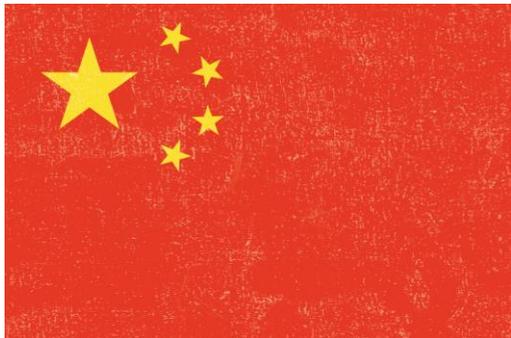


# The Netherlands

## Your gateway to Europe

Chinese companies that import goods into the EU may face substantial VAT obstacles if they are not fully aware of the applicable VAT legislation and compliance rules in the country of importation. This also applies to companies that send lots of employees to the EU in order to join seminars, courses or other business events.



### **A Chinese company can face the following**

- Pay VAT upon importation;
- Difficult procedures or even impossible to recover that VAT;
- The obligation to appoint expensive fiscal representatives for VAT in order to file VAT returns;
- Complex and therefore costly VAT compliance regulation as a result of monthly reporting obligations and complicated (electronic) VAT ledgers;

- VAT compliance which requires local language expertise;
- VAT losses on seminars, courses, hotels, transportation and business entertainment.

Traditionally, the Netherlands is used to international trade and commerce. This is reflected in the clear and practical VAT legislation which also brings benefits for foreign businesses being active in the Netherlands. That results in the fact that the Netherlands is a very attractive country for Chinese companies to import goods into the EU or to visit business events. Hereafter, we will mention some of these benefits.

### **Location, location, location**

The Netherlands is located in the center of Europe and has with Schiphol airport and the Amsterdam and Rotterdam Seaports main Gateways to Europe. In addition, the 'New Silk Road', a railway which connects China with Rotterdam, was opened in 2015. Further logistic services are always available and through the extensive network of inland connections, goods find their way to and from the European market fast and efficient. And above all: the Dutch understand your logistic needs.

### **Tax authorities and fiscal representation**

In the Netherlands, registration for VAT is rather straightforward, in contrast to most

other EU-countries where you need a fiscal representative, put bank guarantees or bonds and provide sworn translated and notarized original documents. In the Netherlands you may register directly, or appoint an agent to take care for your VAT affairs. It's all up to you!

### **Importation of goods - planning advantage**

In most EU countries you must pay import VAT if you import goods. It depends per country if you can apply for refund of this VAT. This can be a time and costs consuming procedure. Not in the Netherlands. In the Netherlands you don't need to pay import VAT if you apply for a permit. So no cash-flow and no risk of VAT loss.

### **VAT rates in The Netherlands – 2016**

Business expenses in most European countries are taxed at VAT rates from 17% to 27%. Not in the Netherlands. Transportation, accommodation, admission sport and cultural events, foods and non-alcoholic beverage are taxed at 6% VAT in the Netherlands. Education may be even without VAT. This makes the Netherlands extremely attractive for business trips and events.

Grant Thornton in the Netherlands would be happy to tell you more about your business opportunities in the Netherlands and Europe.

**Please contact  
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