

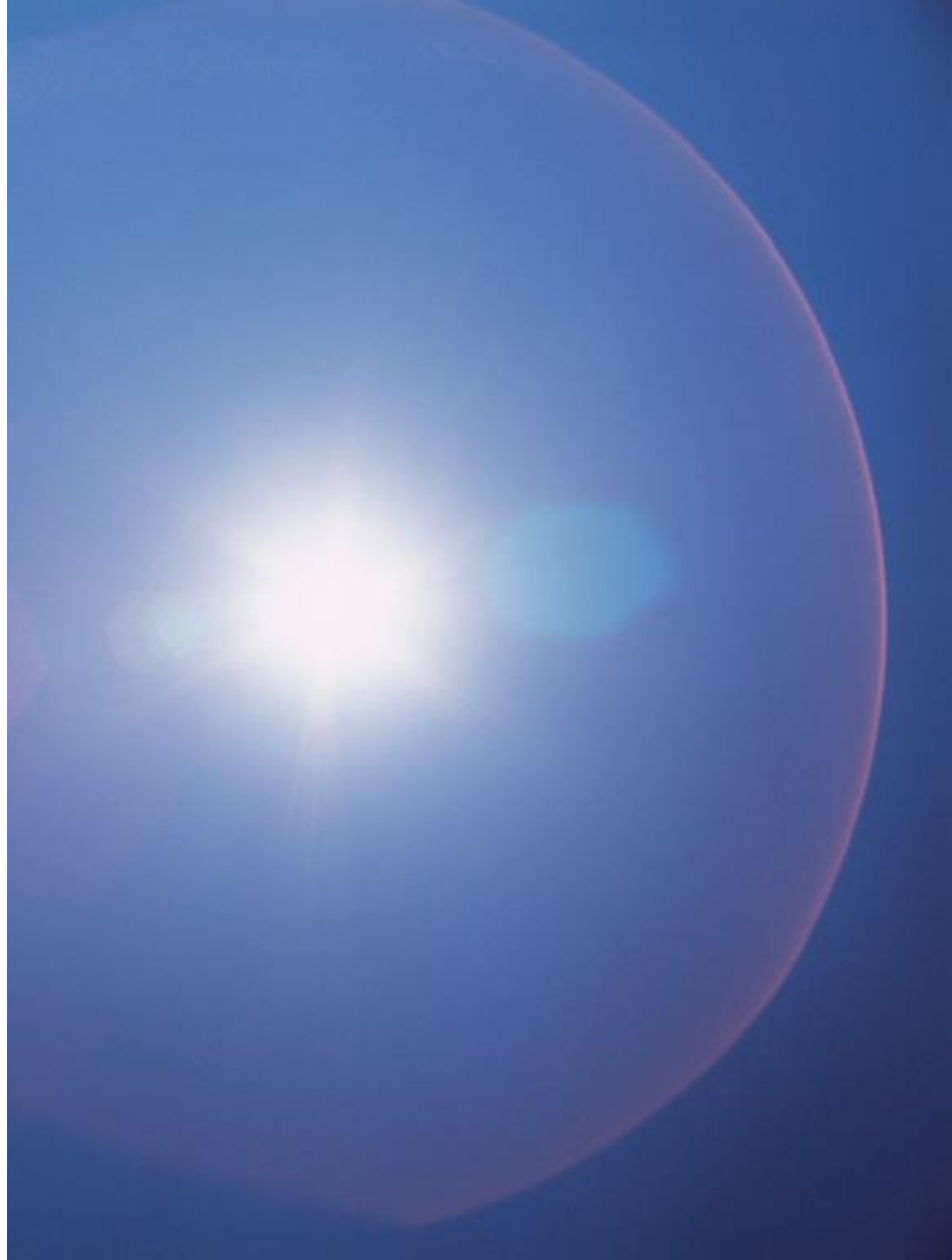


Trends in the Indirect Tax Landscape: Increased compliance and impact of BEPS

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5 June 2014



Agenda

Introduction

Trends Indirect tax: increased compliance and electronic tax audits

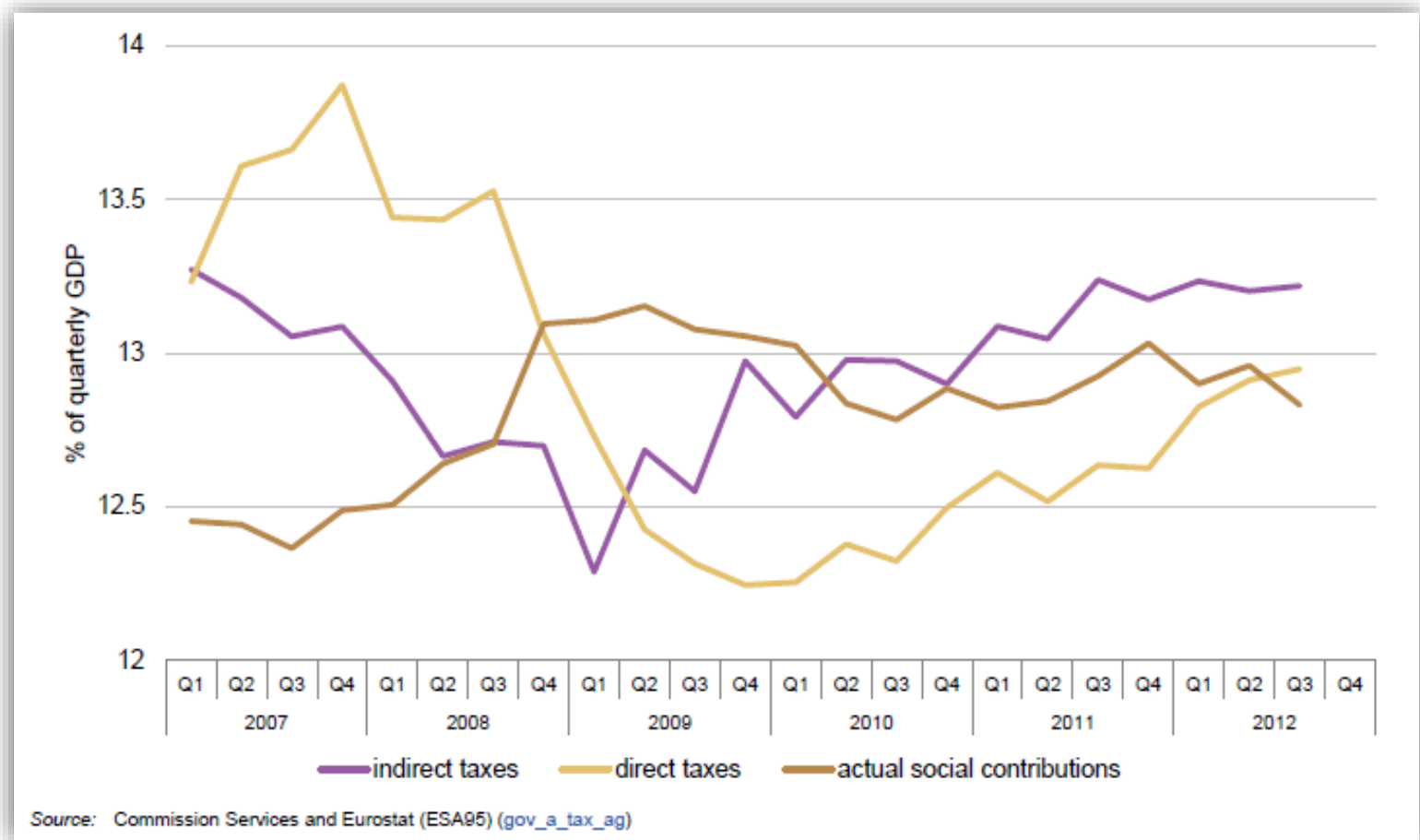
Update on OECD's actions to tackle BEPS and impact for Indirect taxes

