



GENEVA GROUP INTERNATIONAL

Recapitulative statement on services to combat VAT fraud

By Martin Thieslauk

Great expectations linked with the idea of the Common European Market are still being disillusioned in daily business environment when UE companies and their (tax) consultants have to face again and again new administrative burdens. A measure that keeps us busy these days is the new application of the recapitulative statement (RS) on intra-Community services in B2B relations which has caused not little confusion amongst our international service providers.



As a consequence of the elimination of customs control inside the European Community a unified system for the exchange of information on supplies of goods had been established. Starting July 2010, this so called recapitulative statement, up to now only applicable for flows of goods, has to be submitted as well for B2B services on which VAT is taxable and not tax-free in another EU-member State and for which the recipient of the service is tax-liable. Also those entrepreneurs who, not seated in a member State, have generated turnover in that State are obliged to file a recapitulative statement.

The following criteria refer to the latest changes in Germany; similar (but sometimes slightly different) regulations apply in the whole European Community:

- The RS has to be submitted for each calendar quarter; under certain conditions the reporting period can be prolonged to a calendar year.
- In case the value of the services to be reported exceeds the quarterly amount of 100.000 € (from 01.01.2012: 50.000 €), the RS has to be submitted monthly with retroactive effect.
- The RS has to be submitted until the 25th day from the end of the reporting period. Granted permanent prolongations of time limits for the presentation of provisional VAT declarations do not apply for the submission of the RS.
- The RS will not be submitted for periods without any reportable turnover.

The RS has to contain the following data:

- Services to recipients seated in another member States for which VAT has to be paid by these recipients in the member State where they are seated.
- VAT-registration number of each of the recipients.
- The assessment base of the services rendered to the recipient (sec. 18a para. 4 S. 1 no. 3 UStG = German VAT Act).
- Decisive for the reporting period is the moment of rendering the services irrespectively when taxes are paid by the entrepreneur

Despite these seemingly clear instructions, the experience with our clients operating in international service business has proved that there is no automatic implementation of such measures just by pushing a button. That's why we have elaborated for our clients in Germany individual solutions adjusted to their own business procedures. We will be happy to share these with the partners of the GGI alliance and their clients.

GGI member firm

Benefitax GmbH, Steuerberatungsgesellschaft, Wirtschaftsprüfungsgesellschaft

Frankfurt am Main, Germany

Martin Thieslauk

E: info@benefitax.de

W: <http://www.benefitax.de>