B2C (business to non-business) sales is where the supplier is based, unless the customer is based outside the EU, and the service is listed in VATA 1994, Sch. 4A, para. 16 (most professional services), in which case the place of supply is again where the customer is based.

### **From 1 January 2011:**

The 2010 rules changes did not achieve total simplification. There are a range of services where the place of supply does not depend on where the customer is based but where the service is actually performed. The services where this principle applies are as follows:

- Cultural, artistic, sporting, scientific, educational or entertainment services and any services ancillary to such services; and
- Services relating to exhibitions, conferences or meetings and any services ancillary to (including organizing) any such services.

However, the key point is that the place of supply for the above services will change on 1 January 2011 – but only in relation to most B2B sales.

1. For business customers, the place of supply in respect of the following services is where the events actually take place: services in respect of **admission** to cultural, artistic, sporting, scientific, educational, entertainment or similar events (including fairs and exhibitions), and ancillary services relating to admission to such events.
2. For non-business customers, the place of supply of the following services is where the activities concerned actually take place: services relating to cultural, artistic, sporting, scientific, educational, entertainment or similar activities (including fairs and exhibitions) and ancillary services relating to such activities, including services of organizers of such activities.
3. For other services linked to these categories, the place of supply will resort to the default position i.e. location of the customer for B2B sales. It is only the **admission** to cultural, artistic events, etc. that will have a place of supply based on where the event takes place in the case of B2B sales.

These changes simplify the regulations.

After 1 January 2011, a UK Company that (for example) performs training work for a business customer in Germany will no longer need to worry about registering in Germany because the place of supply is where the customer is based. The VAT charge automatically becomes the responsibility of the customer using the reverse charge. All the UK client needs to do is get evidence that his German customer is ‘in business’ (usually a VAT number) and include the sale in Box 6 of its UK VAT return (outputs) and also declare it on an EU Sales List.

### **Expenditure:**

Consideration should also be given to clients who buy services affected by these changes, for example:-

Watches Limited is VAT-registered in the UK but wants to increase the sale of watches to customers in Holland. It has agreed to attend an exhibition in Holland in March 2011 to try to promote some Dutch sales. The charge paid to the Dutch company is for being allowed to attend the exhibition.

Until 31 December 2010, the place of supply is Holland where the exhibition takes place so Dutch VAT will be charged to the UK Company. The UK Company could try to claim this VAT from the Dutch tax authorities through the cross border VAT refund scheme.

However, after 1 January 2011, no Dutch VAT charge will apply because the place of supply is now the UK. Watches Limited will account for VAT on its own return by doing the reverse charge calculation (nil effect overall).

### **Final comment**

Despite simplification the rules are still complex and the foregoing only gives a taste of the changes and is not intended as, nor should it be relied upon as detail guidance.

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