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DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
TAX POLICY
VAT and other turnover taxes

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VAT in the European Community

**APPLICATION IN THE MEMBER STATES,
FACTS FOR USE BY
ADMINISTRATIONS/TRADERS
INFORMATION NETWORKS ETC....**

Note

This document collates a range of basic information on the application of VAT arrangements in the Member and Accession States which has been obtained from the tax authorities concerned. The information provided by the Accession States is provisional, based on the anticipated application of VAT arrangements once Community legislation has been transposed.

The exchange rates used for the Accession Countries are those for the 1st October 2003, taken from the Official Journal of the European Union.

The sole purpose of distributing details of national provisions is to create a work-tool. In no way does this document necessarily reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

BELGIUM

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GENERAL INFORMATION

1. WHERE CAN FOREIGN TRADERS OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM?

Foreign traders can obtain information on the Belgian VAT system from:

Bureau central de TVA pour assujettis étrangers
Tour Sablon – 24th floor
Rue Stevens, 7
B - 1000 Brussels
Tel. (32 2) 552 59 33 4
Fax : (+32-2) 552. 55. 41

Information on the Belgian VAT system can be also consulted on the website of the Belgian Ministry of Finance (<http://minfin.fgov.be>).

2. WHAT IS THE BELGIAN TAX AUTHORITIES' WEBSITE ADDRESS? WHAT TYPE OF INFORMATION ON VAT CAN BE CONSULTED ON THIS SITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? IN WHAT LANGUAGE(S)?

The Belgian tax authorities' website is: <http://minfin.fgov.be>.

Information is available in Dutch and French on:

- Legislation
- Com.IR 92
- VAT explanatory notes
- Case law
- Circulars
- Parliamentary questions
- CNC opinions
- Flat rates
- European directives
- International agreements
- Rulings
- Decisions

3. WHERE CAN VAT LEGISLATION AND IMPLEMENTING RULES BE FOUND? IN WHAT LANGUAGE(S) ARE THEY AVAILABLE?

See answers to questions 1 and 2. Information can also be obtained from the central tax authorities, *Administration de la fiscalité des entreprises et des revenus*, Tour Finances, Bd du Jardin Botanique No 50, Bte 61, B-1010 Brussels,

Tel: (32-2) 210.29.11

Fax (32-2) 210.26.35

The information is available in the three national languages (Dutch, French and German).

VAT REGISTRATION OF FOREIGN TRADERS

4. WHEN IS VAT REGISTRATION COMPULSORY?

All foreign traders must be identified for VAT purposes in Belgium if they effect in Belgium transactions covered by the Belgian VAT Code for which they have the right to deduct VAT and on which they are liable for VAT in Belgium.

However, for transactions other than intra-Community transactions there are a number of exceptions relating to the occasional nature of transactions effected in Belgium or exemptions.

5. WHEN DO TRADERS NOT HAVE TO REGISTER FOR VAT PURPOSES BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE TO VAT? CAN FOREIGN TRADERS VOLUNTARILY REGISTER IN SUCH CIRCUMSTANCES?

As a general rule, foreign traders who are not established in Belgium and only effect transactions on which VAT is payable by the other contracting party in accordance with Belgian law cannot register for VAT.

However, there are a number of exceptions to this rule and an identification number may be assigned on application by foreign traders:

- where they are taxable persons not established in Belgium effecting construction work or similar operations;
- where they are taxable persons not established in Belgium but established in another Member State effecting transactions for which payment may be postponed - excluding those persons referred to in Article 21(1)(b) and (c) of the Sixth VAT Directive - where the amount of Belgian VAT charged to them by their suppliers and which they may deduct exceeds the annual threshold of €10 000.

6. WHERE MUST TRADERS APPLY TO REGISTER FOR VAT? (PLEASE INDICATE THE DEPARTMENT, ADDRESS, TELEPHONE AND FAX NUMBERS AND E-MAIL ADDRESS)

Foreign traders with permanent establishments in Belgium must apply for a VAT identification number from the local VAT control office in the area where their main permanent establishments are located.

Foreign traders who do not have such establishments must apply to the *Bureau Central de TVA pour assujettis étrangers - Cellule contrôle* (Central VAT Office for foreign traders) (Control Unit) whose address is given in question 1.

7. PLEASE DESCRIBE IN DETAIL THE PROCEDURE TO BE FOLLOWED (INDICATING THE DOCUMENTS TO BE SUBMITTED) FOR THE ISSUING OF VAT NUMBERS TO FOREIGN TRADERS.

Foreign traders with permanent establishments in Belgium are assigned VAT numbers in Belgium once they have submitted a statement of commencement of trading to their local VAT control office when they set up their first permanent establishment. Additional information to that requested in the form must be provided in the form of annexes (e.g. deeds of incorporation, etc.).

Foreign traders who do not have permanent establishments in Belgium must apply to the Central VAT Office for foreign traders for a VAT number. They must submit a statement of commencement of trading there. Depending on whether they are established in another Member State, they may be required to have a representative in Belgium approved by this Office.

Applications for approval of such representatives must be submitted on the forms which can be obtained from the Central VAT Office.

Statements of commencement of trading must be submitted on the relevant forms which can be obtained from the Central VAT Office.

Such statements and, where applicable, applications for approval of representatives must be accompanied by:

- a statement attesting to the fact that the person in question is a taxable person issued by the relevant authorities of the country in which the taxable person is established;
- a copy of the entry in the commercial register in the country in which the taxable person is established;
- a copy of the deed of incorporation if the taxable person is a legal person;
- a copy of order forms or contracts showing that the person in question will be doing business in Belgium.

