

## Issue

Import VAT in Germany is due much later than in the past under certain requirements. This has liquidity benefits for entrepreneurs that frequently import in Germany.

## Background

With a newly introduced § 21 (3a) of the German VAT Act, the import VAT is due on the 26<sup>th</sup> day of the second month following the month of the import.

In the past, import VAT had to be paid immediately or until the 10<sup>th</sup> day after the import.

With a deferment account, the import VAT was due on the 16<sup>th</sup> day of the month following the month of the import.

This often led to liquidity disadvantages, as the import VAT could be reclaimed only by filing VAT returns.

## Requirements

In order to benefit from the extension, the taxpayer has to obtain a customs deferment account which is issued by the responsible customs office upon request (form 0580).

Certain documents must be submitted with the application (e.g. commercial register extract and a copy of the business registration).

## Consequences

Import VAT is under these conditions much later due than it has been in the past, thus eliminating the liquidity disadvantage. The deferral of import VAT payment can optimize liquidity management with the use of a deferment account.

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