

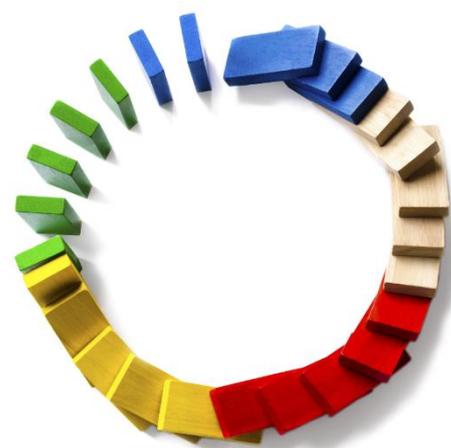
VAT Compliance Newsletter

In this issue:

Intra- Community Supply of Goods

“An ounce of prevention is worth a pound of cure” (Benjamin Franklin)

We revert with our series of best fiscal practices. Following an intense control activity performed by the fiscal authorities, we summarized on a recurrent issue we faced when assisting our clients during audits.



Intra- Community Supply of Goods

Intra-Community supplies fell, in particular, under the spotlight. Exempt with deduction right categorizes these transactions into potentially high-risk economic activities from the VAT perspective.

The conditions ensuring the VAT exemption on the intra-Community supply secure the corresponding deduction right.

Our experience revealed particularly the importance of aligning internal procedures with fiscal requirements.

Conditions for applying the VAT exemption on the intra- Community supply and keeping its corresponding deduction right unthreatened include:

- Invoice mentioning all the mandatory invoicing requirements (including the valid VAT ID of customer);
- Having available the corresponding transportation documents for each transaction;
- Other documents such as: contract, order, insurance documents, matching descriptions of the goods and the quantities on the invoice and on the transportation documents etc.;

We encourage you in making sure transportation documents and invoices are available and easy to access and match within your internal system.

A prevention measure we recommend is the internal sample based test. The tests are a good indicator of the response time and quality of the information available in case of fiscal audit. We strongly believe that early checks, system improvements and training the team are desirable to fiscal adjustments and penalties. Failing to prove the application of the VAT exemption implies assessment of VAT and, potentially, interest and late payment penalties.

[For further questions regarding the aspects mentioned in this alert, please contact us.](#)

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