Conclusions and questions

Introduction

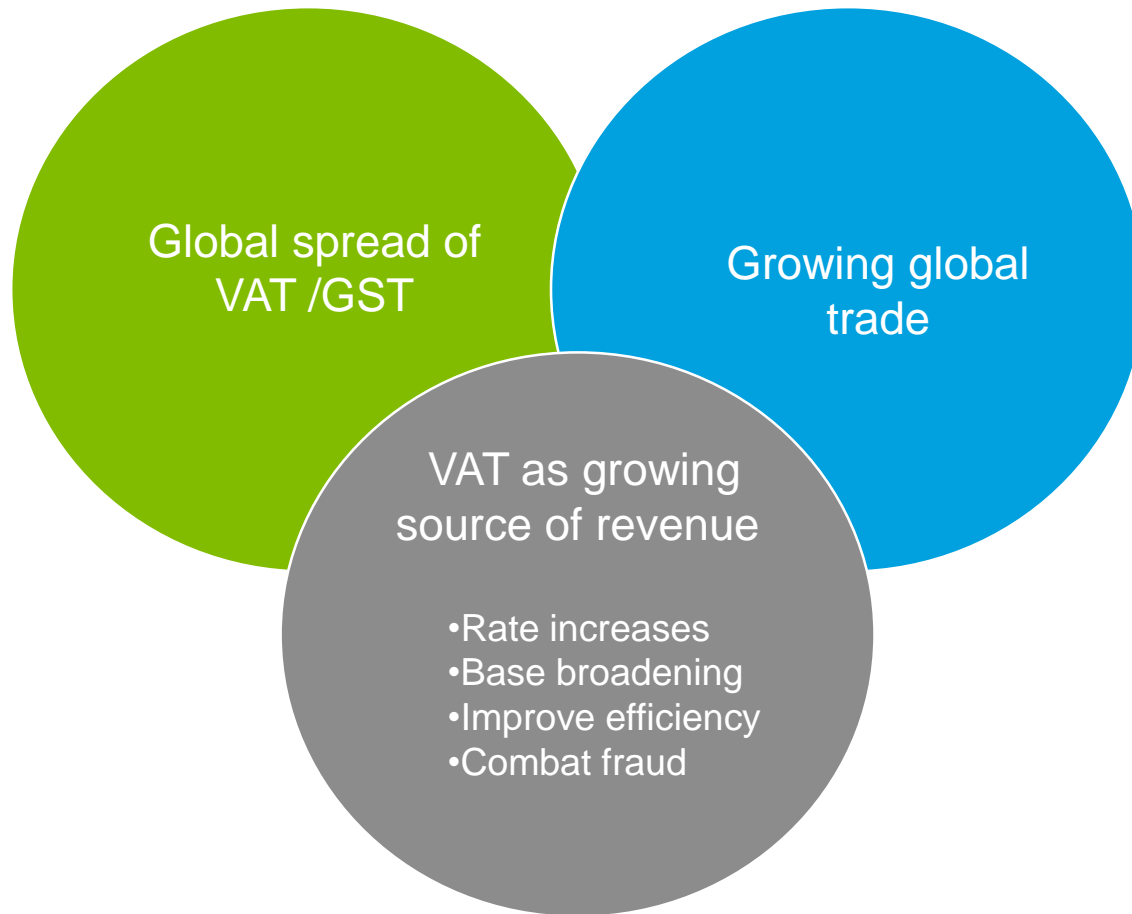
Significance of indirect taxes

Main tax categories – quarterly data – seasonally adjusted % of GDP



Introduction

Global VAT trends

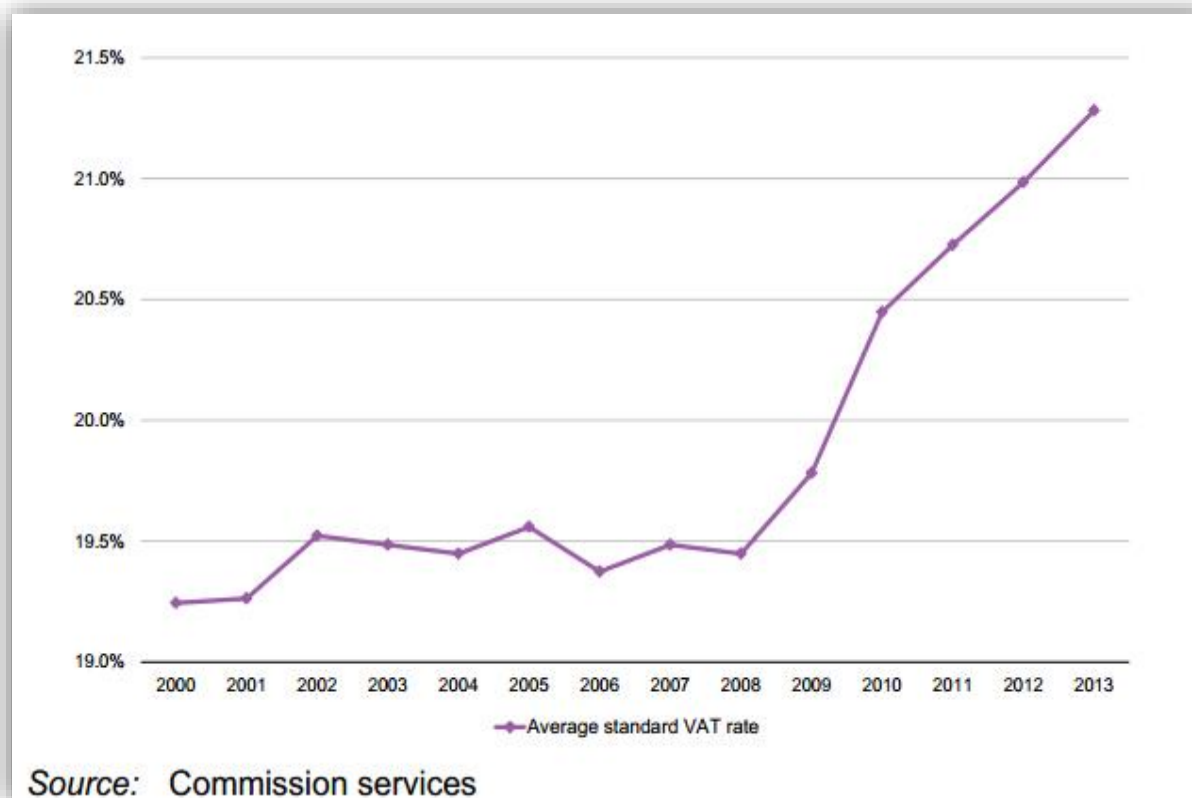


Trends Indirect tax: Increased compliance and electronic tax audits

Increased focus on compliance

Increase of VAT rates

Evolution of standard VAT rate in the EU



- Recent changes: France, Croatia, Azores and Cyprus
- Upcoming changes: Luxembourg, Portugal (to be confirmed)

Increase of reporting obligations

Mandatory e-filing

- The Netherlands: Non-established companies should also file their returns electronically as from January 2014
- France: VAT returns, refund requests and payments should in principle be performed electronically as from October 2014
- Czech Republic: VAT registration forms, VAT returns and their attachments as well as VAT reports should be filed electronically as from January 2014
- Slovenia: Mandatory e-filing of Intrastat returns as from February 2014
- Slovakia: Mandatory e-filing of VAT returns as from January 2014
- Estonia: The VAT return will have to be submitted electronically if the taxable person has been registered for VAT purposes for at least 12 months or if more than 5 invoices are reported on the VAT return appendix. This is planned to come in force as of July 1st 2014.
- Germany: VAT and ESL returns should be filed with a digital certificate as from September 2013
- Luxembourg: VAT and ESL returns should be filed electronically as from January 2013

Increase of reporting obligations

New VAT reporting obligations and changes in due dates / periodicity

- Hungary: Details on local sales and purchases to be included in VAT return as from January 2013
- Portugal: New annexes to be filed with the periodical VAT returns
- Spain:
 - Significant changes have been introduced in the periodical VAT return / form 303 (split between invoices and credit notes and boxes to report intra-community acquisitions of services, amongst others)
 - Abolition of the summer extension for the filing of the VAT returns.
- Belgium: The threshold for quarterly filing of VAT returns has been increased as from January 2014
- Denmark: The threshold for filing VAT returns on a quarterly basis has increased to DKK 50.000.000 as from January 2014 and the due date has been shifted to the first day of the third month after the reporting period.

Reverse charge rules

Several countries have extended the scope of local reverse charge, or changed the rules for its application:

- The Netherlands made the domestic reverse charge regulation for supply of mobile telephones, computer chips, game consoles, tablets and laptops compulsory as from April 2013
- Slovakia has introduced to local reverse charge mechanism for the supply of agricultural crops, metals, mobile phones and integrated circuits since January 2014
- Denmark will introduce it for the supply of IT equipment as from July 2014
- France introduced it for certain supply of services connected with the construction sector as from January 2014
- Bulgaria introduced reverse charge for the supply of grain as from January 2014

Revised proof of intra-community transactions

