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DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
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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 States which has been obtained from the tax authorities concerned.

The sole purpose of distributing details of national provisions is to create a work tool. In no way does this document 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. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD HE CONTACT? (ADDRESS, TELEPHONE, FAX, EMAIL)

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 - 34
Fax: (+32-2) 552. 55. 41

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

2. WHAT IS THE ADDRESS OF THE NATIONAL TAX ADMINISTRATION WEBSITE? WHICH CATEGORIES OF INFORMATION ON VAT IS AVAILABLE ON THAT WEBSITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? AND IN WHICH LANGUAGE(S)?

The Belgian tax authorities' website is:

<http://minfin.fgov.be>.

Information is available in French and Dutch on:

- legislation,
- Com.IR 92 (Notes on the 1992 Income Tax Code),
- explanatory notes on the VAT Code,
- case-law,
- circulars,
- parliamentary questions,
- CNC opinions,
- flat rates,
- European directives,
- international conventions,
- decrees and
- decisions.

3. WHERE IS IT POSSIBLE TO FIND NATIONAL VAT LEGISLATION AND REGULATIONS? IN WHICH 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*, North Galaxy, Bd du Roi Albert II, 33, Bte 25, B-1030 Brussels,

Tel.: (+32-257) 627.17

Fax: (+32-257) 952.56

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

VAT REGISTRATION OF FOREIGN TRADERS

4. WHAT ARE THE CIRCUMSTANCES GOVERNING THE NEED TO BE REGISTERED FOR VAT?

In principle, all foreign traders must be identified for VAT purposes in Belgium as soon as they effect in Belgium transactions covered by the Belgian VAT Code for which they have a 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. WHAT ARE THE SITUATIONS WHERE REGISTRATION IS UNNECESSARY BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE FOR THE TAX? IN SUCH SITUATION, IS IT POSSIBLE TO REGISTER ON A VOLUNTARY BASIS?

As a general rule, foreign traders who are not established in Belgium and only effect transactions on which VAT is payable by the customer 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 upon request by the foreign traders:

- where they are taxable persons not established in Belgium effecting construction work or similar operations there;
- 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 EUR 10 000.

6. WHOM SHOULD A FOREIGN TRADER CONTACT TO GET REGISTERED FOR VAT? (DETAILS ABOUT THE DEPARTMENT, INCLUDING ADDRESS, TELEPHONE AND FAX E-MAIL...)

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 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) whose address is given in the answer to question 1.

7. PLEASE DESCRIBE THE DETAILED PROCEDURES (INCLUDING NECESSARY DOCUMENTS) FOR ISSUING VAT IDENTIFICATION NUMBERS, SPECIFICALLY TO FOREIGN TRADERS?

Foreign traders with permanent establishments in Belgium are assigned VAT identification 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. Where appropriate, additional information to that requested in the form must be provided in annexes (e.g. deed 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 identification number. They must submit a statement of commencement of trading to this Office. Depending on whether or not 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 relevant forms which can be obtained from the Central VAT Office.

Forms for statements of commencement of trading can also be obtained from the Central VAT Office or are available on the Internet site: <http://www.finform.fgov.be>.

Statements of commencement of trading 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 deeds 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, where appropriate, 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 which are not subject to VAT in warehouses, other than customs warehouses, 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 transactions subject to VAT in Belgium,

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

THRESHOLDS

8. WHICH THRESHOLD DO YOU OPERATE AS REGARDS INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 34 OF THE VAT DIRECTIVE (2006/112/EC)?

http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/traders/vat_community/vat_in_EC_annexI.pdf

9. WHICH THRESHOLD DO YOU OPERATE AS REGARDS ACQUISITIONS BY NON-TAXABLE LEGAL PERSONS OR EXEMPT PERSONS UNDER THE SECOND SUBPARAGRAPH OF ARTICLE 3 OF THE VAT DIRECTIVE (2006/112/EC)?

http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/traders/vat_community/vat_in_EC_annexI.pdf

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN (NON-EU) TRADERS

10. WHAT ARE THE SITUATIONS IN WHICH THE APPOINTMENT OF A TAX REPRESENTATIVE IS OBLIGATORY?

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 customer in accordance with Belgian law.