After checking that the conditions for registration are satisfied, and if the conditions for approval are observed, the Central VAT Office will notify the foreign trader and, where applicable, his or her tax representative, of the VAT identification number assigned in Belgium.

Foreign traders who are not established in Belgium and who are not identified for VAT purposes and whose business in Belgium concerns solely:

- the importation and subsequent supply of goods;
- transactions involving the placing of goods in warehouses other than customs warehouses, which are not liable to tax, or the release of goods from warehouses for their subsequent supply;
- intra-Community acquisitions of goods or similar transactions where these goods have not been placed in warehouses other than customs warehouses and their subsequent supply is exempt from VAT (because they are exported);
- intra-Community acquisitions of goods or similar transactions excluding any other transaction subject to VAT in Belgium,

may employ persons previously approved in Belgium to represent this category of taxable person.

THRESHOLDS

8. WHAT IS THE THRESHOLD FOR INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 28B(B)(2) OF DIRECTIVE 91/388/EEC?

The threshold is €35 000.

9. WHAT THRESHOLD HAS BEEN ADOPTED UNDER ARTICLE 28A(1) OF DIRECTIVE 77/388/EEC (ACQUISITIONS BY PERSONS QUALIFYING FOR DEROGATIONS)?

The threshold is €11 200.

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS NOT ESTABLISHED IN THE EU

10. WHEN DOES A TAX REPRESENTATIVE HAVE TO BE APPOINTED?

Traders who are not established in Belgium or in the European Union are required to have a representative in Belgium approved before effecting transactions in Belgium other than transactions on which VAT is payable by the other contracting party in accordance with Belgian law.

The transactions for which a representative in Belgium must be approved are the same as those for which VAT registration in Belgium is compulsory. Taxable persons who are

not established in the European Union are required to register for VAT purposes in Belgium and to have a tax representative approved.

Similarly, the circumstances under which taxable persons who are not established in the European Union are not required to have a tax representative approved are the same as those under which they are not required to register for VAT in Belgium. These relate to the occasional nature of transactions or to exemptions.

11. WHAT ARE THE RULES GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

Representatives proposed to the authorities must comply with the following conditions:

- (1) they must be able to enter into business contracts;
- (2) they must be established in Belgium;
- (3) they must be sufficiently solvent to meet the obligations incumbent on taxable persons under Belgian law;
- (4) they must agree to represent the taxable person in question.
- (5) Representative may be legal or natural persons. They may be of Belgian or non-Belgian nationality provided they are established in Belgium. They may be tax offices established in Belgium, subsidiaries of taxable persons who are not established in the Community or their contracting parties.

12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?

Tax representatives have the same duties and obligations as those of the foreign traders they represent.

Tax representatives are also severally and wholly liable with their principals for payment of VAT, interest or fines relating to transactions carried out in Belgium.

13. WHAT MEASURES HAVE TO BE TAKEN WHERE A TRADER ESTABLISHED IN ANOTHER COUNTRY FAILS TO APPOINT A TAX REPRESENTATIVE IN BELGIUM?

VAT, interest and any fines may be recovered from foreign traders' contracting parties. However, where such contracting parties prove that they have paid suppliers they identify all or part of the VAT, they do not have to pay VAT.

14. IS A BANK GUARANTEE REQUIRED?

The authorities assess whether representatives are sufficiently solvent to meet their liabilities .

If they are not, a guarantee is required to cover any VAT, fines, interest or charges payable by the taxable person.

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU

15. CAN A TAX REPRESENTATIVE OR AGENT BE APPOINTED?

Taxable persons who are not established in Belgium but are established in another Member State can have the appointment of a tax representative in Belgium approved where they effect transactions in Belgium which, had been carried out by a taxable person not established in the European Union, would have required a tax representative to have been approved.

Conversely, taxable persons who are not established in Belgium but are established in another Member State cannot have a tax representative in Belgium approved where they cannot or are not required to register for VAT purposes or to have a tax representative in Belgium approved.

For taxable persons established in another Member State the approval of a tax representative is never compulsory and VAT registration in Belgium is not dependent on the approval of a tax representative. Taxable persons established in another Member State who are registered for VAT in Belgium but do not have tax representatives are directly identified for VAT purposes in Belgium.

Taxable persons established in another Member State may also appoint a tax agent to comply with all or some of the obligations incumbent on them under Belgian VAT legislation.

16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

See answer to question 11.

17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF A TAX REPRESENTATIVE?

See answer to question 12.

18. ARE THERE CIRCUMSTANCES IN WHICH A BANK GUARANTEE IS REQUIRED?

See answer to question 14.

INVOICING

19. RULES ABOUT INVOICING

- a) **Where can the relevant rules (Laws, regulations, instructions, guidelines...) be found?**

Rules about invoicing are available on the Internet site of the Federal Public Finance Service at the following address: www.fisconet.fgov.be. Click on "Taxe sur la Valeur Ajoutée" (Value Added Tax) and then:

1. Click on "Législation", then "Code de la TVA", then "Code de la TVA version 2003" and finally, in "Chapitre VIII: Mesures tendant à assurer le paiement de la taxe" (measures to ensure tax payment), consult Article 53 § 2.
2. Click on "Législation", then "Arrêtés royaux TVA" (VAT Royal Decrees) (twice), then in "A.R. 1: Mesures tendant à assurer le paiement de la taxe" see Articles 1 to 13.
3. Click on "Circulaires". Note that the A.F.E.R. circulars concerning invoicing have yet to be published.
4. Click on "Manuel TVA" (VAT Handbook), then "Chapitre XII: Mesures tendant à assurer le paiement de la TVA – Section 2: La facturation (points 428 to 445/7)" (Measures to ensure VAT payment, Section 2 Invoicing). Please note that the Handbook is due for updating.

b) In case the office referred to in the first part of the vademecum is not competent to provide information on national invoicing rules, please indicate the name, address, telephone number and email address of the competent office.

