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 necessarily reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

Huningue, 1st July 2002
BELGIUM

General information

1. WHERE CAN FOREIGN TRADERS OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM?

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

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

2. WHAT IS THE BELGIAN TAX AUTHORITIES’ WEBSITE ADDRESS? WHAT TYPE OF INFORMATION ON VAT CAN BE CONSULTED ON THIS SITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? IN WHAT LANGUAGE(S)?

The Belgian tax authorities’ website is: http://minfin.fgov.be.

Information is available in Dutch and French on:

- Legislation
- Com.IR 92
- VAT explanatory notes
- Case law
- Circulars
- Parliamentary questions
- CNC opinions
- Flat rates
- European directives
3. **WHERE CAN VAT LEGISLATION AND IMPLEMENTING RULES BE FOUND? IN WHAT 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 revenues*, Tour Finances, Bd du Jardin Botanique No 50, Bte 61, B-1010 Brussels,

Tel: (32-2) 210.29.11  
Fax (32-2) 210.26.35

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

**VAT REGISTRATION OF FOREIGN TRADERS**

4. **WHEN IS VAT REGISTRATION COMPULSORY?**

All foreign traders must be identified for VAT purposes in Belgium if they effect in Belgium transactions covered by the Belgian VAT Code for which they have the 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. **WHEN DO TRADERS NOT HAVE TO REGISTER FOR VAT PURPOSES BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE TO VAT? CAN FOREIGN TRADERS VOLUNTARILY REGISTER IN SUCH CIRCUMSTANCES?**

As a general rule, foreign traders who are not established in Belgium and only effect transactions on which VAT is payable by the other contracting party 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 on application by foreign traders:

- where they are taxable persons not established in Belgium effecting construction work or similar operations;
- 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 €10 000.
6. WHERE MUST TRADERS APPLY TO REGISTER FOR VAT? (PLEASE INDICATE THE DEPARTMENT, ADDRESS, TELEPHONE AND FAX NUMBERS AND E-MAIL ADDRESS)

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 permanent 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) (Control Unit) whose address is given in question 1.

7. PLEASE DESCRIBE IN DETAIL THE PROCEDURE TO BE FOLLOWED (INDICATING THE DOCUMENTS TO BE SUBMITTED) FOR THE ISSUING OF VAT NUMBERS TO FOREIGN TRADERS.

Foreign traders with permanent establishments in Belgium are assigned VAT 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. Additional information to that requested in the form must be provided in the form of annexes (e.g. deeds 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 number. They must submit a statement of commencement of trading there. Depending on whether 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 forms which can be obtained from the Central VAT Office.

Statements of commencement of trading must be submitted on the relevant forms which can be obtained from the Central VAT Office.

Such statements 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 deed 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 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 in warehouses other than customs warehouses, which are not liable to tax, 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 transaction subject to VAT in Belgium,

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

**Thresholds**

8. **What is the threshold for intra-Community distance selling under Article 28b(B)(2) of Directive 91/388/EEC?**

The threshold is €35 000.

9. **What threshold has been adopted under Article 28a(1) of Directive 77/388/EEC (acquisitions by persons qualifying for derogations)?**

The threshold is €11 200.

**Appointment of Tax Representatives by Foreign Traders Not Established in the EU**

10. **When does a tax representative have to be appointed?**

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 other contracting party in accordance with Belgian law.

The transactions for which a representative in Belgium must 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 circumstances 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 Rules 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 in question.
5. Representatives may be legal or natural persons. They may be of Belgian or non-Belgian nationality provided they are established in Belgium. They may be tax offices established in Belgium, subsidiaries of taxable persons who are not established in the Community or their contracting parties.

12. **What are the Rights and Obligations of Tax Representatives?**

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

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

13. **What Measures Have to Be Taken Where a Trader Established in Another Country Fails to Appoint a Tax Representative in Belgium?**

VAT, interest and any fines may be recovered from foreign traders’ contracting parties. However, where such contracting parties prove that they have paid suppliers they identify all or part of the VAT, they do not have to pay VAT.

14. **Is a Bank Guarantee Required?**

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. **Can a Tax Representative or Agent Be Appointed?**

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

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

For taxable persons established in another Member State the approval of a tax representative is never compulsory and VAT registration in Belgium is not dependent on the approval 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 CIRCUMSTANCES IN WHICH A BANK GUARANTEE IS REQUIRED?