Transactions for which a representative in Belgium has to 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 conditions 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 CONDITIONS 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;
- 5) Representatives may be legal or natural persons. They may be of Belgian or non-Belgian nationality provided that they are established in Belgium. They may be tax offices established in Belgium, subsidiaries of taxable persons who are not established in the European Union or their contracting partners.

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

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

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

13. WHAT ACTION CAN YOU TAKE IN THE EVENT OF FAILURE BY A TRADER IN ANOTHER COUNTRY TO DESIGNATE A TAX REPRESENTATIVE IN YOUR TERRITORY?

In this case, VAT, interest and any fines may be recovered from foreign taxable persons' customers. However, where they can prove that, acting in good faith, they have paid identified suppliers all or part of the VAT, they do not have to pay the VAT.

14. IS IT NECESSARY TO SET UP A BANK GUARANTEE?

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. IS IT POSSIBLE TO APPOINT A TAX REPRESENTATIVE OR A TAX AGENT?

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

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

Taxable persons established in another Member State are never required to appoint a tax representative and VAT registration in Belgium is not dependent on the appointment 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 SITUATIONS WHERE IT IS OBLIGATORY TO SET UP A BANK GUARANTEE?

See answer to question 13.

INVOICING

RULES ABOUT INVOICING

19. WHERE CAN THE RELEVANT RULES (LAWS, REGULATIONS, INSTRUCTIONS, GUIDELINES...) BE FOUND?

Rules about invoicing are available on the Internet site of the Federal Public Service FINANCE 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*” (Royal Decrees on VAT) (twice), then in “*A.R. 1: Mesures tendant à assurer le paiement*” see Articles 1 to 13;
3. Click on “*Circulaires*”. Note that the AFER circulars concerning invoicing have yet to be published, apart from the circular on self-billing.
4. Click on “*Manuel TVA*” (VAT Handbook), then “*Chapitre XII : Mesures tendant à assurer le paiement de la T.V.A. – Section 2 : La facturation (points 428 à 445/7)*” (measures to ensure VAT payment, Section 2: Invoicing). Please note that the Handbook is due for updating.

ISSUANCE OF INVOICES

20. CASES WHERE AN INVOICE NEEDS TO BE ISSUED

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:

- motorised land 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 reconveyance 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 relating to real property;

4. the supply of goods and services intended for the construction of a new building;

5. instalment sales and hire purchase;

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 or places 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 above, 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 construction work, 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;
- intended for international bodies and officials belonging to such bodies where exemption is laid down in a convention to which Belgium is a party;
- intended either for official 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 and canteens where such forces take part in the common defence effort;
- to another Member State and intended for the forces of any State 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 and canteens where such forces take part in the common defence effort;
- for 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;
- for 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.

21. 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 concerned. Other information on the original invoice that does not need to be corrected need not appear on the amending document.

If the amending document is a credit note with VAT, it must contain the following reference: “Tax to be repaid to the Treasury if deducted initially”.

22. WHAT IS THE TIME LIMIT FOR ISSUING INVOICES?

The invoice or other document serving as invoice 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 price.

In the case of intra-Community supplies of goods, the invoice or other document serving as invoice must be issued not later than the fifth working day following that on which the supply was carried out. However, where the price is paid in whole 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.

23. 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 time limits referred to in point 22 above.

24. WHAT ARE THE CONDITIONS IMPOSED ON SELF-BILLING?

Invoices may be drawn up by the customer of a taxable person, in the name and on behalf of the taxable person supplying the goods or services, on condition that:

1. there is at the outset an agreement between the two parties to apply this procedure; each party must be able to prove 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. The authorities accept that this agreement covers several statements of account provided that they are clearly individualised by date of issue and order number in the acceptance document. Where the statements do not refer to a tax (for example in the event of the reverse charge procedure or exemption), the parties may opt for an implicit acceptance procedure whereby, in the absence of a reaction by the required deadline, the statement is considered to be accepted by the supplier of goods or services.