The Bureau Central de TVA pour assujettis étrangers (central VAT Office for foreign traders) is competent to provide information on Belgian invoicing rules.

20. ISSUANCE OF INVOICES

a) Cases where an invoice needs to be issued:

Is an invoice to be issued only in cases referred to in Article 22 paragraph 3 point a) (supplies made by taxable persons to other taxable persons or non-taxable legal persons, distance sales and sales of new means of transport and payments on account) or also in other cases? If so, in which cases and under which specific rules?

An invoice must also be issued where taxable persons supply the following goods or services to natural persons for their private use, where these transactions take place in Belgium or where VAT is payable on all or part of the cost of the transaction prior to the supply of goods or services:

1. Supplies of:
 - land motor vehicles, new or second hand, with a cylinder capacity of more than 48 cm³ or engine power of more than 7.2 kilowatts, intended for the transport of persons or goods and their trailers, including multi-purpose vehicles and camping trailers;
 - yachts, boats and pleasure craft;
 - aircraft, hydroplanes, helicopters, gliders, spherical balloons or airships, and other similar aircraft, whether heavier or lighter than air, with or without an engine.
2. The supply of new buildings (within the meaning of the Belgian VAT Code) and the constitution, transfer and return of property rights relating to such buildings.

3. Construction work (within the meaning of Article 19(2) of the Belgian VAT Code) and various transactions pertaining to immovable property.
4. The supply of goods and services intended for the construction of a new building.
5. Hire purchase sales and leasing.
6. Supplies of goods which, by virtue of their nature, presentation, quantities sold or prices charged, are clearly intended for business use, and supplies of goods of the same type as those in which the customer trades or usually employs for his business.
7. Supplies to establishments not normally accessible to private individuals.
8. Supplies by producers or wholesalers.
9. Supplies of spare parts, accessories and equipment for the goods referred to in point (1), and work, other than cleaning, on such goods, including the supply of goods to be used for such work, where their price, inclusive of VAT, exceeds EUR 125.
10. Removal or storage of furniture and related services.
11. Supplies and import of VAT-exempt goods and services:
 - under diplomatic and consular arrangements;
 - other than property works, effected for the personal use of diplomatic, administrative and technical staff, consular career officials and consular staff attached to diplomatic and consular missions and posts;
 - to international organisations and members of such organisations where exemption is laid down in a convention to which Belgium is a party;
 - intended either for the use of the forces of other States which are parties to the North Atlantic Treaty or of the civilian staff accompanying them, or for supplying their messes or canteens when such forces take part in the common defence effort;
 - to another Member State and intended for the forces of any Member State which is a party to the North Atlantic Treaty, other than the Member State of destination itself, for the use of those forces or of the civilian staff accompanying them, or for supplying their messes or canteens when such forces take part in the common defence effort;
 - to bodies charged by foreign governments with the construction, setting out and maintenance of cemeteries, graves and memorials commemorating their war dead who are buried in Belgian territory;
 - to the North Atlantic Assembly and members of its International Secretariat, where the exemption is provided for by the Act of 14 August 1974 concerning the status in Belgium of the North Atlantic Assembly.
12. Supplies of investment gold for an amount exceeding EUR 2 500, including investment gold in the form of certificates for allocated or non-allocated gold or gold which is traded on gold accounts and including, in particular, gold loans and swaps, with right of ownership or claims in respect of investment gold, and investment gold transactions involving futures and forward contracts leading to a transfer of right of ownership or claims in respect of investment gold.

Is there an exemption from the obligation to issue invoices in specific situations (such as exempt or zero-rated supplies)?

The issue of invoices is required in respect of VAT-exempt supplies, for which there is no right of deduction, referred to in Article 44 of the Belgian VAT Code.

b) What are the rules on corrective invoices (credit / debit notes)?

Taxable persons are required to issue an amending document when an invoice has to be corrected after it has been issued.

The amending document must refer specifically and unambiguously to the initial invoice by quoting the number and date of issue of the invoice. Other information on the original invoice that does not need to be corrected need not appear on the amending document.

If the amending document refers to a credit note with VAT, it must contain the following reference: "Tax to be transferred to the Treasury if deducted initially".

c) What is the time limit for issuing invoices?

The invoice or equivalent document must be issued not later than the fifth working day of the month following that in which VAT becomes payable on all or part of the cost of the transaction.

In the case of intra-Community supplies of goods, the invoice or equivalent document must be issued not later than the fifth working day following that on which the supply was carried out. However, where the cost is paid in full or in part before the transaction, the invoice must be issued not later than the fifth working day of the month following that in which all or part of the price is paid.

d) What are the rules for summary invoicing?

Taxable persons may (but are not obliged to) issue a summary invoice in respect of several transactions carried out during a period they determine, as long as an invoice is issued at least once a month within the times referred to in (3) above.

e) What are the conditions imposed on self-billing?

Invoices may be drawn up by the customer of a taxable person in respect of goods supplied or services rendered by that taxable person on condition that:

1. there is at the outset an agreement between the two parties; each party must be able to establish the existence of such an agreement at the request of the VAT authorities;
2. a specific procedure exists for the acceptance of each invoice by the taxable person supplying the goods or services. A general monthly agreement of all statements of account issued by the customer and pertaining to that month is acceptable. Where the statements do not refer to a tax (for example in the event of the reverse charge procedure or exemption), a general quarterly

agreement for all statements of account issued by the customer during the quarter concerned is sufficient.

