



VAT COMPLIANCE FOR THE
INTERNATIONAL EVENTS INDUSTRY

CLEAR, PRACTICAL, COST EFFECTIVE SUPPORT



Who are Essentia?

We are specialists in global VAT management. We help businesses to manage their worldwide compliance and cost burden with respect to VAT and similar taxes, effectively and ethically. For some of our clients this can take the form outsourcing VAT related functions to us; for others we provide the advice, training and resource support necessary to deal with VAT in-house.

Your VAT guide for the events, conference and exhibitions industry

Admission to events, exhibitions and conferences for business clients is subject to VAT in the relevant country where the event takes place. The event organisers need to ensure they are applying the correct VAT treatment to services they supply to both business and non-business clients.

Particular attention should be given to supplies which consist of multiple components. In such a case it may be that one VAT treatment can apply or the supply may potentially require a specific treatment.

Event organisers will need to review both VAT registrations currently in place as well as potential new registrations as the need to be VAT registered will depend on the nature of the services supplied in each country. There are however a number of exceptions to the rules which mean supplies of services will often not be taxable in the EU country in which the event is held.

These include:

- Stand rental
- Catering services
- Admission

Businesses in the EU purchasing general rule services will need to ensure that the reverse charge is correctly applied and businesses providing general rule services will need to ensure that the invoices they issue meet the relevant invoicing requirements.

VAT registrations:

Events, conferences and exhibitions are a business activity that may trigger an obligation to register for VAT because within the EU. The place of supply rules for a number of services related to events is generally deemed to be the EU country in which they take place.

In order to be able to charge local VAT a VAT registration in that EU country is required. There is also a requirement for an organisation to register for VAT when the value of its turnover exceeds the VAT registration threshold. This threshold can differ between countries and also depends on whether the business is deemed to be established in the EU country within a specific period. A company is required to register for VAT if it expects the

value of taxable turnover in the next 30 days to exceed the VAT registration threshold.

The VAT registration application process will vary from country to country and the documents required by the local VAT authority will vary. When the company is not established in the EU country there can be a specific requirement for the company to appoint a local fiscal representative advance sales of admission tickets can trigger the requirement to register for VAT but it is essential that companies review local VAT legislation to establish if they have a requirement to obtain a local VAT registration.

VAT reporting:

When your business registers for VAT in a specific country there is an automatic obligation for you to file VAT reports. The relevant country that you are registered in may require you to submit VAT Returns, EC Sales lists and EC purchase lists and Intrastat reports.

VAT return filing frequency varies per country, some countries may even require an annual VAT return. EC Sales lists must be submitted for goods and services provided to VAT registered customers in another country whereas Intrastat declarations are submitted only for goods once a certain sales threshold is reached.

VAT reclaim:

VAT incurred when arranging an event abroad can in most instances be recovered but may be neglected by staff

who ignore international VAT incurred which results in the company losing out on a significant amount of money.

Recovery of VAT on expenses such as:

- Equipment hire
- Venue

Each country has different rules on what VAT is recoverable. So it is very important to have a good understanding of the local VAT laws. The EU currently operates two schemes for VAT recovery, one for EU companies known as the 'EU refund mechanism' and the other for non-EU business known as a 'the 13th Directive reclaim'. There are certain requirements that a business must be adhered to in order to recover VAT.

- Staff Expenses
- Accommodation

While the option to make a claim for recovery exists there are however certain time limits for a submission to be made. These will vary between countries but generally speaking claims under the EU refund directive must be submitted within a nine month period of the end of the year in which the VAT is incurred. 13th directive claims within a six month period there are also minimum amounts for claims submitted.

TOMS:

It is possible that the supplies your company makes will fall within the special scheme specifically for Travel Agents or the 'Tour Operators Margin Scheme in the UK.' If you buy and sell hotel accommodation and travel to clients and delegates under your own business name.

The supply of services that fall under the scheme are taxed differently to most other supply of services and can

require a complicated calculation to assess. It is vital that companies are aware of the regulations and if they must include their supplies within the scheme. If your business activity does fall under TOMS it will be a mandatory requirement and its implementation involves additional compliance and reporting procedures.

Key issues:

VAT rules which affect the events industry are vague and as such is it important to understand fully what your businesses VAT obligations are. There are a number of key areas which will determine the place of supply and relevant compliance issues:

- B2B VS B2C.
- The definition of 'Admission to events'.
- Services related to events.
- Hiring of conference venues.
- International delegates attending EU conferences.
- TOMS.



Why outsource to **Essentia**?



It is vital that you choose a suitable partner with the relevant expertise to complement your business requirements. Essentia are perfectly placed to offer you clear practical and cost effective support.

2nd Floor, Juxon House
100 St Paul's Churchyard
London, EC4M 8BU

0203 713 3535 • contact@essentiaglobalservices.com • essentiaglobalservices.com