

# Welcome

## Free Bitesize Sessions – VAT Triangulation in a post-Brexit World

**3rd June 2021**



Greater Manchester  
Chamber of Commerce

re:TRADE  
Powered by VAT IT



# Greater Manchester Chamber of Commerce

- ❑ **Largest** accredited Chamber of Commerce in the UK (4,600 members)
- ❑ Cover the **10 local authorities** in Greater Manchester
- ❑ Wide range of **business support** services available
- ❑ We process over **38,000 export documents** a year

## Awards:

2017/18 – Chamber of The Year

2015/16, 2018/19, 2019/20 – Excellence in International Trade Services

## Top 3 sectors:

Manufacturing & Engineering



Property & Construction



Business & Financial Services



## Getting Started

## Planning for Success

## Making Connections

## Getting Paid & Financing

## Documentation & Delivery



International Trade Information Hub



Developing your int. trade strategy Action plan free guides



In-depth Market Research & Entry services ●



Export Finance & Funding Information



Export Documentation (e.g. CoO, ATR, EUR1, ATA carnets, etc) ●



Online International Trade Readiness Assessment



Int. Trade Strategy Tailored support ●



Chinese Market Entry via Crayfish.io ●



Foreign Exchange Service, powered by AFEX ●



Customs Declaration Service ●



Market Identification Service ●



Customs Compliance & Certificates of Origin (RoO) Audit ●



Middle East Market Entry via Consultics



Chamber Credit Insurance via Credit Risk Solutions ●



Export Shipments via DHL – 50% off on 1<sup>st</sup> year of exporting ●



International Trade Events



GMCC Brexit Hub



UK Partner Search Facility ●



UK & International Credit Checks ●



Cover my Cargo – Cargo insurance powered by AB Insurance



Trade Forums & Meet the Expert Event ●



International Trade Courses ●



Trade Missions, B2B Market visits & more ●



Letter of Credit Checking Service ●



International Business Contact Database (e.g. freight, translators, accounting, legal, overseas investment, etc)



Online Trade Library ●



LinkedIn GM Chamber International Trade Group



Business Opportunities ●  
(Export, Import, Investment)



Export Support via UK's Department for Int. Trade (DIT)



Basic Market Research Services ●

● Exclusive only for members

● Preferential or nil rate for Members

● Chargeable Service

Other services available free of charge to any UK company.

### Basic Research Services

- Trade Flows between UK and other markets
- Demand/Supply trade values for specific products
- Overall high level stats
- Overall sector global trends

### In-Depth Market Research & Entry Services include:

- Event Management Services: Service/Product Launches
- Marketing & Promotion
- Partner Identification (raw and unvetted, vetted/verified and warm introductions)
- B2B Programme in-country, Market Visits, Study Tours, etc
- Global introductions to our Network of Partners in the UK and overseas (e.g. embassies, other chambers of commerce, etc)
- Market Research: Competition analysis, routes to market, marketing and logistic considerations, documentation, local relevant certifications and regulation compliance, etc.



# POLL 1



# VAT Triangulation in a post-Brexit World



Greater Manchester  
Chamber of Commerce

re:TRADE  
Powered by VAT IT

# POST-BREXIT UK

---

## VAT Triangulation in a post-Brexit World



# MEET THE SPEAKERS



re:TRADE is strategically partnered with the Greater Manchester Chamber of Commerce to help UK businesses overcome the impact of Brexit on the movement of goods from the UK to the EU.



**MARC SEVITZ CA(SA)**  
*SPEAKER*

Branch MD: UK and Ireland  
[marcs@vatit.com](mailto:marcs@vatit.com)  
re:TRADE / VAT IT Reclaim



**SIMEON ADEBOLAJO**  
*SPEAKER*

VAT360-Product Development  
and Research Lead • LEGAL  
[simeona@vatit.com](mailto:simeona@vatit.com)  
re:TRADE / VAT IT Reclaim

# AGENDA

- 1 Who is VAT IT**
  - › Introduction
  - › What is VAT Reclaim
- 2 What is Triangulation?**
  - › Triangulation and what it means in the VAT world
  - › How your business can take advantage of the simplification methods of intra-EU trading
  - › The requirements now that the UK has left the EU and the implications of not meeting the required conditions
- 3 re:TRADE, THE SINGLE SOLUTION FOR POST-BREXIT TRADE**
  - › Working with businesses to achieve trade continuity





A smiling man with dark hair and a beard, wearing a blue button-down shirt, is the central focus. He is looking towards the camera with a warm smile. In the background, a woman with blonde hair is also smiling, and another person is partially visible on the right. The setting appears to be a bright, modern office or meeting room.