- f) Is there any specific rule in relation to outsourcing of invoices to a person who is established outside the EU?**

No specific rules.

21. CONTENT OF INVOICES

- a) Is the VAT number of the customer to be mentioned in all cases or only in relation to intra-Community supplies of goods and situations in which the customer is the person liable to pay the VAT on the supply of the goods or the services (supplies referred to in the 4th indent of Article 22 paragraph 3 point b)?**

The customer's VAT number must always be quoted on the invoice.

- b) Is there any specific rule concerning the number which needs to be mentioned (VAT or tax number)? If so, please specify the rules.**

No specific rules.

- c) Any other specific rules in relation to the content of the invoice.**

No specific rules.

22. ELECTRONIC INVOICING

- a) As regards invoices sent with advanced electronic signatures, is it obligatory to use qualified certificated and secure-signature-creation devices? If so, please give details.**

Invoices sent electronically are accepted by the Administration provided that the authenticity of their origin and the integrity of their contents are guaranteed, in particular by means of an advanced electronic signature which must meet the following requirements:

- a) it must be uniquely linked to the signatory;
- b) it can identify the signatory; and
- c) it must be created by means that the signatory can maintain under his sole control and linked to the data to which it relates in such a manner that any subsequent change of the data is detectable.

It is not necessary to use a qualified certificate or a secure signature creation device.

- b) As regards invoices sent by electronic data interchange, is an additional summary document on paper obligatory? If so, please give details about its content and procedure.**

Invoices sent electronically are accepted by the Administration in particular when they are sent in compliance with the EDI standard when the agreement relating to the interchange provides for the use of procedures guaranteeing the authenticity of origin and integrity of the data.

It is not necessary to send an additional summary document on paper.

c) Do you allow invoices issued pursuant to Article 22 paragraph 3 point c) 3rd subparagraph ("by using any other electronic means")? If so, under which conditions and formalities?

The Minister for Finance or his delegate accepts that invoices can be sent by other electronic means as provided for by the third subparagraph of Article 22(3)(c) of Directive 2001/115/EC.

The procedure implemented is based on prior authorisation. A taxable person who wishes to send invoices by electronic means other than an advanced electronic signature or an electronic data interchange (EDI) system must therefore request written authorisation from the following body:

Service Public Fédéral FINANCES
Administration de l'AFER
Services Centraux – Secteur TVA
Direction II/2
Boulevard du Jardin Botanique, 50 boîte 61
1010 Bruxelles

Each request must include, in addition to the full details of the taxable person concerned (including his VAT number), detailed information regarding the envisaged method of electronic transmission of invoices and the proposed security system guaranteeing authenticity of origin and integrity of data.

d) Is prior notification to the tax administration before using electronic invoicing an obligation? If so, what are the specific rules?

The Administration does not have to be notified in advance of the use of electronic invoicing where the taxable person intends to send invoices by means of an advanced electronic signature or an electronic data interchange system.

e) Any other specific rule in relation to electronic invoicing.

No other specific rules.

23. STORAGE OF INVOICES

a) What are the rules on the place of storage of invoices?

All invoices issued by taxable persons by themselves or in their name and on their behalf by their customer or by a third party, and all the invoices which they have received, must be stored on Belgian territory.

However, incoming invoices received electronically and outgoing invoices stored electronically and guaranteeing full on-line access in Belgium to the data stored may be stored in another Community Member State, provided that the Administration responsible for VAT and more specifically the taxable person's VAT control office is informed in advance.

It should be noted that it is prohibited to store invoices in a territory located outside the European Union without a backup in a Community Member State guaranteeing full on-line access in Belgium to the stored data.

b) Is prior notification of invoices stored in another country an obligation? If so, please specify.

See answer to question 23(a) above.

c) What is the obligatory storage period for invoices?

Invoices must be kept by the persons who drew them up, issued them or received them for ten years as from 1 January of the year following their date.

The same requirement applies to taxable persons and legal entities not subject to VAT as regards invoices in respect of intra-Community acquisitions of goods or purchases made abroad.

d) What are the specific rules on storage form and possible conversions?

The authenticity of origin and the integrity of the content of invoices, together with their legibility, must be guaranteed throughout the entire storage period.

Invoices must be stored in the original form (paper or electronic) in which they were received. For invoices stored electronically, data guaranteeing the authenticity of origin and integrity of the contents of each invoice must also be kept.

Electronic storage of an invoice means storage by means of electronic data storage equipment including digital compression.

e) Any other specific rule in relation to invoices storage.

No.

24. SIMPLIFIED INVOICES: WHAT ARE THE SITUATIONS WHERE SIMPLIFIED INVOICING IS ALLOWED PURSUANT TO ARTICLE 22 PARAGRAPH 9 POINT D) AND WHAT ARE THE SPECIFIC RULES?

The Minister for Finance or his deputy may, under the conditions they lay down, provide that invoices do not have to contain all the information that must normally be found on invoices in respect of goods supplied or services rendered in Belgium, in the following cases:

- where the amount of the invoice is minor;

- when the commercial or administrative practices in the business sector concerned or the technical conditions under which the invoices are issued make it difficult to comply with all the requirements.

In any case, these invoices must contain the following elements:

- the date of issue;
- identification of the taxable person;
- identification of the type of goods supplied or services rendered; and
- the tax payable or the information needed to calculate it.