- Tendency: more evidence required in order to VAT exempt intra-community supplies
 - Not only focus on departure of the goods, also evidencing arrival of goods in other EU Member States
 - Pioneer country: Germany
- **Germany:** introduction of “**Gelängenbestätigung**” (entry certificate)
 - Transition period extended until December 31, 2013
 - Official guidelines have been published
 - Mandatory in all cases where the transport is performed without a third party service provider
 - Content of the “Gelängenbestätigung”

Tax point rules and cash accounting

- Tax point rules (e.g. Belgium, Poland)
- Cash accounting (e.g. Bulgaria, Ireland, Portugal)



EU

EU – Recently adopted legislation

- Regulation EU n° 1042/2013 dd. 7 October 2013
 - Place of supply rules telecom, media and electronic services
 - Applicable as of 1 January 2015
 - One stop shop-mechanism
 - Services related to immovable goods
 - Definition ‘immovable good’, list of ‘included’ and ‘excluded’ services
 - Applicable as of 1 January 2017
- Directive n° 2013/42/EU dd. of 22 July 2013 on the Quick Reaction Mechanism
 - Possibility for member states, on temporary basis, to apply a reverse charge mechanism with regard to supplies of certain categories of goods and services susceptible to fraud
 - Until 31 December 2018
 - For a minimum period of 2 years
 - Sectors: Telecom and IT-devices, Gas, electricity (certificates), Cereals, Raw and semi-finished metals, including precious metals

EU Standard VAT return

- Proposal from the EU Commission approved by the European Parliament in February 2014
- 'Harmonization' of the VAT return
- Currently no standardization re. format and content
- Proposal basically foresees only five compulsory boxes (from 2010): chargeable VAT, deductible VAT, net VAT amount (payable or receivable), total value of input transactions and total value of output transactions.
- Nevertheless, Member States in addition will be entitled to ask for additional information (e.g. split between tax rates or details of cross-border transactions)
- In principle monthly submission. Deadline may not be less than one month and not more than two months after the reporting period.
- Impact: no longer separate boxes for credit notes, no longer differentiation based on nature of expenditure (direct, indirect, fixed assets), abolition additional annual return, shift filing deadlines, etc.

EU cross-border VAT rulings

- Test case of EU VAT Forum put into place by the EU Commission
 - Not all countries participate (currently 15 Member States: BE, EE, ES, FR, CY, LT, LV, MT, HU, NL, PT, SI, FI, SE and UK)
 - Started on 1 June 2013 and foreseen to end on 31 December 2014 (prolonged)
- Ruling on VAT treatment of cross-border transactions
 - Request to be lodged with national VAT authorities in country of registration
 - In line with the conditions governing national VAT rulings in respective Member State (e.g. *preliminary ruling*)
- Evaluation by the EU Commission

Electronic Tax Audits

Electronic tax audits (Tax eAudits)

- More and more frequent in Europe
- Either country tax laws are modified to facilitate electronic tax audits (e.g. France) or tax administrations make its usage more systematic (e.g. Germany).