See answer to question 14.

INVOICING

19. WHAT ARE THE RULES GOVERNING THE ISSUING OF INVOICES?

Taxable persons, excluding those supplying only goods or services which are exempted under Article 44 of the Belgian VAT Code and do not have the right to deduct, are required to issue invoices to their contracting parties:

(1) for the supply of goods or services;

(2) where VAT is payable on all or part of the cost of the transaction prior to the supply of goods or performance of services;

(3) where all or part of the cost of the transaction is paid before an intra-Community supply of goods referred to in Article 28c(A)(a), (b), (c) and (d) of Directive 77/388/EEC is effected.

The 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 cost of the transaction. In the
case of intra-Community supplies of goods, the invoice must be issued not later than the fifth working day of the month following that in which payment on account is made. Where the cost of intra-Community supplies of goods is paid in full or in part, the invoice must be issued not later than the fifth working day of the month following that in which any payment on account is made.

The invoice must contain the following particulars:

1. the date of issue and serial number in the sales journal;

2. the taxable person’s name or company name, official address or company headquarters, registration number in the trade register, where applicable, and the VAT registration number issued by the Belgian authorities;

   2(a) Where taxable persons are not established in Belgium and:

   – a representative has been approved in Belgium under Article 55(1) or (2) of the Belgian VAT Code, the name and address and status of the representative;

   – they are represented by a person approved under Article 55(3) of the Belgian VAT Code, the name, address, VAT registration number and status of that person;

3. the name or company name and address of the contracting party, and the VAT registration number issued to that party by the Belgian authorities or, for supplies covered by Article 28c (A)(d) of Directive 77/388/EEC, the name or company name, address and VAT registration number of the taxable person issued by the authorities in the Member State of destination of the goods, and the full address of the establishment for which the goods are intended;

   – for transactions referred to in Article 28b, Titles C, D, E and F of Directive 77/388/EEC the number under which the customer is registered for VAT purposes and under which the service is supplied;

   – for transactions referred to under Article 28c, Title A(a) of Directive 77/388/EEC, the number under which the customer is registered for VAT purposes in another Member State;

   – in cases where Article 28c, Title E(3) of Directive 77/388/EEC applies, reference to that article, the number under which the taxable person is registered for VAT purposes in another Member State under which he or she effected an intra-Community acquisition and subsequent supply of goods, and the number under which the recipient of the goods is registered for VAT purposes pursuant to Article 50(1) of the Belgian VAT Code;

3(a) where the other contracting party is not established in Belgium and:

   – has had a representative in Belgium approved in accordance with Article 55(1) or (2) of the Belgian VAT Code, the name, address and status of the representative;

   – he or she is represented by a person previously approved under Article 55(3) of the Belgian VAT Code, the name, address, VAT number and status of that person;
4. the date of supply of the goods or performance of the service or, where applicable, the
date on which the VAT becomes due or, if that date cannot be determined, the period
over which a transaction is carried out;

5. for intra-Community supplies of goods, the date of the chargeable event or the date of
full or partial payment;

6. all the particulars needed to identify the transaction and to determine the VAT
applicable, in particular the usual description of the goods and services supplied, the
quantities involved and the purpose of the services;

7. the details referred to in Article 28a, 2(a) and (b) of Directive 77/388/EEC for
supplies of new means of transport: the make, model, year, cylinder capacity, engine
erating, body model and chassis number for supplies of new or used cars or
multi-purpose vehicles; the date of first registration for used cars and used
multi-purpose vehicles; and, for maintenance work and cleaning and motor vehicle
repairs, the registration number of the vehicle;

8. for each rate the assessment base expressed in euros and its composition;

9. the applicable rates of VAT, the amount of VAT due for each rate and total amount of
VAT due, expressed in euros or, where the tax is payable by the other contracting
party under Article 51(2)(1), (2) and (5) of the Belgian VAT Code, the mention
“VAT payable by the other party - Article 51(2) of the VAT Code” instead of the
rates and amounts of VAT due;

10. the legal provisions exempting the transaction from VAT or authorising the VAT not
to be entered in the accounts;

11. reference to all document(s) with a previous date where several invoices or
documents have been issued for the same transaction. The invoice may not debit the
other party for an amount of tax which has already been charged to that party;

12. all the other particulars required by the Belgian VAT Code or implementing rules
such as:

– for the transactions referred to in Article 24 of Directive 77/388/EEC the mention
“small undertakings covered by the exemption scheme. VAT not applicable”.