This simplification does not apply to the following transactions:

- the supply of goods at the place where goods are installed or assembled, where the goods are installed or assembled by the supplier or on his behalf;
- the supply of goods which give rise or could give rise to application of the special arrangements for distance selling;
- intra-Community acquisitions of goods;
- intra-Community supply of goods.

Belgium plans to use the possibility offered to Member States by the above provision by authorising simplification both of invoices for a minor amount and of invoices issued in business sectors whose administrative or commercial practices make it difficult to comply with all the requirements referred to in Article 22(3)(b) of Directive 77/388/EEC. However, invoice simplification will not be permitted in respect of transactions referred to in Article 22(4)(c) of Directive 77/388/EEC (cf. Article 15 §2, 2, §§4 and 5, 25b and 39a of the VAT Code).

(a). Simplification connected with the application of a threshold

The threshold was set by Belgium at EUR 100. Invoices whose amount excluding VAT does not exceed EUR 100 may therefore contain the following information only:

- the issue date and a serial number, based on one or more series, which acts as a unique identifier of the invoice, under which it is registered in the supplier's sales journal;
- the supplier's name or company name, official address or company headquarters and its VAT number;
- the customer's VAT registration number or, failing this, its name or company name and full address;
- description of the type of goods or services supplied; and
- the tax rates payable and the total amount payable per rate inclusive of VAT.

This simplification will not be applicable to invoices in respect of:

- transactions exempt from the tax or carried out in exemption of the tax;
- transactions for which the tax is payable by the customer (customer); and
- transactions referred to in Article 8(1)(a), second sentence and in Article 28(b)(B)(1) of Directive 77/388/EEC.

(b) Simplifications connected with administrative practices of different business sectors

The sectors in which Belgium intends to allow simplification of invoices and the type of simplification planned are listed below. The list is not exhaustive and may be supplemented depending on how the administrative practices in the various business sectors evolve.

1) Supply of goods and provision of services of a continuous nature

On invoices in respect of the supply of goods or provision of services of a continuous nature to a customer who holds a subscriber number (for example water, gas and electricity supply by distribution companies):

- the serial number of the invoice may be replaced by the customer's subscriber number and the consumption period covered by the invoice;
- the customer's address may be replaced by the consumption address.

2) Transport tickets

Transport tickets issued to users by public transport companies will be considered as standard invoices provided each ticket contains at least the following information:

- the date of issue or period of validity;
- the name or company name of the service provider, its official address or company headquarters and its VAT number;
- a description of the services provided; and
- the amount of tax payable or the information needed to calculate it.

3) Banking and financial transactions

Invoices in respect of banking and financial transactions may be restricted to the following information:

- the date of issue;
- a serial number, based on one or more series, which uniquely identifies the invoice, under which it is registered in the supplier or service provider's sales journal;
- the name or company name of the supplier or service provider, its official address or company headquarters and its VAT identification number;
- the VAT identification number of the customer. Failing this, the name or company name and the address of the customer must be provided;
- the type of good supplied or services rendered;
- if the transaction is exempt from the tax, the amount of the transaction and the legal provision under which it is exempt; and
- if the transaction is subject to the tax, the rates payable and the total amount payable per rate inclusive of VAT.

PERIODIC VAT RETURNS

25. WHEN DO TRADERS HAVE TO SUBMIT A VAT RETURN?

The following are required to submit periodic VAT returns:

1. taxable persons excluding those persons who do not have the right to deduct;
2. taxable persons and non-taxable legal persons who are not required to submit returns:
 - where they are parties to contracts with taxable persons who are not established in Belgium and have not appointed a representative for transactions on which they are liable for tax pursuant to the first subparagraph of Article 21(1)a of Directive 77/388/EEC or are not identified for VAT purposes in Belgium;
 - where they are liable for tax by virtue of being the recipients of certain services or goods;
 - where they effect intra-Community acquisitions of goods taxable in Belgium.

Taxable persons who do not have the right to deduct input tax are taxable persons covered by the exemption arrangements provided for in Article 56(2) of the Belgian VAT Code and the taxable persons referred to in Article 44 of the Code who solely effect supplies of goods or services on which tax is not deductible. Such taxable persons are excluded under paragraph 1 because they do not make monthly or quarterly returns. However, they are included by virtue of paragraph 2 in cases where they are liable to VAT in Belgium because they effect intra-Community acquisitions of goods taxable in Belgium (exceeding the threshold or option) or because they are the recipients of certain supplies of goods or services. They are then obliged to submit a return whenever taxable transactions are effected in the course of a calendar quarter. This return is known as a “special VAT return” and is described in the last paragraph of question 22.

However, when such persons qualify for the derogation provided for in the second subparagraph of Article 28a(1)(a) of Directive 77/388/EEC, they must comply with the special arrangements described under question 23 where they acquire goods subject to excise duty or new means of transport.

26. AT WHAT INTERVALS ARE VAT RETURNS AND ASSOCIATED PAYMENTS TO BE MADE?

The return referred to in the first paragraph of question 21 must be submitted monthly, and payment must be made by the date on which the return has to be submitted.

Returns and payments may be made on a quarterly basis by taxable persons whose turnover does not exceed €500 000 provided they do not effect supplies of mineral oils referred to in Article 3 of the Law of 22 October 1997 on the structure and rates of excise duties on mineral oils.

In this case, however, taxable persons must also make monthly advance payments, settling the balance when the return is submitted.

The return referred to in the second paragraph of question 21 must be submitted whenever a taxable transaction is effected during a calendar quarter. The VAT due must be paid by the date on which the return has to be submitted.