Priority 1

“Will be requested during a tax audit”

1. France (“FEC”)
2. Germany (“GDPdU”)
3. Portugal (~SAF-T)
4. Luxembourg (~SAF-T)

Priority 2

“Could be requested during a tax audit”

- ✓ Denmark
- ✓ Estonia
- ✓ Finland
- ✓ Hungary
- ✓ Ireland
- ✓ Netherlands
- ✓ Poland
- ✓ Slovakia
- ✓ United Kingdom

Priority 3

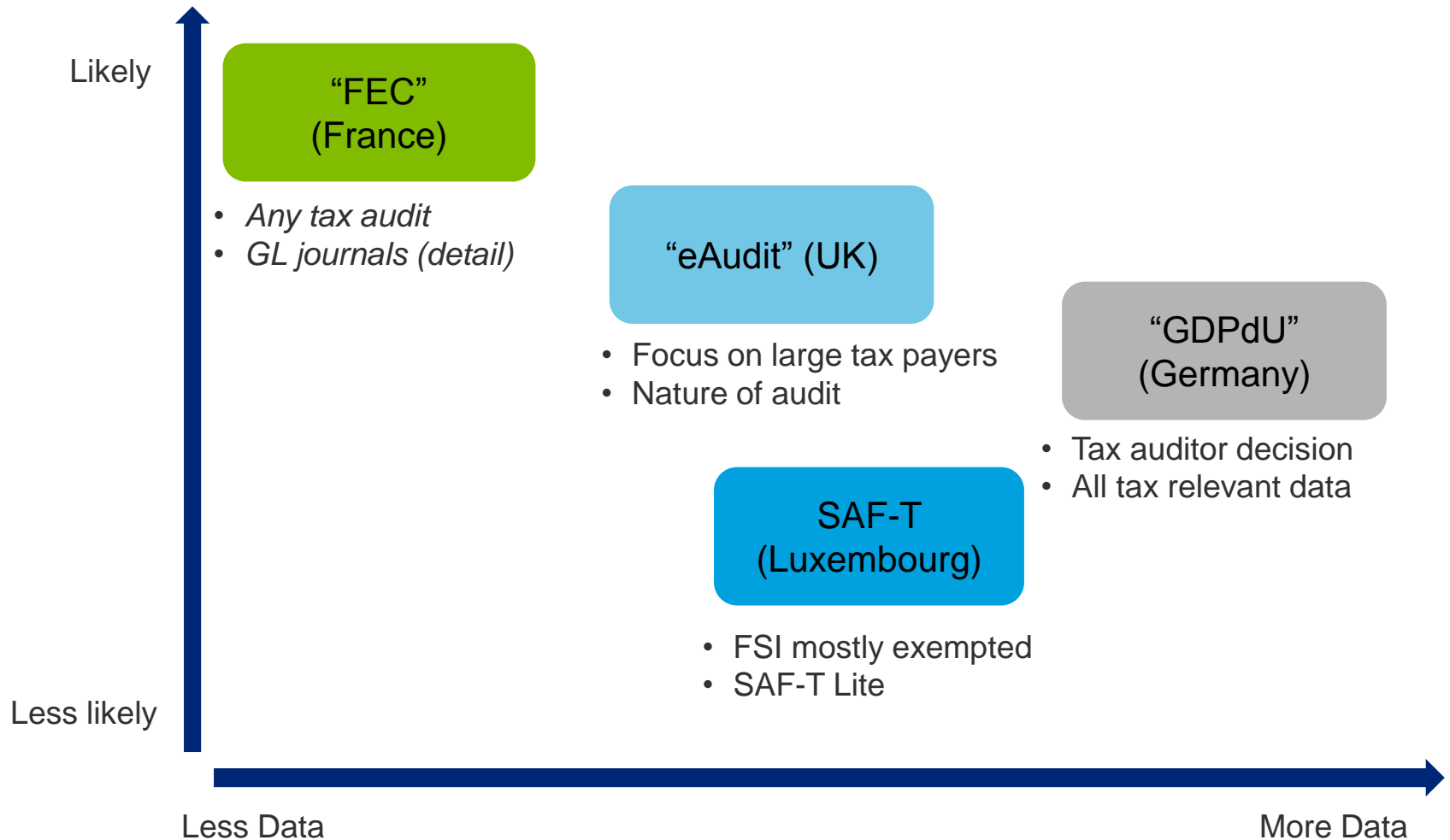
“Not or unlikely to be requested during a tax audit”

- ✓ Austria
- ✓ Belgium
- ✓ Bulgaria
- ✓ Cyprus
- ✓ Czech Republic
- ✓ Greece
- ✓ Italy
- ✓ Latvia
- ✓ Lithuania
- ✓ Malta
- ✓ Romania
- ✓ Slovenia
- ✓ Spain
- ✓ Sweden
- ✓ Norway
- ✓ Switzerland

() Prioritization to be updated based on legislative changes (currently under review)*

Electronic tax audits (Tax eAudits)

Different likelihood & complexity ... but convergence



Customs

Main trends for Customs

- Increasing focus on **origin** (Free Trade Agreements and negotiations, e.g. US)
- Shift towards **regulatory compliance** and fight against fraud
- **Export control** keeps growing as focal area
- Ongoing **automation** (e.g. e-filing) and **automated controls** (e.g. in the filing systems or via eAudits)



OECD's actions to tackle BEPS: Update and impact for Indirect taxes

Base Erosion and Profit Shifting (BEPS)

What's happened so far?

And what's next?