25. IS THERE ANY SPECIFIC RULE IN RELATION TO OUTSOURCING OF INVOICES TO A PERSON WHO IS ESTABLISHED OUTSIDE THE EU?

There are no specific rules on the subject.

CONTENT OF INVOICES

26. UNDER WHAT CONDITIONS MUST THE VAT NUMBER OF THE CUSTOMER BE ON THE TAX INVOICE?

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

27. ANY OTHER SPECIFIC RULE IN RELATION TO THE CONTENT OF THE INVOICE

There are no specific rules on the subject.

ELECTRONIC INVOICING

28. 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 authorities provided that the authenticity of their origin and the integrity of their content are guaranteed, in particular by means of an advanced electronic signature which must meet the following requirements:

- a) it is uniquely linked to the signatory;
- b) it is capable of identifying the signatory;
- c) it is created using means that the signatory can maintain under his sole control and it is linked to 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.

29. 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 authorities in particular when they are sent in compliance with the EDI standard when the agreement between the parties relating to this interchange provides for the use of procedures guaranteeing the authenticity of the origin and integrity of the data.

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

30. DO YOU ALLOW INVOICES ISSUED PURSUANT TO ARTICLE 233(1), SECOND SUBPARAGRAPH OF THE VAT DIRECTIVE ("BY USING ANY OTHER ELECTRONIC MEANS")? IF SO, UNDER WHICH CONDITIONS AND FORMALITIES?

The Minister for Finance or his representative may accept that invoices be sent by other electronic means as provided for in Article 22(3)(c), paragraph 3 of Directive 2001/115/EC.

The procedure used 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 authorisation in writing from the following body:

Service Public Fédéral FINANCES
Administration de l'AFER
Services centraux - Secteur T.V.A.
Direction II/2
North Galaxy – Tour A
Boulevard du Roi Albert II, 33, boîte 25
1030 Brussels

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 the origin and integrity of the data.

31. ANY OTHER SPECIFIC RULE IN RELATION TO ELECTRONIC INVOICING.

There are no other specific rules on the subject.

STORAGE OF INVOICES

32. 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 within 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 EU Member State, provided that the VAT authorities, and more specifically the taxable person's VAT control office, are informed in advance.

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

33. IS PRIOR NOTIFICATION OF INVOICES STORED IN ANOTHER COUNTRY AN OBLIGATION? IF SO, PLEASE SPECIFY.

See answer to question 32.

34. 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 seven years from 1 January of the year following their date.

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

35. WHAT ARE THE SPECIFIC RULES ON STORAGE FORM AND POSSIBLE CONVERSIONS?

The authenticity of the origin and the integrity of the content of the invoices stored, as well as their legibility, must be guaranteed throughout the 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 the origin and the integrity of the content of each invoice must also be kept.

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

36. ANY OTHER SPECIFIC RULE IN RELATION TO INVOICE STORAGE.

There are no other specific rules on the subject.

SIMPLIFIED INVOICES

37. WHAT ARE THE SITUATIONS WHERE SIMPLIFIED INVOICING IS ALLOWED PURSUANT TO ARTICLE 238 OF THE VAT DIRECTIVE (2006/112/EC)? AND WHAT ARE THE SPECIFIC RULES?

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

- where the amount of the invoice is minor;
- where commercial or administrative practice in the business sector concerned or the technical conditions under which the invoices are issued make it difficult to comply with all the obligations provided for.

Invoices must, in any event, contain the following information:

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

These simplified arrangements may not be applied to the following transactions:

- the supply of goods at the place where goods are installed or assembled, where 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 supplies of goods.

Belgium plans to use the facility offered to Member States by the above provision by authorising simplification both of invoices for a minor amount and invoices issued in business sectors where commercial or administrative practice make it difficult to comply with 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. Articles 15 §2(2), §§ 4 and 5, 25b and 39a of the VAT Code).

a) Simplification connected with the application of a threshold

The threshold is set by Belgium at EUR 125, including VAT. Consequently, invoices for an amount including VAT not exceeding EUR 125 need not contain more than the following information:

- the date of issue and a sequential number, based on one or more series, which uniquely identifies the invoice under which it is registered in the supplier's sales journal;
- the supplier's name or company name, address of administrative establishment or registered office and VAT identification number;
- the customer's VAT identification number or, failing this, the customer's name or company and full address;
- identification of the type of goods or services supplied;
- indication of the applicable VAT rates and the total amount payable, per rate, including VAT.

