

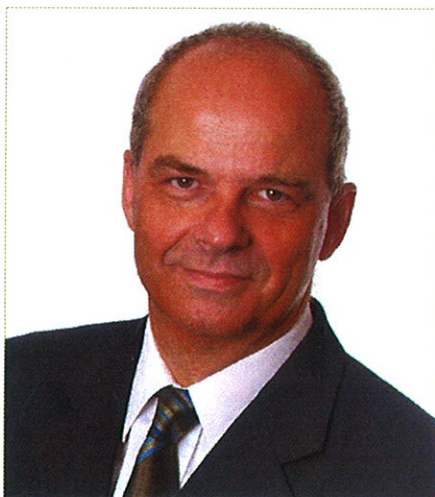
Intra-Community Supplies

Germany Establishes Entry Certificate

By Martin Thieslauk

It sounds quite simple: If you want to enjoy tax exemption for intra-community supplies from one EU country to another, you shall have to prove that the goods have indeed been delivered to the country of destination. In daily export business however there is barely anything more complicated than obtaining sufficient bills and proves acceptable for the tax authorities.

In order to simplify and adapt these regulations, the German Ministry of Finance has now established a new Entry Certificate, the so called "Gelangensbestätigung". The basic idea behind this certificate is that German export firms will only need to present two documents for the proof of intra-community supplies: a copy of the commercial invoice issued by the supplier and the Entry Certificate signed by the recipient. The Entry Certificate has to contain the following data: name and address of the recipient, quantity and commercial description of the items, place and date of receipt in the other member state, date of issue of the certificate and signature of the recipient.



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Decisive for the proof of the intra-community supply is the date of receipt in the other member state. In case the customer himself transports the goods, this means that this is not the date when the items are handed-over to him in Germany, but the date of the end of the transportation at its destination. In case of dispatching goods, the Entry Certificate has to be signed and resend by the dispatching party after receipt, confirming the date of entry in the

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destination country. If German companies cannot present the Entry Certificate to the tax authorities they cannot claim for tax exemption and will have to pay German VAT.

This sounds indeed like a perfect simplification, but German exporters' and advisors' associations have raised many concerns over the practical handling of this document: The exporter depends on the customer's cooperation to return the document unknown in other jurisdictions, the final invoice cannot be issued before receipt of the document, the exporter will have to prove the correctness of the signature and the right of representation of the signing person and so forth.

Initially, it had been planned to start the new procedure on 1 January 2012, but due to the many problems when setting into practice, the old regulations had been extended to 31 March 2012, being now prolonged again until 30 June 2012. It seems there is nothing more complicated than simplification.

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