In accordance with the legal provisions applying in Belgium on the use of the languages
(Article 52(1) of the Royal Decree of 18 July 1986 on the coordination of laws and the
use of languages for administrative purposes), the basic particulars which invoices must
contain pursuant to the relevant laws or regulations must be provided by companies
established in Belgium in the language (Dutch, French or German) of the region where
their place of business is located.

20. ARE THERE EXEMPTIONS FROM THE OBLIGATION TO ISSUE AN INVOICE? IF SO, TO
WHICH CATEGORIES OF BUSINESS DO THEY APPLY?

Taxable persons are exempted from having to issue an invoice for supplies of goods or
services to private individuals which are intended for their personal use.
This exemption does not apply to:

1. the supply of:
   – new or used motor vehicles of a cylinder capacity of over 48 cc or engine power of over 7.2 kW intended for the transport of goods or persons, and their trailers, including multi-purpose vehicles and camping trailers;
   – yachts 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 buildings and the constitution, transfer and return of property rights which are not exempt from tax;

3. construction work and the supply and installation of goods in a building, and the supply of labour to carry out these operations;

4. the supply of goods or services not referred to in point (3) intended for the construction of a new building referred to in Article 4(4) of the Belgian VAT Code;

5. hire-purchase sales and leasing;

6. supplies of goods which, by virtue of their nature, presentation, quantities sold or the 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 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), maintenance work, other than cleaning, and repair work on such goods, including the supply of goods to be used for such work, where their price, inclusive of VAT, exceeds €125;

10. removal or storage of furniture and related services;

11. supplies of goods referred to in Article 28b, B, (1) of Directive 77/388/EEC;

12. supplies of investment gold for an amount exceeding €2 500 as defined in Article 1(8) of the Belgian VAT Code, 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.
PERIODIC VAT RETURNS

21. WHEN DO TRADERS HAVE 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 parties to contracts with taxable persons who are not established in Belgium and have not appointed a representative for transactions on which they are liable for tax pursuant to the first subparagraph of Article 21(1)a of Directive 77/388/EEC or are not identified for VAT purposes in Belgium;
   – where they are liable for tax by virtue of being the recipients of certain services or goods;
   – where they effect intra-Community acquisitions of goods taxable in Belgium.

Taxable persons who do not have the right to deduct input tax are 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 solely effect supplies of 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 to VAT in Belgium because they effect 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 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 under question 23 where they acquire goods subject to excise duty or new means of transport.

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

The return referred to in the first paragraph of question 21 must be submitted monthly, and payment must be made by the date on which the return has to be submitted.

Returns and payments may be made on a quarterly basis by taxable persons whose turnover does not exceed €500,000 provided they do not effect supplies of mineral oils referred to in Article 3 of the Law of 22 October 1997 on the structure and rates of excise duties on mineral oils.

In this case, however, taxable persons must also make monthly advance payments, settling the balance when the return is submitted.
The return referred to in the second paragraph of question 21 must be submitted whenever a taxable transaction is effected during a calendar quarter. The VAT due must be paid by the date on which the return has to be submitted.

23. ARE THERE SPECIAL RULES FOR VAT RETURNS FOR SMALL 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 the first and second paragraphs of question 21 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 excisable products which are dispatched or transported 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.

24. ARE THERE SIMPLIFIED METHODS OF CALCULATING TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THIS SIMPLIFICATION?

The only simplified method of calculating tax liability applies to the flat-rate scheme.

This scheme applies only to taxable persons who are natural persons or partnerships (excluding cooperatives) with an annual turnover of not more than €500 000 generated largely by 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 business sectors concerned (see question 31).

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

RECAPITULATIVE STATEMENTS

25. AT WHAT INTERVALS DO RECAPITULATIVE STATEMENTS HAVE 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).
26. **IS ANY OTHER INFORMATION REQUIRED IN ADDITION TO THAT SET OUT IN ARTICLE 22(6) OF THE SIXTH VAT DIRECTIVE AS AMENDED BY DIRECTIVE 91/680/EEC?**

- 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.