# VAT RECLAIM

re:TRADE  
Powered by VAT IT

# ABOUT VAT IT

---

- Leading provider of **Value-Added Tax recovery** services for over 20 years
  - **Over 30** different Value-Added Tax & Goods and Services Tax reclaim services and products
  - Robust **data integrity** - GDPR compliant; ISO 9001 & 27001 certified
  - Blend of industry-leading **technology** and dedicated **human capital**
  - **VATCloud** end-to-end cloud-based solution
  - **No recovery, no fee** pricing model
- 

**60+**

Countries with VAT  
Reclaim Potential

---

**50**

Software  
Developers

**58**

Languages

**1,000+**

Employees  
Globally

**13,000+**

Clients

**50%**

Of Fortune 500  
companies serviced

A photograph of two men in an office setting. One man, seen from the back, is wearing a white shirt and glasses. The other man, facing him, is wearing a light blue shirt and has a beard. They are shaking hands over a desk. On the desk, there is a laptop, a small potted plant, and some papers. The background is a blurred office environment.

# WHAT IS VAT RECLAIM

- Value Added Tax is charged on the domestic consumption of goods and services and Imports into a country.
- The EU, U.K. and certain other countries created a mechanism allowing Foreign Businesses to **recover** this VAT.
- Encourage investment, trade and travel both intra-EU AND from other countries globally.
- VAT is charged on both goods and certain services and is recoverable in most countries in Europe, and several other countries in regions such as Asia Pacific, Oceania, Canada and Middle East.
- Most companies assume foreign VAT charges are a sunk cost.





