



# Brexit Update: UK Businesses Claiming VAT Refunds in the Netherlands

If you are a UK business, and you have incurred VAT in the Netherlands or any other EU Member State (MS) after 31 December 2020, you can recover the VAT by submitting so-called “13th Directive procedure” claim.

It is possible to submit a claim over the last **5 years** in the Netherlands.

An appeal is possible only if the claim is submitted within certain time limits, see more details below.

No reciprocity is required in the Netherlands.

## Background

There are a lot of changes from 1 January 2021 as the UK is not anymore an EU Member State (MS). UK businesses cannot anymore submit 8th Directive online claims for the VAT costs made in EU MSs after 2020.

Any EU VAT incurred after 1 January 2021 will need to be recovered using the 13th Directive procedure under which the claim is submitted directly to the tax authorities of the EU MS where the VAT costs are incurred. These claims can be submitted by UK businesses subject to the specific rules applicable in particular EU MS. If you miss the deadline, the tax authorities of the particular EU MS may not accept the claim.

In the **Netherlands** the VAT refund claims could be made over last **5 years**. **No reciprocity** is required.

EU MSs have different rules to 13th Directive claims, some countries allowing a VAT refund to all non-EU businesses without requiring reciprocity, e.g. the Netherlands. The other EU MSs may require businesses a reciprocal treatment in the claimant's country and/or require to appoint tax agents/representatives as a condition to refund a VAT claim.

Exceptionally, as long as the specific Protocol for Northern Ireland (NI) is in force, businesses established in NI will be able to apply for VAT refunds for goods in the same way as EU residents, thus via online claim in their own country.

## Post 31 March 2021

Any EU VAT incurred after 1 January 2021 will need to be recovered using the 13th Directive procedure for **non-EU businesses** under which the claim is submitted directly to the tax authorities of the EU MS where the VAT costs are incurred.

## The Dutch VAT could be asked back over last 5 years

**VAT refund claims could be made over last 5 years.**

You can reclaim Dutch VAT within **five calendar years** from the end of the calendar year in which the VAT was incurred, however, in order to have the right to appeal the decision of the tax authorities, the claim must be submitted within the time limits. The time limit is **six months** after the end of the calendar year

In 2021, you can still reclaim VAT for the years 2016 until 2020. However, in order to have the right to appeal the decision of the tax authorities, the claim must be submitted within **six months** after the end of the calendar year (i.e. before 1 July) in which the VAT was incurred. Therefore, it is recommendable to submit your 13<sup>th</sup> Directive VAT refund request before **1 July** of the year following the year for which you claim a VAT refund.

**The following documents must be filed with the 13th Directive refund claim:**

- declaration of entrepreneurship, preferably from the tax administration in the country of establishment; and
- copies of invoices or import documents.

**Special status of Northern Ireland**

According to the Northern Ireland Protocol to the Withdrawal Agreement, Northern Ireland (NI) maintains alignment with the EU VAT rules for **goods**. From 1 January 2021, the EU legislation for VAT refunds continues to apply in Northern Ireland in respect of goods only (import of goods and purchase of goods). Taxable persons established in NI that paid incurred VAT on goods in the Netherlands and other EU MSs can continue filing refund requests via the online EU VAT refund system. NI and EU taxable persons incurring VAT expenses on **services** in the EU, or on invoices containing both goods and services, cannot reclaim this VAT under the EU VAT refund system. They should apply for a VAT refund under the specific VAT refund procedures for non-EU businesses as explained above.

**Grant Thornton's international indirect tax team and digital advisory team can assist you in your VAT refund claims as well as in any other VAT / customs matters, compliance and update of your systems and processes. Please contact us if you would like to discuss your options and possibilities.**



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**Contact**

Do you have questions or do you need more detailed information? Please do not hesitate to contact us.

**Aiki Kuldkepp**

Senior Manager VAT

T +31 (0)88 676 97 56

E [aiki.kuldkepp@nl.gt.com](mailto:aiki.kuldkepp@nl.gt.com)

**Robert-Jan Brethouwer**

Partner VAT

T +31 (0)88 676 95 64

E [robert-jan.brethouwer@nl.gt.com](mailto:robert-jan.brethouwer@nl.gt.com)