27. ARE THERE SPECIAL RULES FOR VAT RETURNS FOR SMALL TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE THEM.

Taxable persons who do not submit the monthly or quarterly VAT returns referred to in the first and second paragraphs of question 21 and non-taxable legal persons effecting intra-Community acquisitions of new means of transport but qualifying for the derogation provided for in the second subparagraph of Article 28a(1) (a) of Directive 77/388/EEC, must submit a return covering the intra-Community acquisition of new means of transport to the customs office where the VAT is to be paid.

Where such persons who qualify for the derogation referred to above effect intra-Community acquisitions of excisable products which are dispatched or transported pursuant to Article 7 of Directive 92/12/EEC, they must submit the excise document of release for consumption to the excise office where the VAT is to be paid. This document replaces the VAT return.

28. ARE THERE SIMPLIFIED METHODS OF CALCULATING TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THIS SIMPLIFICATION?

The only simplified method of calculating tax liability applies to the flat-rate scheme.

This scheme applies only to taxable persons who are natural persons or partnerships (excluding cooperatives) with an annual turnover of not more than €500 000 generated largely by transactions with individuals for which no invoices have to be issued.

The simplification consists of calculating annual turnover on a flat-rate basis, i.e. on the basis of purchases, with profit margins being established by means of coefficients determined in advance by the authorities after consulting the business sectors concerned (see question 31).

This scheme not only simplifies collection of VAT and accounting obligations for taxable persons but also facilitates the work of tax inspectors.

RECAPITULATIVE STATEMENTS

29. AT WHAT INTERVALS DO RECAPITULATIVE STATEMENTS HAVE TO BE SUBMITTED?

Quarterly, except in the case of farmers subject to the flat-rate scheme, who are required to submit them once a year (before 31 March of the following calendar year).

30. IS ANY OTHER INFORMATION REQUIRED IN ADDITION TO THAT SET OUT IN ARTICLE 22(6) OF THE SIXTH VAT DIRECTIVE AS AMENDED BY DIRECTIVE 91/680/EEC?

- full identification of the customer;
- a T code to identify the transactions referred to in the fifth subparagraph of Article 22(6)(b) of Directive 77/388/EEC.

31. HAVE YOU INTRODUCED SIMPLIFIED PROCEDURES FOR RECAPITULATIVE STATEMENTS UNDER IN ARTICLE 22(12) OF DIRECTIVE 77/348/EEC AS AMENDED BY DIRECTIVE 91/680/EEC? IF SO, WHAT ARE THE THRESHOLDS FOR SUCH PROCEDURES?

No.

ELECTRONIC INVOICING AND ELECTRONIC RETURNS

32. IS ELECTRONIC INVOICING AUTHORISED? IF SO, UNDER WHAT CONDITIONS AND USING WHAT PROCEDURES?

Invoices or equivalent documents may be transmitted electronically under Belgian law.

Pending the adoption of legislation - no royal decree has yet been approved - the authorities authorise the transmission of invoice particulars by electronic means subject to compliance with the conditions which they lay down regarding inalterability, irreversibility and keeping. Under such authorisations taxable persons may exercise their right to deduct on the basis of the data transmitted electronically. No print-outs are required except in the case of inspections.

Authorisations already issued are subject to a number of conditions; these vary according to the nature of the applications by the taxable persons.

Applications must be sent to the tax authorities, Directorate II/2, TVA - Tour Finances, Boulevard du Jardin Botanique, No 50, Boîte 61, 1010 Brussels. .

33. CAN VAT RETURNS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHERE MUST APPLICATIONS FOR ELECTRONIC SUBMISSION OF RETURNS BE MADE?

Companies which submit only one VAT return each month or each quarter may do so electronically using the INTERVAT system.

In the case of companies which submit more than one return each month or quarter - such as large firms of accountants - they can also do so via the EDIVAT system.

Companies using the INTERVAT system must have:

- an Internet connection;
- one of the following Internet browsers:
 - Microsoft Internet Explorer (version 5.5 or higher – the application does not yet support version 6);
 - Netscape Communicator (version 4.77 or higher);
- a digital signature;
- a level 3 digital certificate – strictly authenticating the holder of the electronic signature used - issued by one of the following certification authorities:
 - Global Sign
 - E-Trust
- connection to the Ministry of Finance’s website “ <http://minfin.fgov.be> “ for access to the INTERVAT page.

Any other information can be obtained from the tax authorities (AFER), Directorate VI/8A - Service automatisation TVA - Tour Finance, Boîte 61, Boulevard du Jardin Botanique No 50, 1010 Brussels, or the Ministry of Finance’s website.

34. CAN RECAPITULATIVE STATEMENTS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHERE MUST APPLICATIONS FOR ELECTRONIC SUBMISSION OF STATEMENTS BE MADE?

It is not yet possible to submit recapitulative statements electronically.

ADMINISTRATIVE REQUIREMENTS

35. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, HOW DOES IT WORK?

The flat-rate scheme applies to small businesses, natural persons or partnerships (excluding cooperatives) with a turnover of not more than €500 000 habitually supplying movable goods or services to individuals and exempted from having to issue invoices for such transactions.

The flat-rate scheme is, in principle, open to all business sectors satisfying the above conditions provided that the business sectors concerned apply for the scheme and the flat-rate taxable amounts can be determined.