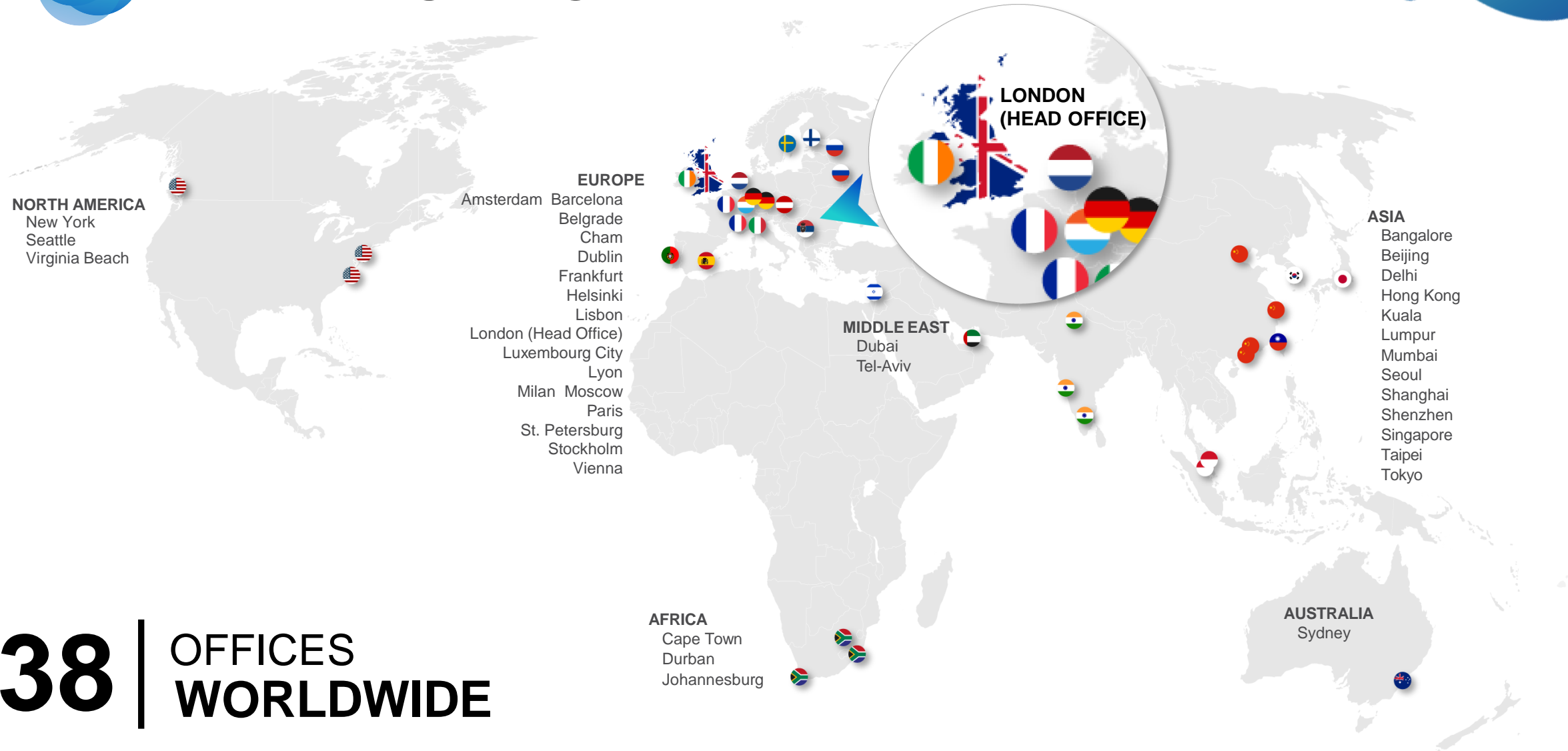
# BENEFITS OF VAT RECLAIM

Companies are eligible to reclaim the **VAT (Value-Added Tax)** incurred on **goods and services** for several types of business expenses in and across different countries.

## Did you know that...

1. Unrecovered VAT represents a cash flow loss and additional unnecessary expense reducing the benefits of global trade and business travel.
2. Over 60 countries around the world allow companies to reclaim VAT incurred in that country
3. Up to 27% of a firm's cross-border business expenses can be reclaimed, such as T&E, AP invoices from suppliers and Import VAT
4. VAT refunds can be retroactively claimed on old business expenses dating as far back as 5 years ago in some countries

# GLOBALPRESENCE



**38** | **OFFICES  
WORLDWIDE**

# re:TRADE

Powered by VAT IT

registration. freight. reclaim.



## STRATEGIC “EU EXIT” PARTNERS OF:



Hosting thought leadership events and supporting Chamber member queries related to VAT and import/export

re:TRADE has also hosted enablement training and provides query support to...



# POLL 2

**New to customs declarations? Consider  
Chamber Customs**

CHAMBER  
CUSTOMS





# WHAT IS TRIANGULATION?

---







# WHAT IS TRIANGULATION

- It is an EU VAT simplification that is applied to a specific type of intra-EU cross-border sale of goods in order to reduce the compliance costs associated with such transactions.
- The specific transaction to which it applies are called ABC Transactions, or Triangular Transactions. These transactions involves 3 parties in 3 different EU member states.
- An ABC transaction is consists of two successive transactions. A sale between A and B followed by B and C, with a single delivery directly from A to C.

- **Two sales one transport**



# EU VAT PRINCIPLES

- **Destination Principle**

- To the extent possible, VAT must be charged in the country of consumption.
- The jurisdiction of final consumption is entitled to the VAT

- **Art 40 of EU Directive 2006/112**

- The place of an intra-community acquisition of goods shall be deemed to be place where the dispatch or transport of the goods to the person acquiring them ends.
- Therefore, within EU, the supply of goods or services is exempted(zero-rated) from VAT in the Member State of origin and is subject to VAT in the Member State of consumption.

- **Art 200 of EU Directive 2006/1124**

- VAT shall be payable by any person making an intra-community acquisition of goods

# SIMPLIFICATION

## WILL APPLY

- Art 141 if the VAT Directive lays down the conditions necessary for the simplification to apply. Summarized these are:

- Three parties (A,B,C) each VAT registered in three different EU member states (1,2,3)
- Party A sells to Party B which in turn sells to Party C
  - The acquisition by B is made for the subsequent supply to C in member state 3
- The goods are transported from Party A in member state 1 to Party C in member state 3.

