

## ***Freightways: a group of companies that offers total, worldwide logistics***

***Freightways Tax & Customs Services B.V. advises in customs formalities and represents foreign companies as a fiscal representative. In cooperation with the other Freightways companies we offer our customers a total logistic concept.***

### **Freightways Tax & Customs Services**

Both an integrated European market and one currency, the Euro, have made it easy for foreign companies to enter the European market and behave as a European company. Freightways Tax and Customs Services specializes in all the technical aspects (fiscal and customs) required for international products flows. Freightways represents foreign companies for both fiscal and customs requirements, fulfilling all required obligations needed by European national authorities. In The Netherlands a foreign entrepreneur can be represented by a tax representative. The representative acts on behalf of the foreign entrepreneur in regards to the declaration and payment of Dutch VAT and other administrative obligations such as the so called listing and declaration for the Central Bureau of Statistics.

On behalf of the foreign entrepreneur, the representative performs the periodic domestic declaration of VAT in which the VAT due upon import is stated. In the same declaration however, the VAT due is deducted again. Thus nothing is paid on balance. In the normal import declaration VAT must be paid back simultaneously with the import. This can be claimed back from the Tax Department. The possibility of applying this arrangement entails a major liquidity and financial advantage for the foreign entrepreneur.

#### **Tax representative**

A license for a tax representative is only granted by the Dutch Tax Department under certain conditions.

The tax representative's administration needs to be sound enough to enable an adequate check of the foreign entrepreneur's actions.

The tax representative is also liable for the tax due and the accompanying interests on levy and collection as well as administrative fines. The tax representative must also give security.



#### **Value Added Tax for Import**

In The Netherlands it is possible to shift payment of VAT which is due in case of import to the periodic domestic declaration of the Dutch importer who has obtained a license to do so. By appointing a tax Representative a foreign entrepreneur can also avail himself of this possibility in The Netherlands.



## **2 Forms of representation**

### ***Tax representative with a limited license***

The limited tax representative may act on behalf of the foreign entrepreneur both for the import of goods and the ensuring delivery of the goods, i.e. the onward delivery to a buyer in the European Union.

A foreign entrepreneur may use the services of more than one limited representative.

By appointing a limited tax representative the individual registration of the foreign entrepreneur in The Netherlands becomes superfluous.

The limited tax representative is given a separate VAT identification number to be used on this declarations and to fulfill all other obligations. In connection with the shifting of VAT upon import, the limited tax representative states the VAT identification number on the import declaration. Then the levy is shifted to the limited tax representative's periodic VAT declaration.

The tax representative with a limited license must be able to submit a declaration proving that he has been authorized by the foreign entrepreneur to act as tax representative on his behalf.

### ***Tax representative with a general license***

The general tax representative may act on behalf of the foreign entrepreneur for the import and all the deliveries and services for which the foreign entrepreneur must pay VAT.

A foreign entrepreneur may only use the services of one general tax representative. When using this type of tax representation, the foreign entrepreneur must also be registered in The Netherlands himself.

A general tax representative has one license per foreign entrepreneur to shift the VAT on import. The foreign entrepreneur is obliged to appoint a general tax representative if he makes distance sales to The Netherlands which are taxed in The Netherlands.

Distant sales are sales in which goods are transported by or at the expense of the supplier to a buyer in another EU country who has no VAT identification number.

The request to act as a general tax representative must be accompanied by an authorization from the foreign entrepreneur.

## ***Freightways Tax & Customs Services consist of:***

- ***Limited license tax representation***
- ***General license tax representation***
- ***Periodic domestic VAT declarations & administration***
- ***EU sales listings***
- ***Intrastat statistic reports***