Introduction – OECD Tax Developments

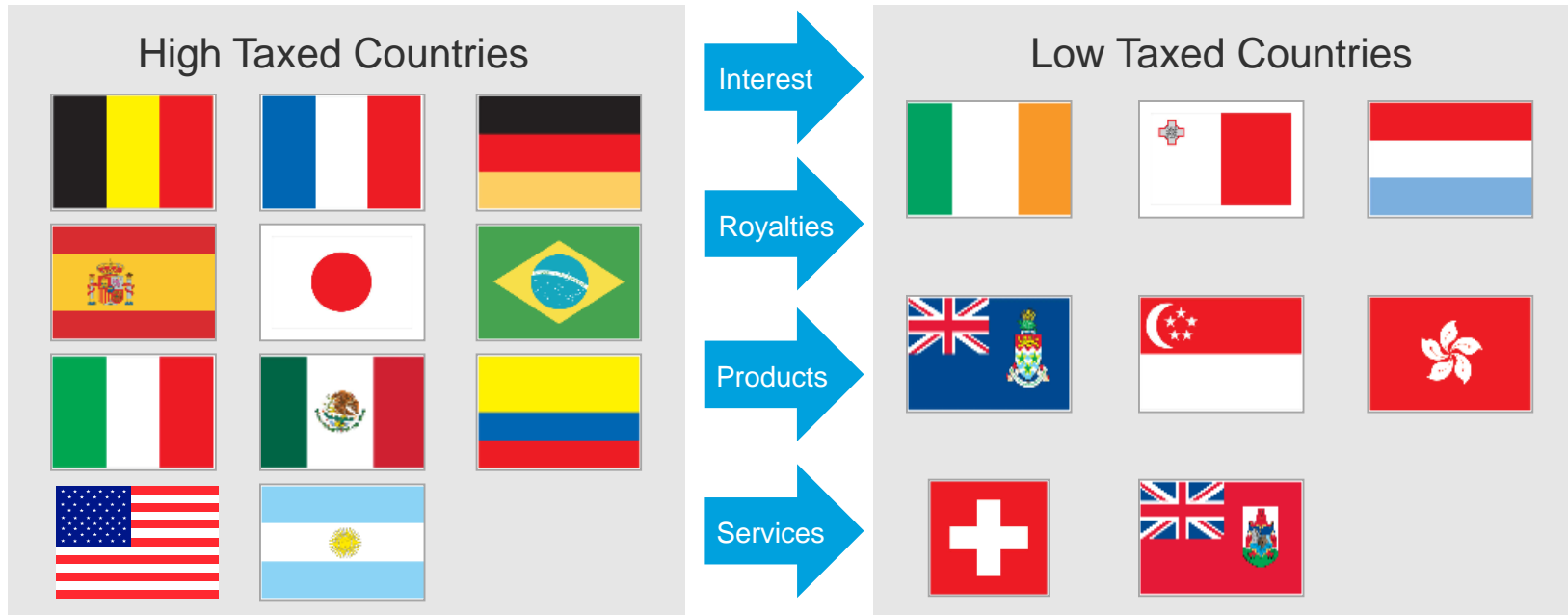
Introduction – OECD Tax Developments

What the BEPS are we talking about?

- The February 2013 report identifies 4 coordinated strategies related with BEPS
 - Minimization of taxation in the market country by avoiding a taxable presence, or in the case of a taxable presence, either by shifting gross profits via trading structures or by reducing net profit by maximizing deductions at the level of the payer
 - Low or no withholding tax at source
 - Low or no taxation at the level of the recipient (which can be achieved via low-tax jurisdictions, preferential regimes, or hybrid mismatch arrangements) with entitlement to substantial non-routine profits often built up via intra-group arrangements
 - No current taxation of the low-tax profits at the level of the ultimate parent

Introduction – OECD Tax Developments

What the BEPS are we talking about?



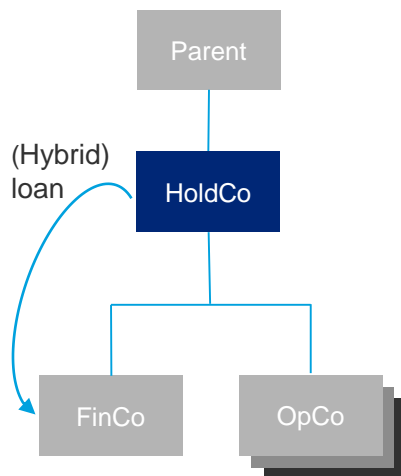
Are countries getting their fair share?

Putting an end to the divorce between profit & tax allocation

Introduction – OECD Tax Developments

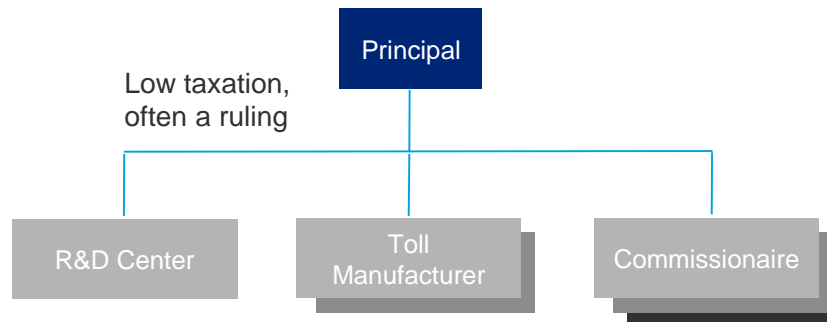
Some generic examples in scope of BEPS

Financing



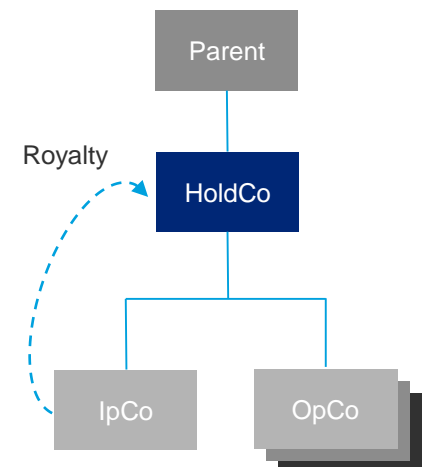
- Pressure on base erosion and double deductions
- Denial of deductions for payments on hybrid instruments
- Denial of deductions on payments from or to hybrid entities

BMO structures



- PE exposures
- Preferential ruling regimes
- Substance & functionality
- TP (separation income & assets)

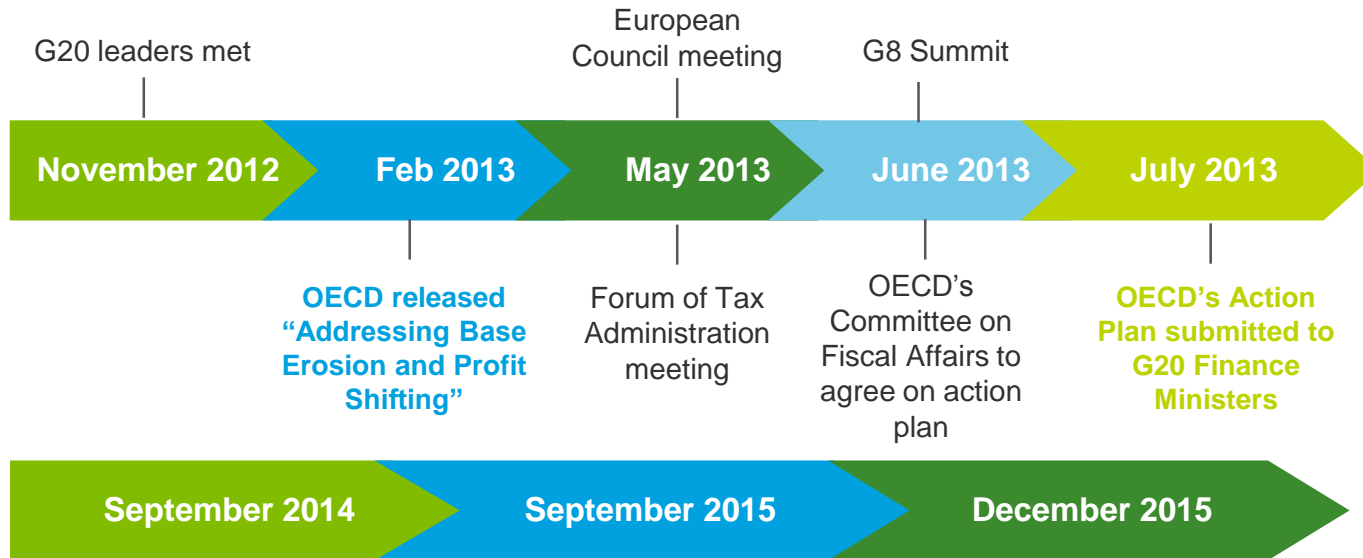
Licensing



- Pressure on royalty deductions with no or limited pick-up
- Substance & functionality
- TP
- WHT