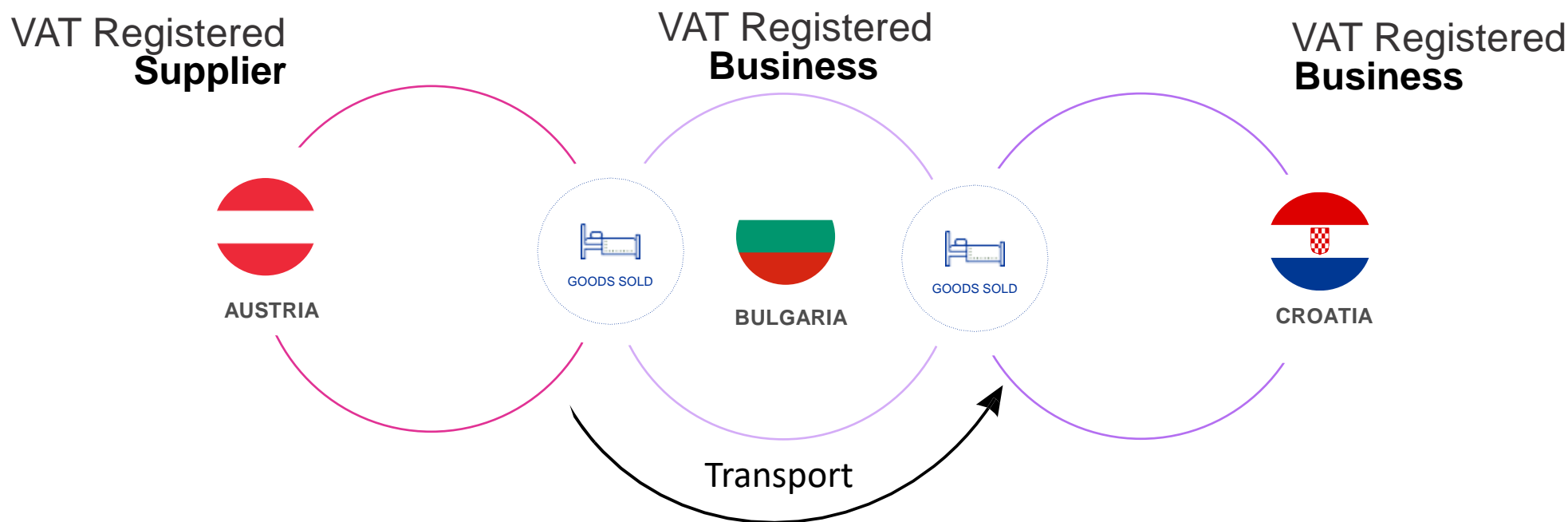
# SIMPLIFICATION

## WILL NOT APPLY

- If the intermediate supplier i.e., B is VAT registered in the member state of departure. i.e., where the good originates.
- If the intermediate supplier i.e., B is VAT registered in the member state of destination. i.e., where the goods are delivered i.e., member state 3.

- If a trader from a third country without an EU VAT registration is involved in the supply chain
- If the goods do not originate from an EU member state e.g., China or US

