

ABOUT RIPOLL & ASSOCIATES

RIPOLL & ASSOCIATES is an international consultancy firm specialised in cross border transactions and international VAT.

With more than 20 years of experience in taxation and international trade, our team works to ensure your company complies with VAT and optimises its turnover.

In today's demanding global market, the events industry is continuously searching for new competition tools to offer clients and participants a complete and unique experience.

Increase your loyalty program results, by enhancing your clients event experience making available to them a dynamic VAT reclaim guidance before, during and after the event.

A successful event will require not only a profitable revenue, but an excellent VAT planification to prevent unnecessary additional costs, tax contingencies and cash flow woes.

Complying with local VAT rules will is always the efficient choice and having a VAT plan is the smart move.

Our EU global team will design the VAT plan your event requires in any EU member state and act as your Destination VAT Manager: from VAT registration, when required, to invoicing, VAT filing , VAT reclaim for participants and de-registration.

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EVENTS, EXHIBITIONS & CONFERENCES



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VAT PACKAGE 2011 PLACE OF SUPPLY RULES

As of 1 January 2011 the place of supply rules in relation to events changed as part of the VAT package (Council Directive 2008/8/EC). The new Implementing Regulation (282/2011) came into effect on 1 July 2011.

Nature of services	Business to Business	Business to Consumers
General rule VAT Package	VAT charged in the EU country where the recipient of the service is established	VAT charged in the EU country where the supplier is established (*)
Admission to events and ancillary services (to the admission)	VAT charged in the EU country where the event takes place	VAT charged in the EU country where the event takes place
Event related services	VAT charged in the EU country where the recipient of the service is established (*)	VAT charged in the EU country where the event takes place

(*) exceptions and special rules apply

ADMISSION TO AN EVENT

Place of consumption principle: there is an exception in the general B2B rule applicable to the admission to events.

With the new place of supply rules, VAT will be charged, both to businesses and consumers, *where the event takes place*.

ANCILLIARY SERVICES

And the other services included in the admission fee? While concerts generally grant access to a certain seat in the venue, admission to conferences, seminars and congresses may include one or more services:

- participation in sessions
- coffee break/snacks
- meals/gala dinner
- guided tour/ entertaining events
- overnight hotel accommodations

Because sometimes these services fall into different VAT treatments, it is important to determine whether they constitute a **global unit service** or whether each need to be considered separately for VAT purposes:

A supply must be regarded as **ancillary** to a principal supply (e.g. admission) when it does not constitute for customers an aim in itself, but a means of better enjoying the principal supply (European Court of Justice dixit).

EVENT RELATED SERVICES

Event organiser fee: DMC/PCO/AMC

Organisation of events follow the general rule and when this service is provided to a business, the place of supply is the EU country where the client promoting the event/Association, etc. is established. When such client is not a taxable person acting as such, the service will be charged where the event takes place.

Advertising and sponsorship

In most congresses and conferences there are companies and organisations who market their brands, products and/or services during the event. These can be sponsors, members or participants.

While these services follow the main place of supply rule for services (where the advertiser or sponsor is established), some member states apply “use and enjoyment” provisions when the place of supply under the general rule for B2B services locates the service outside the EU (e.g. Spain), which means that VAT will be charged and accounted for in the country where the event takes place.

Provision of exhibition space

When booths and stands are rented at an event, the ECJ has set out clear and distinctive rules to identify when the service should be understood as publicity (event related service) and when as an ancillary service.

However some member states apply a different VAT treatment considering exhibition space as a land-related supply subject to VAT in the place where the immovable property is located (which might even be exempt in some member states).



TOUR OPERATORS MARGIN SCHEME (TOMS)

Some member states will consider that a certain combination of services, when acquired by a foreign entity/ third party who does not provide them directly (event organiser), should be charged separately and follow the TOMS VAT scheme, being these **services subject to VAT in the member state where the event organiser is established**.

In the TOMS scheme VAT is calculated on the profit margin of the services. VAT incurred on the purchase of the services cannot be recovered or deducted.

But the rest of services not qualifying for the TOMS scheme will apply the place of supply rules above mentioned. **This means that the organizer might still need to be VAT registered and file VAT returns in the member state where the event takes place.**

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VAT REGISTRATION & COMPLIANCE

Some member states have specific thresholds below which, taxable activities do not need to charge VAT (registration is not necessary).

Registration process is longer in some member states and it should be concluded by time early bird registrations start coming in (advanced sales trigger VAT in most member states).

Non EU businesses organising an event will be need to appoint a local **fiscal representative**.

PCO/DMC can take care of the invoicing process in some member states, sending out invoices to the participants **on behalf of the client/ Association**.

Check which compliance obligations are still due for the Client/ Association organising the event to avoid VAT liability.

VAT RATES

Even when some services are included in a global invoice, different VAT rates might apply and these need to be differentiated. VAT might also be exempt for certain services, provided some requirements are met (i.e. education services, in some member



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DESTINATION VAT MANAGER

VAT PLAN & CALENDAR

We design a VAT plan & Calendar to make sure you are VAT registered in time for early bird registrations and only during the strictly necessary time to avoid unnecessary compliance and domiciliation costs.

When the event takes place annually or with a different frequency, we make sure that while VAT registration is maintained, we only file VAT returns when there is a taxable activity.

ONE STOP SHOP SERVICE

When there are multiple EU VAT registration scenarios, we coordiante all registration and compliance processes with our EU VAT team providing a **one stop shop service** to optimise the time you spend with VAT related issues.

We work with a long trusted team of VAT agents throughout the EU with whom we have handled international cross border VAT cases for more than 10 years.

UNIQUE EXPERIENCE

We take care of VAT for you to help you build a unique event experience.

Before the event:
pre-registrations, venue and other suppliers

During the event:
Participants VAT reclaim guidance.

After the event:
Registration minimum maintenance/De-registration VAT reclaim for non EU participants.

VAT RECLAIM

ORGANISER

Organising an event abroad implies that there will be VAT paid to local suppliers (venue, equipment, staff), outsourced event organisers, PCO, DMC, etc.

Some B2B services will apply the general rule and VAT will be charged at the place where the client is established.

Other B2B services will apply local VAT following special place of supply rules. This input VAT can be deducted from the VAT collected from registrations in the VAT return. Deductible/ recoverable expenses (input VAT) varies from state to state.

It is also important that your VAT team identifies invoicing mistakes that could be an obstacle for deduction.

In some member states certain activities are VAT exempt in registration invoices and VAT paid to suppliers will not be deductible. It is important to know when this exemption is voluntary as it might not be a cost effective choice.

PARTICIPANTS

EU businesses can reclaim VAT paid during the event from the EU country where they are established through the electronic portal habilitated (EU refund mechanism).

Non EU businesses can reclaim VAT paid during the exhibition following the refund mechanism regulated by each member state (13th EU Directive).

A good guidance during the event will help participants be informed about the process, amounts, timelines, etc. and to make sure they request the correct invoices to their suppliers.

VAT REGISTRATION	INVOICING PROCESS	VAT COMPLIANCE
MULTIPLE EU VAT REGISTRATIONS	Participants Invoicing Bank Account/ Trust Account	VAT accountancy VAT returns/ reports e-VAT payment Tax Authorities
DOCUMENTS AUDIT	PARTICIPANTS VAT RECLAIM	VAT MAINTENANCE
Audit of sales invoices Audit of invoices from suppliers/PCO/DMC	ON-SITE assistance VAT reclaim post event	DE-REGISTRATION