Introduction – OECD Tax Developments

A high level overview



- **Digital economy***
- **Hybrid mismatches***
- **Treaty abuse***
- **Transfer pricing documentation***
- Harmful tax practices (1)
- Intangibles (1)
- Multilateral instrument (1)

- CFC rules
- Permanent establishment
- Interest deductions (1)
- Harmful tax practices (2)
- Intangibles (2)
- Risks and capital
- Other high-risk transactions
- Disclosure of aggressive tax planning
- Dispute resolution
- Data collection and analysis measuring BEPS

- Interest deductions (2)
- Harmful tax practices (3)
- Multilateral instrument (2)

* OECD discussion draft issued

Introduction – OECD Tax Developments

Overview of BEPS action points

Action 1:
Address the tax challenges of the digital economy

<i>Restore gaps:</i>	<i>Avoid frictions:</i>		<i>Create transparency:</i>
Action 2: Neutralize the effects of hybrid mismatch arrangements	Action 6: Prevent treaty abuse		Action 11: Establish methodologies to collect and analyze data on BEPS and the actions to address it
Action 3: Strengthen controlled foreign company (CFC rules)	Action 7: Prevent the artificial avoidance of PE status		Action 12: Require taxpayers to disclose their aggressive tax planning arrangements
Action 4: Limit base erosion via interest deductions and other financial payments	Action 8: Intangibles	Assure that transfer pricing outcomes are in line with value creation	Action 13: Re-examine transfer pricing documentation
Action 5: Counter harmful tax practices more effectively, taking into account transparency and substance	Action 9: Risk and capital		Action 14: Make dispute resolution mechanisms more effective
	Action 10: Other high-risk transactions		
Action 15: Develop a multilateral instrument			

Introduction – OECD Tax Developments

How will BEPS be implemented?

Recommendations for
national legislation

Amendments to the
OECD Model Tax
Convention and
Commentary

Amendments to the
OECD Transfer Pricing
Guidelines

Multilateral treaty

Treaty Abuse

Prevent Treaty Abuse - Action 6

Introduction

- The Action Plan identifies treaty abuse, and in particular treaty shopping, as one of the most important sources of BEPS concern
 - Existing domestic and international tax rules should be modified in order to more closely align the allocation of income with the economic activity that generates that income
- The discussion draft dd. 14 March 2014 identifies three focus elements:
 1. Prevent treaty benefits in inappropriate circumstances
 2. Clarify that treaties are not intended for double non-taxation
 3. Tax policy considerations before entering into a treaty

Prevent Treaty Abuse - Action 6

Prevent treaty benefits in inappropriate situations

- Treaty shopping cases typically involve persons who are residents of third States attempting to indirectly access the benefits of a treaty between two Contracting States

→ How to combat treaty shopping ?

Already introduced

1. The “beneficial ownership-test” (already introduced in 1977)

New suggestions

2. A “limitation-of-benefits” clause
3. A general anti-abuse rule
4. Miscellaneous specific anti-abuse provisions

Prevent Treaty Abuse - Action 6

Clarify intention DTC & providing tax policy considerations

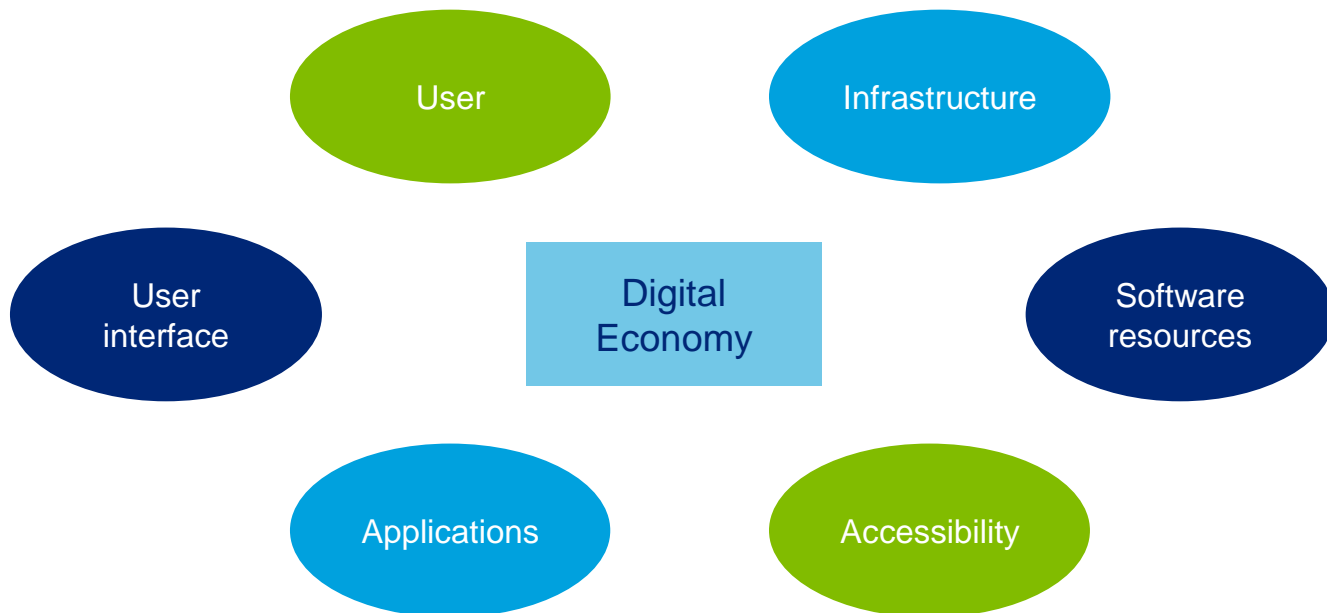
- Discussion draft recommends making sure that the title, preamble and the Commentary include tax avoidance and tax evasion as one of the purposes of the treaty
 - “Convention between State A and State B for the elimination of double taxation with respect to taxes on income and on capital and the prevention of tax evasion and avoidance”
 - “...without creating opportunities for non-taxation through tax evasion or avoidance...”
- Clearer indication of policy considerations on which States should reflect before entering into a tax treaty
- Goal: clear articulation of these considerations may help States justifying the decision not to enter into a treaty with a low-tax jurisdiction
- The State entering into a tax treaty should evaluate the extent to which the risk of double taxation actually exists in cross-border situations