No.

**ELECTRONIC INVOICING AND ELECTRONIC RETURNS**

28. **IS ELECTRONIC INVOICING AUTHORISED? IF SO, UNDER WHAT CONDITIONS AND USING WHAT PROCEDURES?**

Invoices or equivalent documents may be transmitted electronically under Belgian law.

Pending the adoption of legislation - no royal decree has yet been approved - the authorities authorise the transmission of invoice particulars by electronic means subject to compliance with the conditions which they lay down regarding inalterability, irreversibility and keeping. Under such authorisations taxable persons may exercise their right to deduct on the basis of the data transmitted electronically. No print-outs are required except in the case of inspections.

Authorisations already issued are subject to a number of conditions; these vary according to the nature of the applications by the taxable persons.

Applications must be sent to the tax authorities, Directorate II/2, TVA - Tour Finances, Boulevard du Jardin Botanique, No 50, Boîte 61, 1010 Brussels.

29. **CAN VAT RETURNS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHERE MUST APPLICATIONS FOR ELECTRONIC SUBMISSION OF RETURNS BE MADE?**

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 – 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’s website “http://minfin.fgov.be” for access to the INTERVAT page.

Any other information can be obtained from the tax authorities (AFER), Directorate VI/8A - Service automatisation TVA - Tour Finance, Boîte 61, Boulevard du Jardin Botanique No 50, 1010 Brussels, or the Ministry of Finance’s website.

30. CAN RECAPITULATIVE STATEMENTS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHERE MUST APPLICATIONS FOR ELECTRONIC SUBMISSION OF STATEMENTS BE MADE?

It is not yet possible to submit recapitulative statements electronically.

ADMINISTRATIVE REQUIREMENTS

31. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, HOW DOES IT WORK?

The flat-rate scheme applies to small businesses, natural persons or partnerships (excluding cooperatives) with a turnover of not more than €500,000 habitually supplying movable goods or services to individuals and exempted from having 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 business sectors 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 list of sectors below) provided that the following three conditions are met:

1. the taxable person is a natural person, partnership (SNC/VOF, SCS/CV) or a limited liability company (SPRL/BVBA);

2. taxable persons must be exempted from having to issue invoices for at least 75% of their 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 higher 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
- cafes
- hairdressers
- dairies and milkmen
- pharmacists
- doctors with dispensaries
- ice cream sellers
- hardware shops
- specialist retailers of fowl and game
- shoe shops
- cobblers
- retail fishmongers
- itinerant fishmongers
- chip shops
- textile and leather goods shops
- ironmongers
- fairground operators
- 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 business sectors 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 at present 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 established 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.

32. ARE THERE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE DESCRIBE THEM.

The Belgian VAT Code has introduced four special schemes to simplify 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. 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 contracting parties must, if they are taxable persons themselves (unless they are other farmers covered by the special scheme for farmers) 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. They have the right to deduct that tax.

This means that goods and services supplied by farmers are incorporated into the VAT system without farmers themselves being subject to excessive tax obligations with the exception of those deriving from 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 the tax 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 document issued by the taxable dealer must bear the following endorsement: “Supplies subject to special arrangements for taxing the profit margin. VAT not deductible.”

33. IN WHAT LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND Recapitulative Statements) AVAILABLE OR TRANSLATED?

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

RIGHT TO DEDUCT

34. FOR WHAT CATEGORIES OF GOODS AND SERVICES CAN NO INPUT TAX BE DEDUCTED?

1. Manufactured tobaccos.

2. Spirits other than those intended for resale or to be supplied for the purposes of services.

3. Accommodation, meals and beverages under an accommodation or catering contract.

   There are, however, two exceptions:

   - 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 costs incurred by companies for public relation purposes providing hospitality for outside visitors, in particular suppliers and customers.
35. **What are the categories of goods and services for which there is a partial right to deduct? Please indicate the percentage.**

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

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

There are three exceptions:

- vehicles intended to be sold or leased by a taxable person whose particular economic activity involves the sale or leasing of motor vehicles;
- vehicles intended to be used solely for passenger transport for hire or 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.