



VAT Communicator

– a UVS Quarterly Newsletter

Another Award for UVS

- * UVS is proud to announce that In 2018, UVS was declared a winner in the Metro Atlanta Chamber's Export Challenge



EUROPE Submission Deadline

- * We are rapidly approaching the next submission deadline for European countries – June 30, 2019. Please send us your invoices by March 30, 2019. That will give us adequate time to vet every invoice to check them for compliance. Do remember that we often contact your suppliers to rectify or certify non compliant invoices. The process takes time: it sometimes takes as much as two months to go through a complete list of non compliant invoices. 🚀



IRS Cooperates With HMRC To Resolve Deadlock

Our clients know that one of the documents required by Tax Authorities is the Tax Residency Certificate. It is issued by the IRS. Without the Certificate, VAT Authorities in Europe will not refund VAT. It is the one document that proves a company is paying Tax in the US and are therefore Tax resident in the Country.



Most of our US clients for whom we recover VAT in the UK know that in 2018 we ran into a difficult situation with Her Majesty's Revenue and Customs (HMRC). They refused to accept the Certificate from IRS without the full registered address of the client company written into the document. We know that with the IRS most of their routine procedures are written in stone. The whole VAT Recovery industry ran into a deadlock: all UK refunds were suspended until the issue was resolved. UVS took the lead in contacting the IRS. It was recommended that Raj Shah, President UVS, write to the Assistant Commissioner of the IRS in Washington DC., describing the issue and outlining the potential, cumulative loss to the US Treasury, as well as to US based Multinational companies, if refunds were suspended on the technical issue. It is of significance that for the US, the UK is the numero uno VAT refunding country. Raj also recommended to one of our Multinational clients, to write to the IRS Assistant Commissioner on how the loss of VAT refunds would affect their bottom line. They did; and we feel the IRS took note of their letter as well.

While all this was going on in the US, Raj flew to London to join a meeting with HMRC organized by the International VAT Association (IVA) to impress upon them that more time was needed to resolve the issue with IRS. The objective was to buy time from HMRC. Soon we had communications flying in different directions to resolve the issue.

The IRS read the writing on the wall and implemented an interim solution: HMRC has another Form ([VAT66A](#)), which the IRS agreed to sign. The IRS Tax Certificate submitted along with the Form VAT66A was acceptable documentation to HMRC to process VAT refunds.

We are now happy to report that we have once again started receiving refunds from HMRC. UVS played an important role in resolving the issue for clients in the USA. 🚀

VAT Refund in Gulf Cooperation Council Countries

The Gulf Cooperation Council (GCC) Countries (Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Bahrain and Oman), announced their VAT program back in 2017. They were to be implemented in January 2018. Only two countries implemented VAT on the scheduled date: they were the United Arab Emirates and surprisingly, the Kingdom of Saudi Arabia. It was understood at that time that eligible VAT on Business Travel, would be refunded. The UAE even mentioned on its official web page that applications for VAT refund would be accepted from April 01, 2019 for the fiscal year 2018.

However, at the moment of going to print, it is highly unlikely that the UAE will be ready for VAT refunds on corporate T&E expenditure by the date earlier indicated. The remaining GCC countries have not implemented VAT as yet (...continued)

Gulf Refunds (continued)

It is almost certain that Qatar will implement VAT, the Country has however stated that it will not do so in 2019.

UVS advises clients to retain the 2018 VAT invoices for the UAE and Saudi Arabia. We expect the Countries to make an announcement regarding VAT refunds on Business Travel fairly soon. 📧

Norway – VAT Refund Documentation

The Norway Tax Authority has announced that they will accept scanned or photocopied invoices for the purpose of VAT refund applications. We have also been informed that it is important to have the **Employee's name and the Company's address** on every invoice for them to process refunds. 📧

The Netherlands – increase in VAT rate

Holland has increased the VAT rate from 6 to 9% effective January 01, 2019.

The Country has a reputation for efficiently handling VAT refunds and on the first refund application, will even go back 5 years. 📧

Seeking Business Partners

UVS is on the lookout for proactive business partners and representatives in the USA and various other parts of the world. Ideal candidates would be Accounting firms, Travel Management Companies, Hotel Booking companies and Visa procurement entities.

If interested, please write to Raj Shah at raj@uvsvat.com or call telephone +1 404 395 8841 📧

Next VAT Communicator Issue:
Impact of BREXIT on UK VAT refund filing.

Recent UVS Success Stories

MULTINATIONAL UVS discovered that a client had been incorrectly charged US\$ 58,000 by an Ireland supplier. UVS successfully managed to reverse the charge. **Going forward, the client's recent invoice of US\$ 783,000 is exempt from US\$ 180,090 (23%) Irish VAT.**

ART GALLERY UVS submitted a claim for a **New York based Art Gallery** to the German VAT Authority who refused to refund on the basis that VAT should not have been charged by the supplier. UVS approached the German supplier with the rejection letter from the German VAT Authority and requested a direct refund to the client. In spite of several reminders, the supplier ignored the request to refund. UVS then contacted their German representative who drafted a letter in German, highlighting the VAT regulations of German VAT authority relating to such services, and demanded the supplier make the refund within thirty (30) days. The supplier promptly refunded the VAT. **The refund was € 9,913 or US\$ 11,300.**

CONCUR CLIENT **A USA client of UVS had moved into a paperless environment:** consequently, the client had eliminated travel related processes that required submissions of original T&E invoices. Her Majesty's Revenue and Customs (HMRC) in the United Kingdom, will not refund VAT to USA entities without original invoices. VAT Recovery became a challenge for UVS. We then decided to try and arrive at a solution through the Travel Management Company's **Hotel booking reports**. Armed with data from such reports, UVS was able to contact the various suppliers to obtain certified VAT invoices, and submit the claim to HMRC. **The client is awaiting a total refund close to UK £ 30,000.** 📧

Getting To Know Our Clients' Suppliers Better

A charter airline that regularly operates charters to Germany, is a client of UVS. Flight crews that regularly operate aircraft need to stay at hotels which it turn creates VAT expenditure. As the Company uses a Credit Card payment process, invoices were not so important in their accounting process. This poses a major refund challenge with the German VAT Authority who require original invoices.

To arrive at a workable solution during a recent trip to Germany, Raj decided to extend his stay by a few days to meet with several hotels. He impressed on them that they needed to assist our mutual client by providing original invoices. The hotels were additionally, given UVS' local German mailing address to make the process easy for them.

At UVS, we go the distance to get to know our clients' suppliers better to ensure the best cooperation to assist our mutual clients. 📧

A Mayfair London Challenge

A US client needs UVS to regularly acquire certified VAT invoices from hotels in the United Kingdom. Among their hotels, they tend to use a 5 Star hotel in the Mayfair area of Piccadilly in London. The hotel has over the years, made the process of certifying VAT invoices difficult. Nothing seemed to work: emails, telephone calls; nothing. Every attempt to get to the Director of Finance of the hotel got no where. On the verge of giving up the quest as a lost cause, one of the UVS staff decided to try his contacts in the Arabian Gulf. He contacted some Regional Directors of Sales he knew quite well to try to get through to the Hotel's Finance department. He was finally able to get in touch directly with the Hotel's Director of Finance. Result: nearly 60 invoices were certified within a few days and submitted to HMRC for refund.

At UVS we leave no stone unturned to obtain the VAT refunds for our clients. We often use personal contacts in various organizations to the benefit of our clients. 📧