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

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

b) Simplifications connected with administrative practice of different business sectors

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

1) Supply of goods and services of a continuous nature

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

- the sequential 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 that each ticket contains at least the following information:

- the date of issue or the period of validity;
- the service provider’s name or company name, address of administrative establishment or registered office and VAT identification number;
- identification of the services supplied;
- the amount of VAT due or the information enabling it to be calculated.

3) Banking and financial transactions

Invoices in respect of banking and financial transactions need not contain more than the following information:

- the date of issue;
- a sequential number, based on one or more series, which uniquely identifies the invoice under which it is registered in the supplier’s sales journal;
- the supplier’s name or company name, address of administrative establishment or registered office and VAT identification number;
- the customer’s VAT identification number or, failing this, the customer’s name or company and full address must be provided;
- identification of the type of goods or services supplied;
- if the transaction is exempt from VAT, the amount of the transaction and the legal provision under which it is exempt;
- if the transaction is subject to VAT, the rates applying and the total amount due, per rate, inclusive of VAT.

PERIODIC VAT RETURNS

38. UNDER WHAT CIRCUMSTANCES IS A TRADER OBLIGED 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 the customers of taxable persons who are not established in Belgium and have not appointed a tax representative for transactions on which they are liable for VAT pursuant to Article 21(1)(a) of Directive 77/388/EEC or are not identified for VAT purposes in Belgium;
- where they are liable for VAT for having received certain services or goods;
- where they make intra-Community acquisitions of goods taxable in Belgium.

Taxable persons who do not have the right to deduct input tax are the 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 exclusively supply 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 for VAT in Belgium either because they make 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 the answer to 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 in the answer to question 23 where they acquire goods subject to excise duty or new means of transport.

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

The VAT return must be submitted monthly and the payment must be made by the date on which this return has to be submitted.

Returns and payments may be made on a quarterly basis by taxable persons whose turnover does not exceed EUR 1 000 000, provided that they do not effect supplies of mineral oils referred to in Article 3 of the Act of 22 October 1997 on the structure and rates of excise duties on mineral oils, and/or mobile telephones and computers and their peripherals, accessories and components and/or motorised land vehicles subject to the vehicle registration legislation for a turnover exclusive of VAT exceeding EUR 200 000.

In this case, however, taxable persons must also make monthly payments on account in respect of the amount due which will be determined in the return to be submitted.

40. DOES A SPECIAL REGIME AS REGARDS PERIODIC VAT RETURNS EXIST FOR SMALLER 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 question 21, paragraphs 1 and 2, 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 products subject to excise duty which are dispatched or transported to them 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.

41. DO YOU OPERATE SIMPLIFIED CALCULATIONS OF TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?

In fact, the only simplified method of calculating tax liability applies to the flat-rate scheme.

This scheme is applicable only to taxable persons, who are natural persons or partnerships (excluding cooperatives) with an annual turnover of not more than EUR 750 000 where this relates essentially to 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 professional associations concerned (see answer to question 31).

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

RECAPITULATIVE STATEMENTS

42. AT WHAT INTERVALS ARE RECAPITULATIVE STATEMENTS 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).

43. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN CHAPTER 6 RECAPITULATIVE STATEMENTS OF TITLE XI OF THE VAT DIRECTIVE (2006/112/EC)?

- 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.

44. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 269 OF THE VAT DIRECTIVE (2006/112/EC)? IF SO, WHAT ARE THE RELATED THRESHOLDS FOR APPLYING SUCH PROCEDURES?

No.

ELECTRONIC RETURNS

45. IS IT POSSIBLE TO SUBMIT VAT RETURNS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT RETURNS ELECTRONICALLY?

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 – although 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 website <http://minfin.fgov.be> for access to the INTERVAT application homepage.

In future, taxable persons will be obliged to submit this periodic return electronically in accordance with the above.