# VAT TREATMENT WITHOUT THE SIMPLIFICATION

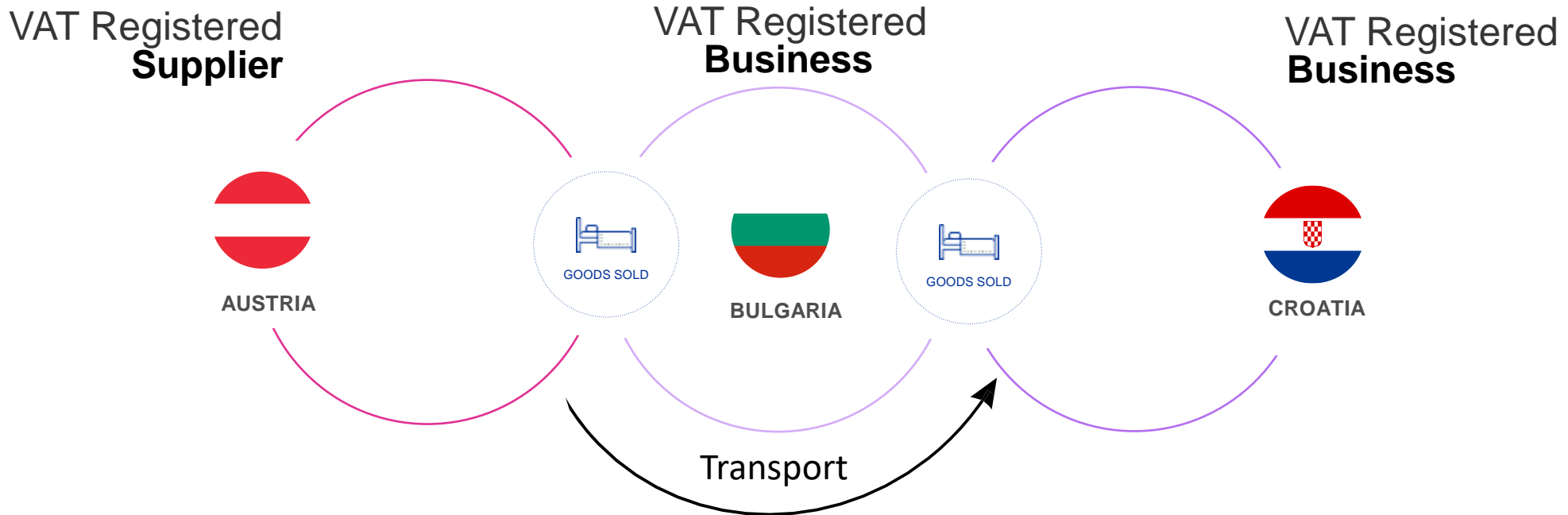


- A makes a supply to B in Croatia.
- B acquires the goods in Croatia and according to Art 40, Croatian VAT is due.
- In order to pay the VAT to Croatian tax authorities, B has to register for Croatian VAT.

- B makes a supply to C in Croatia
- Following the acquisition, B makes a domestic Croatian supply to C.
- B must charge VAT on this transaction



# VAT TREATMENT WITH THE SIMPLIFICATION



- B provides A its VAT number, A issues a zero-rated invoice to B.
- Goods move from Austria to Croatia. B will acquire the goods in Croatia. B makes a supply to C. The VAT on this supply to reverse-charge to C.
- B issues an invoice to C that shows the VAT number of both parties. No VAT is charged/shown on invoice.
- A note is made on the invoice notifying C of its liability to account for VAT under the reverse-charge to the Croatian authorities.
- No need to register for VAT in another country.

# PRE-BREXIT

---

## INTRA EU TRANSACTION

- UK VAT-registered businesses could take advantage of the simplification since the UK was part of the EU
  - The “Triangle” was complete.

# POST-BREXIT

---

## UK – EU TRANSACTION

- The simplification is not available to UK businesses.
- In order to meet its EU VAT obligations, the UK supplier will have to register for VAT in either the originating country or the destination country and account for output VAT or reverse charge.
- Having a VAT registration in either the originating country or destination country is not enough for the triangulation to apply.
- If the UK supplier is to take advantage of the simplification, it must be registered for EU VAT in third country.



# SUPPLY CHAIN TRANSFORMATION TO TRADE WITH EASE

---

re:TRADE, THE SINGLE SOLUTION  
FOR POST-BREXIT TRADE

# SUPPLY CHAIN

## TRANSFORMATION



Cost-effective

Compliant

## MARRYING CUSTOMS, LOGISTICS & VAT

*Short-term goals vs long-term goals*

Efficient



# KEY WORDS FOR BUSINESSES TO CONSIDER **POST-BREXIT**

---

## *DOES THIS APPLY TO YOUR BUSINESS?*

Key words to look out for where re:TRADE can assist:

- VAT registration
- VAT returns
- VAT reclaim
- VAT compliance
- Import VAT
- Incoterms
- Shipping logistics
- Importer of Record
- Certificates or licences
- EU customs
- Fiscal representatives
- EORI

# SCHEDULE A FREE CONSULTATION

**SPEAK WITH re:TRADE** about your shipping, customs clearance, VAT registration and Import VAT reclaim today.

1<sup>st</sup> Floor Omni House, 252  
Belsize Road, London NW6 4BT

**CONTACT US**

**[re:TRADE Link](#)**



# VAT IT'S CORE PRODUCT OFFERINGS

## VAT<sup>IT</sup> Domestic

### DOMESTIC VAT COMPLIANCE

Guaranteed compliant domestic VAT filing and recovery of up to 27% on **local travel and entertainment** expenses from employee business trips.

## VAT<sup>IT</sup> Foreign

### FOREIGN VAT RECLAIM

Recover up to 27% on **foreign supplier invoices** and **foreign travel and entertainment** expenses from employee business trips.

## re:TRADE

Powered by VAT IT

### Supply Chain Solution

Our solution for businesses looking to streamline their supply chains and international trade in a compliant, cost effective and efficient way.