In practice, the flat-rate scheme is open to taxable persons carrying out business in a sector for which the authorities have fixed flat-rate taxable amounts (see list of sectors below) provided that the following three conditions are met:

1. the taxable person is a natural person, partnership (SNC/VOF, SCS/CV) or a limited liability company (SPRL/BVBA);
2. taxable persons must be exempted from having to issue invoices for at least 75% of their turnover; if the value of transactions requiring an invoice is greater than 25% but less than 40% of turnover, the authorities allow flat rate taxable amounts to be applied provided that the transactions involve a small number of large customers or that the transactions requiring an invoice concern quantities of goods which are not significantly higher than those usually supplied to private individuals.

The flat-rate scheme currently applies to the following sectors:

- general food retailers
- butchers and pork butchers
- bakers and confectioners
- cafes
- hairdressers
- dairies and milkmen
- pharmacists
- doctors with dispensaries
- ice cream sellers
- hardware shops
- specialist retailers of fowl and game
- shoe shops
- cobblers
- retail fishmongers
- itinerant fishmongers
- chip shops
- textile and leather goods shops
- ironmongers
- fairground operators
- newsagents

- booksellers
- tobacconists.

Taxable persons who fulfil the conditions for the flat-rate scheme are automatically covered by it unless they opt for taxation under the normal arrangements.

The coefficients applied are determined on the basis of data collected throughout Belgium by both the authorities and the business sectors concerned from as many traders as possible in each sector.

These data are used by the Committee on flat-rate taxation to establish national averages.

There are at present three types of flat-rate schemes using the following methods to calculate turnover:

1. Flat rates established on the basis of profit margins:
 - Retailers' taxable turnover is made up primarily of supplies of goods. The goods sold are divided into categories and a coefficient is established for each category on the basis of the average gross profit earned by retailers for goods in this category. Taxable turnover is calculated by applying these coefficients to the total amount of purchases and imports.
2. Flat rates established on the basis of presumed remuneration:
 - For small businesses whose main activity is the supply of services, turnover is calculated by multiplying the presumed number of hours or days worked by the taxable person by the presumed hourly remuneration or daily receipts.
3. Flat rates established on the basis of normal return:
 - For certain types of businesses turnover is calculated on the basis of the return on raw materials or on products purchased in Belgium or imported.
 - Coefficients vary from one sector to another and are adjusted each year.

36. ARE THERE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE DESCRIBE THEM.

The Belgian VAT Code has introduced four special schemes to simplify administrative requirements:

1. The flat-rate scheme under which taxable turnover is calculated on the basis of purchases without traders having to record receipts on a daily basis or to keep an annual stock inventory:
2. The tax exemption scheme which, as its name implies, exempts those eligible from having to submit VAT returns or to make payments. No deductions are allowed.

Consequently, the administrative formalities are confined to annual submission of a turnover declaration. The declaration must be accompanied by a list of taxable customers to whom the small trader has supplied goods or services. Accounting

obligations are kept to a strict minimum (filing of invoices, keeping of a sales journal, list of capital goods, and “customer” accounts);

3. The special scheme for farmers under which farmers are exempted from having to issue invoices, submit VAT returns or make VAT payments. Their contracting parties must, if they are taxable persons themselves (unless they are other farmers covered by the special scheme for farmers) or non-taxable legal persons required to carry out intra-Community acquisitions in the Member State of arrival, refund the tax paid on the different components of the price of the agricultural product or service, determined on a flat-rate basis. They have the right to deduct that tax.

This means that goods and services supplied by farmers are incorporated into the VAT system without farmers themselves being subject to excessive tax obligations with the exception of those deriving from any intra-Community transactions they effect.

4. Under the special arrangements for taxing the profit margin, which apply to second-hand goods, works of art, collectors’ items and antiques, VAT is calculated on the difference between the purchase price and the selling price.

Taxable dealers may apply the arrangements for taxing the margin in respect of the supply of second-hand goods, works of art, collectors’ items and antiques only if these goods were supplied to them within the Community by the suppliers listed below, provided that the latter did not have any right to exemption from or refund of the tax on the purchase, intra-Community acquisition or importation of these goods. The suppliers in question are non-taxable persons, taxable persons who have effected such supplies exempted from value added tax in accordance with Article 44(2)(13) of the Belgian VAT Code or under the exemption scheme laid down by Article 56(2) of that Code where they concern capital goods, or other taxable dealers, where these supplies have been taxed under the special scheme for taxing the profit margin.

For the transactions referred to in Article 26a (B) and (C) of Directive 77/388/EEC, invoices or any other equivalent document issued by the taxable dealer must bear the following endorsement: “Supplies subject to special arrangements for taxing the profit margin. VAT not deductible.”

37. IN WHAT LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED?

The forms (periodic returns and recapitulative statements) are available in the three national languages (Dutch, French and German).

RIGHT TO DEDUCT

38. FOR WHAT CATEGORIES OF GOODS AND SERVICES CAN NO INPUT TAX BE DEDUCTED?

1. Manufactured tobaccos.
2. Spirits other than those intended for resale or to be supplied for the purposes of services.
3. Accommodation, meals and beverages under an accommodation or catering contract.

There are, however, two exceptions:

- where these costs are incurred by a company's staff effecting outside supplies of goods or services;
 - where these costs are incurred by taxable persons who in turn supply the same services for consideration.
4. Entertainment costs. These are costs incurred by companies for public relation purposes providing hospitality for outside visitors, in particular suppliers and customers.

39. WHAT ARE THE CATEGORIES OF GOODS AND SERVICES FOR WHICH THERE IS A PARTIAL RIGHT TO DEDUCT? PLEASE INDICATE THE PERCENTAGE.

Motor vehicles used for passenger transport including those which can be used for both the transport of passengers and goods, and goods and services relating to vehicles.

No more than 50% of VAT may be deducted on such vehicles.