Digital Economy

Address Tax Challenges Of Digital Economy - Action 1

Introduction

- Basic principle: profits should be taxed where economic activities generating the profits are performed and where value is created
- However: as regards the digital economy, the question is how enterprises add value and how their profits are made, and how it relates to the concepts of source and residence or the characterization of income for tax purposes



Address Tax Challenges Of Digital Economy - Action 1

Mobility is prominent

- Digital economy is becoming economy itself
 - It is not a separate sector for which a separate set of rules is required
- Digital economy is pre-eminently characterized by mobility of value drivers
 - Intangibles
 - Users
 - Business functions
 - Easy for e-businesses to adopt global business models that centralize functions at a regional / global level distant from the location of customers
- BEPS concerns in digital economy are the same !
- Or even worse...
 - E-businesses are able to carry on economic activity with minimal need for personnel to be present (“*scale without mass*”)
 - Also SME’s can adopt – fairly cheaply – these global business models (“*micro-multinationals*”)

Address Tax Challenges Of Digital Economy - Action 1

Income artificially separated from activities

- In a digital economy businesses are increasingly able to choose optimal location for activities and assets, even if that location may be distant from the location of customers
 - As such, this does not raise BEPS concerns
- However, in digital economy businesses may interact with customers remotely without creating a taxable presence in the market jurisdictions
 - High risk for double non-taxation
- Besides, intangibles and risks are often allocated via contractual arrangements to other group entities operating in a low tax environment
 - Typically, an undervaluation occurs at the time of the transfer of the intangibles whereas an entitlement to a large portion of the group's profit is claimed on the basis of the economic ownership of the undervalued intangibles
- Once a taxable presence in the market country has been established, a common technique to reduce taxable income is to maximize the use of deductions for payments made to other group companies
 - Often in the form of interest, royalties, service fees, etc.
 - These structures may present BEPS concerns

Address Tax Challenges Of Digital Economy - Action 1

Tackle BEPS in the digital economy

- All traditional BEPS actions will equally apply to the digital economy
 - e.g. counter artificial avoidance of PE status
 - e.g. neutralize the effects of hybrid mismatch arrangements
 - e.g. assure that transfer pricing outcomes are in line with value creation
 - e.g. strengthen CFC rules
- But digital economy also raises broader tax challenges, in particular for the definition of PE
 - e.g. e-business can be heavily involved in the economic life of another country without heaving a fixed place of business or a dependent agent

→ Is nexus criterion still sufficient ?

Hybrid Mismatch Arrangements

Neutralize Effects of Hybrid Mismatch Arrangements - Action 2

Overview and definition

- On 19 March 2014, the OECD issued two discussion drafts addressing hybrid mismatch arrangements: the **first** discussion draft sets out recommendations for domestic laws to address hybrids and the **second** (much more brief) discussion draft addresses certain interactions between the recommended domestic law changes and bilateral tax treaties based on the OECD Model Convention
- The OECD defines a 'hybrid mismatch arrangement' as *"a profit shifting arrangement that utilizes a hybrid element in the tax treatment of an entity or instrument to produce a mismatch in tax outcomes in respect of a payment that is made under that arrangement"*
- Key elements:
 1. The arrangement results in a **mismatch** in tax treatment of **payments**
 2. The arrangement contains a **hybrid element**
 3. The hybrid element is the **cause** of the mismatch
 4. The mismatch in tax outcome results in a **lower aggregate tax burden** by the parties involved

Neutralize Effects of Hybrid Mismatch Arrangements - Action 2

Types of mismatches and recommendations

- Two principal **types** of mismatches:
 - Arrangements that generate duplicate deductions for the same expenditure: **DD structures**
 - Arrangements that generate a deduction on the payer's side, but no income recognition on the recipient's side: **D/NI structures** (deduction / no inclusion)
- For recommended law changes, the OECD's preferred approach in the discussion draft is called the **primary response or rule**. For example, the primary response might be for the payer country to deny a deduction
- But to guard against the situation where the primary response is not implemented by the relevant country, the discussion draft also includes a back-up response, which is called the **secondary rule or defensive rule**

CBC Reporting and TP Documentation

Re-examine Transfer Pricing Documentation - Action 13

Overview

- Proposals for new draft Chapter V of the OECD Transfer Pricing Guidelines
- Includes the common template for country-by-country information for tax authorities
- Three stated objectives:
 - to provide tax authorities with the information necessary to conduct an informed transfer pricing risk assessment
 - to ensure that taxpayers give appropriate consideration to transfer pricing requirements in establishing prices and in reporting the income derived from such transactions in their tax returns
 - to provide tax authorities with information to conduct an appropriately thorough audit of transfer pricing practices

TP and Intangibles

Intangibles

Overview

- Scoping paper & public consultation in 2011
- First discussion draft issued June 6, 2012
- Revised discussion draft issued July 30, 2013
- 76 pages organized into four sections
 - Identifying intangibles
 - Ownership of intangibles and transactions involving the development, enhancement, maintenance and protection of intangibles
 - Transactions involving the use or transfer of intangibles; and
 - Supplemental guidance for determining arm's length conditions in cases involving intangibles
 - 26 examples

Intangibles

Definition

Before no clear definition, only limited (marketing and trade intangibles) examples, now definition is given

- Rejected traditional legal, accounting, tax and treaty definitions of intangibles
- Adopted transfer pricing specific definition
 - Does not impact characterization of transactions for treaty (e.g. Article 12 (Royalties)) or domestic law
- Intangibles are:
 - Items that are not physical or financial assets, and
 - Capable of being owned or controlled for use in commercial activity
- Key is whether in transactions between unrelated parties compensation would be provided for the asset, i.e. when it conveys economic value

Changes to PE Definition

Prevent Artificial Avoidance of PE Status - Action 7

Changes to the PE definition

- To date, some proposals have been made to alter the PE definition
 - No final decisions yet
 - Conclusions on these proposals should be reached by September 2015
- However, based on the information available today, it is possible to assess what the possible changes will look like
- Proposed changes all aim to lower the PE threshold and will especially have an impact on MNE's tax driven business models

Prevent Artificial Avoidance of PE Status - Action 7

Changes to the PE definition

1. Basic rule PE

- If a company disposes of a fixed place of business through which its (core) business is wholly or partially carried out
- Having a service provider (acting for its own account) should not trigger PE status
 - e.g. warehouse and logistics provider
 - e.g. (genuine) contract / toll manufacturer
- **Expected change:** basic rule PE will be deemed to exist if the company in the source state is *de facto* carrying out the business of the foreign enterprise
 - Cf. Roche Vitamines case (Spain)
 - Compare ‘acting as an employee’ vs. ‘looking at your own business’
- Furthermore, introduction of a so-called “force of attraction” for purposes of PE identification. Hence, all activity that takes place in the same country should be added, even if these activities are carried out at different physical locations
 - e.g. maintenance, repair, training, etc.