A woman with dark hair and glasses, wearing a blue button-down shirt, is seated at a desk and looking down at a laptop. The background is a bright, out-of-focus office space with a white sofa and large windows. In the top left corner, there are abstract teal and blue shapes.

# CONNECTIONS & RELATIONSHIPS

---

TAX OFFICE RELATIONSHIPS

---

CEO ON THE BOARD OF THE IVA

---

AFFILIATE INTERNATIONAL VAT ASSOCIATIONS

# POLL 3



# SME Brexit Support Fund

- **Up to £2,000** to pay for support to help with new customs and tax rules with the EU.
- **Training Grant-** customs declarations, customs processes, VAT, rules of origin, licences, etc.
- **Consultancy Grant-** can be used to receive consultancy advice to enable you to meet your customs, excise, import VAT or safety and security declaration requirements with HMRC. Packages can be found [here](#).



The screenshot shows the SME Brexit Support Fund website. At the top, a pink banner reads "SME BREXIT SUPPORT FUND IS OPEN FOR APPLICATIONS!" with a close button. Below this is a navigation bar with links: Home, SME Brexit Support Fund, Grants available, Application information, Help, and Register Now. A "Login" button is also present. The main heading is "SME Brexit Support Fund". A text box states: "You can apply for up to £2,000 through the SME Brexit Support Fund to pay for practical support, including training and/or professional advice, if you are a trader with up to 500 employees and no more than £100 million annual turnover." Below this are two sections: "What is the SME Brexit Support Fund?" and "What would you like to do?". The bottom of the page shows a footer with the text "The government has made £20 million available through the" and a "SME Brexit Support Fund" logo.

SME BREXIT SUPPORT FUND IS OPEN FOR APPLICATIONS!

Home SME Brexit Support Fund Grants available Application information Help Register Now

Login

## SME Brexit Support Fund

You can apply for up to £2,000 through the SME Brexit Support Fund to pay for practical support, including training and/or professional advice, if you are a trader with up to 500 employees and no more than £100 million annual turnover.

### What is the SME Brexit Support Fund?

### What would you like to do?

The government has made £20 million available through the

SME Brexit Support Fund

To apply and for the full criteria, click [here](#).



# Virtual Calendar of Courses and Events

Event Name/Type	When	Info and Booking
Trading with Turkey Training Course	Friday 04/06/21 9:30-12:30	<a href="#"><u>Book</u></a>
Rules of Origin (half-day)*	Tuesday 08/06/21 9:30 – 12:30	<a href="#"><u>Book</u></a>
Understanding Free Trade Agreements Training Course*	Monday 10/06/21 9:30-12:30	<a href="#"><u>Book</u></a>
NI Protocol*	Tuesday 18/06/21 9:30-12:30	<a href="#"><u>Book</u></a>
Export Customs Procedures (half-day)*	Friday 16/07/21 9:30 – 12:30	<a href="#"><u>Book</u></a>
Import Procedures and Documentation (half-day)*	Wednesday 07/07/21 14:00 – 17:00	<a href="#"><u>Book</u></a>
Incoterms 2020 (half-day)*	Wednesday 07/07/21 9:30 – 12:30	<a href="#"><u>Book</u></a>
Export Documentation: (full day)*	Thursday 08/07/2021 9:30 – 16:00	<a href="#"><u>Book</u></a>
Inward and Outward Processing Relief (half-day)*	Tuesday 08/06/21 14:00 – 17:00	<a href="#"><u>Book</u></a>
Introduction to Export Controls and Licences (Half Day)	Thursday 24/06/21 9:30 – 12:30	<a href="#"><u>Book</u></a>
GMCC Bitesize Session - Rules of Origin Post-Brexit	17 Jun 2021 12:00	<a href="#"><u>Book</u></a>
GMCC Bitesize Session – Postponed VAT Accounting	1 <sup>st</sup> Jul 2021 12:00	<a href="#"><u>Book</u></a>

[\\*HMRC Grant available](#)

To check for more courses and events, please click [here](#)



# Q&A

---

WARM GRATITUDE TO OUR PARTNERS





# Thank you for joining us!

## For more information please contact:

General trade queries: [exportbritain@gmchamber.co.uk](mailto:exportbritain@gmchamber.co.uk)

Export Documentation:

Customs declarations: [chambercustoms@gmchamber.co.uk](mailto:chambercustoms@gmchamber.co.uk)

Twitter: @GMCCTradeteam @NWExportBritain @gmchamber