There are three exceptions:

- vehicles intended to be sold or leased by a taxable person whose particular economic activity involves the sale or leasing of motor vehicles;
- vehicles intended to be used solely for passenger transport for hire or reward;
- new vehicles within the meaning of Article 28a(2) of Directive 77/388/EEC forming the subject of supplies exempted by Article 28c(A)(b) of this Directive. In this case the amount deducted may only be equivalent to the amount of tax which the taxable person would have had to pay if the supply had not been exempted.

ANNEX 1: THRESHOLDS

Member State	Threshold for application of the special scheme for acquisitions by taxable persons not entitled to deduct input tax and by non-taxable legal persons ¹		Threshold for application of the special scheme for distance selling ²		Exemption for small enterprises ³	
	National currency	Euro equivalent	National currency	Euro equivalent	National currency	Euro equivalent
Belgium	€11.200		€35.000		€5.580	
Czech Republic		10.000		35.000		35.000
Denmark	80.000 DKK	10.722	280.000 DKK	37.528	50.000 DKK	6.667
Germany	€12.500		€100.000		€16.620	
Estonia	160.000 EEK	10.226	550.000 EEK	35.151		16.000
Greece	€10.000		€35.000		€9.000 or €4.000	
Spain	€10.000		€35.000		None	
France	€10.000		€100.000		€76.300 or €27.000	
Ireland	€41.000		€35.000		€51.000 or €25.500	
Italy	€8.263		€27.889		None	None
Cyprus	6.000 CYP	10.226	20.000 CY Pounds	34.220		15.600
Latvia	7.000 LVL	10.778	24.000 LVL	36.952		17.200
Lithuania	35.000 LTL	10.138	125.000 LTL	36.207		29.000
Luxembourg	€10.000		€100.000		€10.000	
Hungary		10.000		35.000		35.000
Malta		10.000		35.000		37.000 ⁴ 24.300 ⁴ 14.600 ⁴

¹ See second subparagraph of Article 28(a)(1) of Directive 77/388/EEC, as amended.

² See Article 28b, (2) of Directive 77/388/EEC, as amended.

³ See Article 24(2) of Directive 77/388/EEC, as amended. This scheme is reserved for taxable persons established within the territory of the country.

⁴ €37 000 when the economic activity consists principally in the supply of goods, €24 300 when the economic activity consists principally in the supply of services with a low value added (high inputs), and €14 600 in other cases, namely service providers with a high value added (low inputs)

ANNEX 1: THRESHOLDS

Netherlands	€10.000		€100.000		None	None
Austria	€11.000		€100.000		€22.000	
Poland		10.000		35.000		10.000
Portugal	€8.978		€31.424		€9.976 or €12.470	
Slovenia		10.000		35.000		25.000
Slovak Republic		10.000		35.000		35.000
Finland	€10.000		€35.000		€8.500	
Sweden	90.000 SEK	10.071	320.000 SEK	35.809	None	None
United Kingdom	56.000 GBP	87.678	70.000 GBP	109.598	55 000 GBP	86.112

ANNEX 2: VAT IDENTIFICATION NUMBER

- BE** le numéro d'identification à la taxe sur la valeur ajoutée
BTW - identificatienummer
- CZ**
- DK** momsregistreringsnummer
- DE** Umsatzsteuer - Identifikationsnummer
- EE** käibemaksukohustuslasena registreerimise number
- EL** Αριθμός Φορολογικού Μητρώου ΦΠΑ
Arithmos Forologikou Mitroou FPA
- ES** el número de identificación a efectos del Impuesto sobre el Valor Añadido
- FR** le numéro d'identification à la taxe sur la valeur ajoutée
- IE** value added tax identification no.
- IT** il numero di registrazione IVA
- CY** Αριθμός Εγγραφής Φ.Π.Α.
Arithmos Egrafis FPA
- LV** pievienotās vērtības nodokļa (PVN) reģistrācijas numurs
- LT** PVM mokėtojo kodas
- LU** le numéro d'identification à la taxe sur la valeur ajoutée
- HU**
- MT**
- NL** BTW - identificatienummer
- AT** Umsatzsteuer - Identifikationsnummer
- PL**
- PT** o número de identificação para efeitos do imposto sobre o valor acrescentado
- SI** identifikacijska številka za DDV

ANNEX 2: VAT IDENTIFICATION NUMBER

- SK** identifikačné číslo pre daň (IČ DPH)
- FI** arvonlisäverorekisteröintinumero
Mervärdesskatteregistreringsnummer (momsregistreringsnummer)
- SE** Mervärdesskatteregistreringsnummer (momsregistreringsnummer)
- GB** value added tax (VAT) registration no.

ANNEX 3: ABBREVIATIONS

	COUNTRY	CURRENCY
BELGIUM	BE	EUR
CZECH REPUBLIC	CZ	CZK
DENMARK	DK	DKK
GERMANY	DE	EUR
ESTONIA	EE	EEK
GREECE	EL	EUR
SPAIN	ES	EUR
FRANCE	FR	EUR
IRELAND	IE	EUR
ITALY	IT	EUR
CYPRUS	CY	CYP
LATVIA	LV	LVL
LITHUANIA	LT	LTL
LUXEMBOURG	LU	EUR
HUNGARY	HU	HUF
MALTA	MT	MTL
NETHERLANDS	NL	EUR
AUSTRIA	AT	EUR
POLAND	PL	PLN
PORTUGAL	PT	EUR
SLOVENIA	SI	SIT
SLOVAK REPUBLIC	SK	SKK
FINLAND	FI	EUR
SWEDEN	SE	SEK
UNITED KINGDOM	GB	GBP