

German VAT law

The German VAT law, based on the EU VAT Directive, is recorded in the Value Added Tax Act of 1999 („Umsatzsteuergesetz“). This had been revised a number of times since that. German tax law is implemented by the Federal Parliament (Bundestag). However it is administered by the 16 states (Bundesländer).

German VAT registration for foreign companies

Foreign companies may register in Germany for VAT reporting without the need of forming a local company or branch - known as non-resident VAT trading. There is no VAT threshold in Germany for registration of non-resident traders - a VAT number must be in place before the start of taxable deliveries or services. There are strict rules in which cases a German VAT registration is permitted.

Common scenarios which require a registration are:

- Importing goods into Germany;
- Organizing live events, conferences etc in Germany;
- Trade fair organizing in Germany by a foreign provider for foreign exhibitors;
- Passenger transport by a foreign company in Germany;
- Holding goods in a warehouse in Germany as stock for resale;
- Buying goods within Germany which are subsequently resold within Germany;
- Selling goods from Germany to other EU member states; and
- Distance selling to private individuals in Germany, e.g. internet retailing.

Registering for German VAT generally takes between two and six weeks, but this can vary. A tax payer must register at the specific tax office allocated to his country. For example: Tax Payers from Italy at the tax office Munich II and from Spain at the Kassel tax office.

VAT Services provided by SH+C

Within the context of a tax representation in Germany, SH+C will complete the following tasks for a client:

- VAT registration of the company at the local tax authorities
- Applying for a German VAT identification number
- Applying for a German customs number (EORI)
- Completing and sending monthly or quarterly preliminary VAT reports to the local tax authorities
- Completing any other reports that may be required (e.g. INTRASTAT)
- Checking the company's incoming and outgoing invoices to ensure they fulfill German VAT requirements
- Completing the yearly VAT returns
- Checking the VAT assessments
- Correspondence with the tax authorities and other financial authorities

About SH+C

SH+C is a group of two accountancy and tax consultancy companies with offices in Regensburg and Munich. It has its origins in the 1960's. By admitting internationally experienced accountants and tax consultants, as well as by joining AGN International, SH+C became a tax consultancy reputed for international taxation in southern Germany. The extensive list of clients of SH+C includes small businesses right up to multinational enterprise groups.

SH+C and AGN International

SH+C is a member of AGN International Ltd. a worldwide association of separate and independent accounting and consulting firms from more than 100 countries. AGN coordinates international customer care. Worldwide, more than 200 member firms belong to AGN, employing a total of approximately 9.000 people and having a turnover of more than a billion Euros.

SH+C awarded by FOCUS MONEY

Every year the German magazine „FOCUS-MONEY“ awards Germany's leading tax consultancy and audit firms. The evaluation is based on the tax knowledge, quality of service, specialization and business success as well as on their motivation to prepare seminars and lectures. In 2009 - as in the three years before - SH+C was awarded as one of the leading German tax consultancy firms in the field of corporate tax law as well as advising medium- sized enterprises.

