

# Netherlands

## VAT rate

The standard VAT rate in the Netherlands in 2023 is 21%.

## VAT Reduced rate

The reduced VAT rate is 9% for digital books and newspapers.

## Thresholds

Companies incorporated or having a permanent establishment in the EU can use the rules for low annual turnovers. In this case, the threshold is €10,000.

Companies established outside the European Union cannot benefit from the intra-EU threshold. The threshold for registration for companies outside of the EU is zero. It means that they are obliged to register from the first sale. Such businesses may register for non-Union OSS instead of registration in Belgium.

The threshold for registration for local businesses is €25,000.

## Pieces of evidence

There is a list of basic criteria to determine the location of the buyer. It is extremely important for determining tax obligations.

- Customer's permanent address;
- Billing address (bank or electronic payment operator);
- Internet Protocol (IP) address;
- Telephone number;
- The location of the customer's fixed landline through which the service is supplied to him;
- Other commercially relevant information.

And if two of them are in the Netherlands, the customer may be determined as Dutch.

## E-services list

A digital product is any product that is stored, delivered, and used in an electronic format. These are goods or services that a customer can receive by e-mail, by downloading them from the Internet, or by logging into a website. In particular, the law names the following as digital services:

- Electronic books, images, movies, and videos, whether buying a copy from Shopify or using a service (for example Amazon Prime). In tax materials, these products are referred to as “Audio, visual or audiovisual products”;
- Downloadable and streaming music, whether buying an MP3 or using music services;
- Cloud-based software and as-a-Service products (SaaS, PaaS, IaaS);
- Websites, site hosting services, and Internet service providers;
- Online ads and affiliate marketing.

## **Registration procedure**

To register, you need to fill out a registration application. To do this, you will need the following information about the company:

- Full information about the company: Company’s name, a trading name of the company (if applicable), full postal address, email address and website of the taxable person, name and phone number of the contact person;
- National tax number (if applicable);
- Country in which the taxable person has his place of business;
- International bank account number or IBAN number and BIC;
- An electronic declaration that the taxable person is not registered for VAT within the Union;
- Date of commencement of using the scheme.

The documents must be drafted and provided in Dutch for registration.

## **Tax representative**

There is no requirement to appoint a tax representative in the Netherlands.

## **Keeping records**

The retention period of Tax documents for VAT is 7 years – the tax authorities have the right to request them.

## **Filing VAT returns**

VAT returns are generally filed quarterly. Taxable persons may be authorized by the VAT authorities to submit a monthly or annual VAT return.

VAT returns must be filed within 1 month after the end of the tax period.

## **VAT payment date**

VAT amounts must be paid within 1 month after the end of the tax period.



[www.vatcompliance.co](http://www.vatcompliance.co)