Prevent Artificial Avoidance of PE Status - Action 7

Changes to the PE definition

2. Exceptions for preparatory or auxiliary activities

- These activities are traditionally excluded from the PE definition because they are remote from the actual realization of profit
- **Expected change** (alternative scenarios)
 - exceptions are made subject to the overall condition that the character of the activity conducted be preparatory or auxiliary ↔ *per se* assumption OECD 2012 discussion draft
 - e.g. storage of goods will not create PE provided that the company is able to demonstrate that inventory does not create added value
 - deletion of some exceptions,
 - e.g. a fixed place of business solely for the purchasing of goods
 - deletion of all examples, but introduction / reconfirmation of (a single) rule that any activity of a preparatory or auxiliary nature is exempt from PE status
 - always case by case assessment
 - based on specific facts and circumstances

Prevent Artificial Avoidance of PE Status - Action 7

Changes to the PE definition

3. Agency PE

- Only if the person in the other State is acting for the account of the foreign company, thereby having the authority (and habitually exercising it) to conclude binding contracts in the name of that company
- A sales agent therefore triggers PE status, whereas a commissionaire does not (direct vs. indirect representation)
- **Expected change:** agency PE will exist if the person in the other State is acting for the account of the foreign company.
 - Hence, a PE will be identified in all situations where the economic effect of the agent's activity is to commit the foreign principal
- **Expected change:** the definition of "independent agent" will be restricted, *i.e.* related parties will be excluded.
 - Hence, within an MNE it will no longer be possible to invoke the exception for independent agents

Prevent Artificial Avoidance of PE Status - Action 7

Changes to the PE definition

4. Miscellaneous

➤ Construction PE

- introduction of an anti-abuse measure to avoid artificial split-up of contracts

→ the accumulated time of similar activities performed by related enterprises will be taken into account to determine whether the time threshold (e.g. 12 month-test) is exceeded

➤ Digital economy – various alternatives are discussed

- “virtual fixed place of business PE”

→ website is assimilated to a fixed place of business

- “virtual agency PE”

→ extension of dependent agent PE concept to circumstances in which contracts are habitually concluded on behalf of an enterprise through technological means, rather than through a person

Prevent Artificial Avoidance of PE Status - Action 7

Changes to the PE definition

- “on-site business presence PE”

→ the provision of on-site services or other business interfaces at the customer’s location will be deemed to trigger a PE status



BEPS and Indirect tax

BEPS and Indirect tax

- BEPS: above all CIT driven
- Similar actions (i.e. same goal) in field of Indirect taxes (e.g. E-commerce 2015)
- Specific VAT references and actions:
 - Discussion draft BEPS Action 1: Address the Tax Challenges of the Digital Economy
 - OECD Update Value Added Taxes.
- VAT impact triggered by direct tax references and actions

BEPS Action 1: Address the Tax Challenges of the Digital Economy

- Discussion draft launched by OECD on 24 March 2014
- Addresses **VAT collection challenges** created by **cross-border trading** of goods/services magnified by the **digital economy**.
- The two most challenging supply types identified are:
 - Imports of low value parcels from online sales on which VAT is not always levied, and;
 - The growth of cross-border digital supplies made to end customers, where it is difficult for countries to collect VAT on supplies made by non-residents. The borderless nature of the digital economy produces specific administrative issues around the identification of business, determining the extent of activities, etc.

BEPS Action 1: Address the Tax Challenges of the Digital Economy

- Several **options** are considered including:
 - Lowering the threshold for low value imports, and:
 - Requiring vendors to register and account for VAT in the jurisdiction of importation.
- The draft also refers to requiring non-resident suppliers of remote digital B2C supplies to register and account for VAT in the customer's jurisdiction as implemented in the European Union 2015 place of supply changes.
- In addition, the report addresses remote digital supplies made to exempt, often multi-location, business with reference to prior OECD guidelines.

BEPS Action 1: Address the Tax Challenges of the Digital Economy

... But also the direct tax references could trigger VAT impact

- Such as:
 - Modifications to the exemptions from permanent establishment status (e.g. for storage of goods being currently considered as a preparatory or auxiliary nature of activities)
 - The introduction of the notion of virtual permanent establishment
- The introduction of new or changed concepts for direct tax could possibly bring up new interpretations of these concepts for VAT purposes (e.g. broader concept of VAT PE) but will inevitably impact the business model of multinationals and as a result change VAT. These changes will need to be properly reflected in systems, on invoices and intercompany agreements. The OECD also aims for a greater consistency between direct and indirect taxes, potentially resulting in additional inquiries from authorities.

BEPS and Indirect tax

September 2014

Digital economy: Potential impact on Indirect tax treatment and related obligations

E.g. VAT PE, other taxes

Hybrid mismatches: Potential impact on Indirect tax treatment and related obligations

E.g. Change in financing structures and right of VAT deduction

Treaty abuse: Potential impact on Indirect tax treatment and related obligations

E.g. Share deals re-qualified

Transfer pricing documentation: Exchange of information

Transfer pricing of Intangibles: Potential impact on Indirect tax treatment and related obligations

E.g. Customs value and impact intangibles

Preferential tax regimes: Exchange of information

BEPS and Indirect tax

September 2015 and onwards

Dispute resolution: Potential of authorities taking into account Indirect tax consequences

E.g. Similar procedure for VAT, MAP

Data collection and analysis: exchange of information

Permanent establishment: Potential impact on Indirect tax treatment and related obligations

BEPS and Indirect tax

Conclusion

- Indirect taxes are transactional taxes. Therefore changes in flows, invoicing, set up, etc. following BEPS will have Indirect tax impact:
 - VAT treatment flows and potential related cash/cash flow impact (customs value, VAT reverse charge, etc.);
 - Set up ERP system/reporting obligations;
 - VAT registration obligations and potential other licenses (AEO, warehouse licenses, etc.);
 - Not limited to VAT/Customs but also other taxes (cf. France, Italy, South-Africa for digital economy) – could constitute actual cost
- Increased audits (exchange of information, cross border audits, e-audits, etc.)

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