This obligation is introduced in phases according to taxable persons' annual turnover and is applicable from:

- a) 1 July 2007 for taxable persons with an annual turnover exclusive of VAT for the calendar year 2005 exceeding EUR 50 000 000 for their business activities as a whole;
- b) 1 February 2008 for taxable persons not covered by point a) who are required to submit monthly returns;
- c) 1 April 2009 for taxable persons not covered by point a) who are required to submit quarterly returns.

Taxable persons are released from the obligation to submit returns electronically until they, or where appropriate the person who is charged with submitting such returns, have the necessary IT equipment at their disposal to comply with this obligation.

Further information can be obtained from the Services centraux de l'Administration de la fiscalité des entreprises et des revenus (AFER), Direction VI/8A - Service automatisation TVA – North Galaxy – Tour B, Boîte 25, Boulevard du Roi Albert II 33, 1030 Brussels or the Ministry of Finance website.

46. IS IT POSSIBLE TO SUBMIT RECAPITULATIVE STATEMENTS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT STATEMENTS ELECTRONICALLY?

The authorities do not at present impose the submission of recapitulative statements by electronic means, but allow taxable persons to do so in accordance with the same terms and conditions as for the submission of periodic returns by electronic means (see question 45).

ADMINISTRATIVE REQUIREMENTS

47. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, TO WHOM DOES THE SCHEME APPLY?

The flat-rate scheme applies to small businesses, natural persons or partnerships (excluding cooperatives) with a turnover of not more than EUR 750 000 habitually supplying movable goods or services to private individuals and not subject to the obligation 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 professional associations 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 current list of sectors below) provided that the following conditions are met:

1. the taxable person is a natural person, a partnership (SNC/VOF, SCS/CV) or a limited liability company (SPRL/BVBA);
2. the taxable person must be released from the obligation to issue invoices for at least 75% of his 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 larger 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
- café owners
- hairdressers
- milkmen
- pharmacists
- doctors with dispensaries
- ice cream sellers
- non-dispensing chemists
- specialist retailers of fowl and game
- shoe shops
- cobblers
- retail fishmongers
- itinerant fishmongers
- chip shops
- textile and leather goods shops
- ironmongers
- fairground entertainers
- 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 professional associations 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 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 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.

48. DO YOU OPERATE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE GIVE A DESCRIPTION.

The Belgian VAT Code has introduced four special schemes to simplify and reduce taxable persons' 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 to the Treasury. 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 customers must, if they are taxable persons themselves (unless they are other farmers covered by the special scheme for farmers in Belgium) 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. These customers have the right to deduct the tax.

This means that the goods and services supplied by farmers are incorporated into the VAT system without farmers themselves being subject to excessive tax obligations except for obligations relating to 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, VAT 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 documents issued by the taxable dealer must bear the following endorsement: "Supplies subject to special arrangements for taxing the profit margin. VAT not deductible."

49. IN WHICH LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED INTO?

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

RIGHT TO DEDUCTION

50. FOR WHICH CATEGORIES OF GOODS AND SERVICES IS THERE NO RIGHT OF DEDUCTION?

1. Manufactured tobaccos;

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

There are, however, two exceptions to this exclusion:

- 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 public relations costs incurred by companies in providing hospitality for outside visitors, in particular suppliers and customers.

51. ARE THERE CATEGORIES OF GOODS AND SERVICES IN WHICH THERE IS A PARTIAL RIGHT OF DEDUCTION? IF SO, WHAT IS THE PERCENTAGE?

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

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

There are three exceptions to this limitation to the right of deduction:

- vehicles intended to be sold or hired by a taxable person whose particular economic activity involves the sale or hire of motor vehicles;
- vehicles intended to be used exclusively for carrying passengers for 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

http://europa.eu.int/comm/taxation_customs/taxation/vat/traders/vat_community/index_en.htm#annexII

ANNEX 2 – VAT IDENTIFICATION NUMBERS

http://europa.eu.int/comm/taxation_customs/taxation/vat/traders/vat_community/index_en.htm#annexII

ANNEX 3 – ABBREVIATIONS

http://europa.eu.int/comm/taxation_customs/taxation/vat/traders/vat_community/index_en.htm#annexIII